THRACE PLASTICS CO S.A.

ANNUAL FINANCIAL REPORT

1/1-31/12/2019

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

19

General Commerce Reg. No. 12512246000

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THRACE GROUP

Information regarding the preparation of the Annual Financial Report for the period from January 1stto December 31st 2019

The present Financial Report, which refers to the period from 1.1.2019 to 31.12.2019, was prepared in accordance with the provisions of article 4 of L.3556/2007 (Gov. Gaz. 91A'/30-04-2017), of Law 4548/2018 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 CO S.A." ("Company") on April 29th, 2020, 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:

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- 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 2019 to December 31st 2019, 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 2019 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, 29 April 2020

THE SIGNATORIES

The Chairman of the Board of Directors and Chief Executive Officer	The Deputy CEO & Executive Member of the Board of Directors	The Non-Executive Member of the Board of Directors
Konstantinos St. Chalioris	**Dimitris P. Malamos**	**Vasileios S. Zairopoulos**

II. ANNUAL REPORT BY THE BOARD OF DIRECTORS OF THRACE PLASTICS CO S.A. ON THE FINANCIAL STATEMENTS OF THE YEAR FROM 1-1-2019 TO 31-12-2019

INTRODUCTION

The present Annual Management Report by the Board of Directors (hereinafter also for abbreviation purposes "Report") refers to the fiscal year 01.01.2019 – 31.12.2019. The Report was prepared in accordance with the relevant provisions of Law 4548/2018 (GOV. GAZ. 104A΄/13.06.2018) as it is currently in force 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.

It is noted that with regard to the time of its publication, except for the closing, it is governed by the provisions of the Act of Legal Content 75 / 30.3.2020 (Article 8th).

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 2019 financial statements, the required by law data and statements in the Annual Financial Report, which concern the financial year ended on 31 December 2019.

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

SECTION I: Significant events that took place during the financial year 2019

Decisions of the Annual Ordinary General Meeting of Shareholders on 18th May 2019

Among other issues and beyond the typical issues and approvals granted, the shareholders approved the distribution (payment) of dividend from the earnings of the closing year 2018 as well as from the earnings of previous years. Specifically, the Meeting approved the distribution of an amount of 1,944,000 Euros (gross amount), or 0.044443 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 0.044447 Euro. From the above amount, the corresponding tax of 10% 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 0.040023 Euro per share.

The payment of the dividend started on Wednesday, June 26, 2019 and was made through Piraeus Bank SA.

Issuance of Tax Certificate for the Year 2018

In October 2019, after the completion of the special tax audit for the fiscal year 2018, 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.

Internal Restructuring of the Group's Participations

In November 2019, the Company informed the investors' community that in the context of the internal restructuring of the Group's holdings, which was initiated in the second half of 2018, with the aim of optimizing the production and distribution network of its products and focusing on markets and products that maximize returns, the Management decided the following:

(a) The permanent cessation of the labor intensive manufacturing process of woven mega sacks(FIBC) in Sofia, Bulgaria (comprising a business activity under Thrace Ipoma AD), and the replacement of the volume produced by existing and new sub-contractors.

(b) The subsequent strategic focus on Europe's activities by reducing the presence in the geotextile market of America. For this reason, it was decided to transfer the needle-punch production line from the wholly owned by 100% subsidiary Thrace Linq Inc which is headquartered in South Carolina, USA, to the wholly owned by 100% subsidiary Don & Low Ltd, based in Forfar, Scotland, with the aim of strengthening and further consolidating the Group's products in the markets of UK and Northwestern Europe. The transfer of the production line commenced by the end of 2019 and its installation in operation status is expected to complete within the third quarter of 2020.

(c) The share capital increase of the subsidiary Don & Low Ltd, by GBP 3 million, which was fully subscribed by the Company in order to cover the costs of transporting and installing the non-woven production line (needle-punch), as well as securing the working capital needed to operate the line.

The above mentioned internal restructuring of the Group's holdings aims at further improving the Group's financial results.

The Group is in the process of selling the industrial property that houses ThraceLinq. The subject property on 31.12.2019 has been transferred from the Intangible Fixed Assets to the Fixed Assets held for sale.

New Investments

For the entire fiscal year 2019, investments of a total amount of EUR 22,126 were implemented, of which EUR 14,021 concerned investments in the Technical Fabrics sector and EUR 8,105 concerned investments in the Packaging sector. Investments were also made in the joint ventures in which the Group participates. The Group's participation in joint ventures' investments amounted to EUR 1,073.

Election of a New Board of Directors and Audit Committee / Audit Committee Appointment / Articles of Association Harmonization

The Extraordinary General Meeting of the Company's shareholders on March 19, 2019, among other issues on the agenda:

It approved by a majority the election of a new eleven-member (11-member) Board of Directors with a five-year term, extending until the deadline within which the next Ordinary General Meeting must convene. The Board of Directors consisted of the following members:

1) Konstantinos Chalioris of Stavros, 2) Christos - Alexis Komninos of Konstantinos, 3) Georgios Braimis of Pericles, 4) Dimitrios Malamos of Petros, 5) Vassilios 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.

Simultaneously with the same majority decision, the Extraordinary General Meeting appointed as independent members of the Board of Directors, in accordance with the provisions of Law 3016/2002, as in force today, Messrs: 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.

It also approved by a majority the appointment of an Audit Committee in accordance with the provisions of Article 44 of Law 4449/2017, which consists of the following three (3) natural persons, namely Messrs. 1) Georgios Samothrakis of Panagiotis, 2) Konstantinos Gianniris of Ioannis and 3) Ioannis Apostolakos of Georgios.

Finally, it unanimously approved the amendment and supplementation of the provisions of the Company's Articles of Association for the purpose of adaptation and harmonization with the provisions of Law 4548/2018, as in force today, precisely in the form in which the adjusted and harmonized provisions were announced by the Company in accordance with article 123 par. 4 of law 4548/2018.

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.

Financial Risk Management

The financial assets used by the Group consist mainly of bank deposits, overdraft bank accounts, accounts receivable, accounts payable and loans.

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 so that the particular risk is relatively controlled. In any case based on the current evidence, the above mentioned risk is deemed as controllable .

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. 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.

However, in view of the establishment of long-term relationships of trust with customers and the absence of significant doubtful receivables so far, due to the creditworthiness criteria applied by the Group and the Company, this risk is assessed as controlled.

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 annual 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 at 31/12/2019.

Maturity of Trade Receivables at 31/12/2019	Group
01 – 30 days	17,848
31 – 90 days	32,584
91 – 180 days	7,037
180 days and over	6,500
Subtotal	**63,969**
Provisions for doubtful receivables	(6,541)
Total	**57,428**

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

Analysis of delayed customer receivables at 31/12/2019	Group
Overdue receivables	44,182
Overdue receivables 1 – 30 days	9,373
Overdue receivables 31 – 90 days	3,197
Overdue receivables above 91 days	7,217*
Subtotal	**63,969**
Provisions for doubtful receivables	(6,541)
Total	**57,428**

* *From the amount of € 7,217, the amount of € 6 concerns amounts due for payment from joint ventures and subsidiaries for which no provisions have been 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 2018 are presented in the following tables.

Maturity of Trade Receivables at 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**

Amounts in thousand Euro, unless stated otherwise

Analysis of delayed customer receivables at 31/12/2018	Group
Overdue 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 receivables	(6,685)
Total	**53,603**

**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.*

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 by an appropriate and immediate manner. The management of liquidity risk is applied by maintaining cash equivalents and approved bank credits. During the preparation date of the annual 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 bank debt 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 31/12/2019	Up to 1 month	1-6 months	6-12 months	1-3 Years	Over 3 years	Total
Suppliers	17,180	19,007	-	-	-	**36,187**
Other short-term liabilities	8,600	7,097	564	-	-	**16,261**
Short-term debt	3,946	17,027	22,523	-	-	**43,496**
Liabilities from leasing (short-term part)	405	1,883	2,485	-	-	**4,773**
Long-term debt	-	-	-	29,367	23,504	**52,871**
Liabilities from leasing (long-term part)	-	-	-	3,632	807	**4,439**
Other long-term liabilities	-	-	-	93	-	**93**
Total 31.12.2019	**30,131**	**45,014**	**25,572**	**33,092**	**24,311**	**158,120**

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	6,702	778	-	-	**18,132**
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**	**72,078**	**28,005**	**11,085**	**18,146**	**159,576**

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 (amounts are expressed in thousand).

Foreign Currency	2019			2018		
Change of foreign currency against Euro * Profit before tax	USD	GBP	Other	USD	GBP	Other
+5%	(1.012)	(331)	(6)	(659)	(62)	3
-5%	1.118	365	7	729	69	(3)
Equity						
+5%	(439)	649	(207)	106	460	(186)
-5%	486	(718)	229	(118)	(508)	205

**Note*

- *Profit before Taxes are converted at the average exchange rates.*
- *Equity is converted at the exchange rate at the closing date of each fiscal year.*

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 Greek and foreign 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 (amounts in Euro thousand):

Possible interest rate change	Effect on Earnings before Tax	
	2019	**2018**
Interest rate increase 1%	**(1.055)**	(1.012)
Interest rate decrease 1%	**1.055**	1.012

Capital Adequacy Risk

The Group controls capital adequacy using the net debt to operating profit ratio and the net 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	
	2019	**2018**
Long-term debt	52,871	29,136
Long-term debt from leases	4,439	-
Short-term debt	43,496	72,050
Short-term debt from leases	4,773	-
Total debt	**105,579**	**101,186**
Minus cash & cash equivalents	22,051	22,824
Net debt*	**83,528**	**78,362**
EBITDA	**28,745**	**27,500**
NET DEBT / EBITDA	**2,91**	**2,85**
EQUITY	**146,349**	**141,615**
NET DEBT / EQUITY	**0.57**	**0.55**

** The Net Debt was burdened with an amount of € 1,333 in year 2019 from the application of IFRS 16.*

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. On 31/12/2018 the British Pound was valued at € 0.8945 and on 31/12/2019 at € 0.8508.

The Management considers that any change in the exchange rate concerning BREXIT has been fully incorporated into the change so far.

Given that the terms of the country's withdrawal from European Union and what the institutional framework will be after Brexit remain unclear, whether there will be an impact on the Group's subsidiaries will depend significantly on the rules to be imposed, given that a significant part of the sales of subsidiaries operating in the UK are realized towards customers within the UK.

In any case, the Management systematically and continuously evaluates the data in order to take the necessary and appropriate measures, and in order to minimize the effects of Brexit on the business activity, the results and the performance of the Group.

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 2019

b) Their unpaid balance at the end of the year (31.12.2019)

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.

Income	
Don & Low	1,082.1
Thrace NW & Geosynthetics	1,384.6
Thrace Polyfilms SA	297.2
Thrace Plastics Pack	662.9
Thrace Ipoma	338.6
Synthetic Holdings	291.5
Synthetic Packaging	168.6
Thrace Polybulk AB	247.4
Thrace Polybulk AS	175.2
Thrace Linq	276.7
Total	**4,924.7**

Customers - Receivables	31.12.2019
Thrace NW &Geosynthetics	6,654.1
Synthetic Packaging Ltd	164.3
Total	**6,818.4**

Suppliers - Liabilities	31.12.2019
Thrace Plastics Pack	1,000.0
Total	**1,000.0**

- The remuneration of the executives and members of the Board of Directors for the Parent Company amounted to € 2,118 in 2019 compared to € 2,183 in 2018 while for the Group to € 5,344 in 2019 compared to € 5,511 in 2018.
- 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 long-term loans. As of 31.12.2019 the outstanding amount for which the Company has guaranteed amounted to € 66,691 and is analyzed as follows:

Amounts in thousand Euro, unless stated otherwise

Guarantees in favor of Subsidiaris	2019
Thrace Nonwovens & Geosynthetics S.A.	23,900
Thrace Greenhouses S.A.	2,629
Thrace Plastics Pack S.A.	23,223
Thrace Polyfilms	9,065
Synthetic Holdings	7,874

- During the fiscal year 2019, the total fees paid to the Company's legal auditors amounted to € 624 for the Group and to € 66 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 2019.
- 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 31.12.2019 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.

Amounts in thousand Euro, unless stated otherwise

All Company shares are common, registered, with voting rights (under the reservation of any treasury shares held by the Company), 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 and are being traded on this market up until today. 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 full and with no reservations 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 31/12/2019, a percentage of 43.292% of the Company's share capital and voting rights and Mrs. Eufimia Chalioris holds, on 31/12/2019, 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, and until its expiration, the Company acquired 4,324 own shares.

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 held already 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).

The Company has not started the implementation of the particular plan until the date of preparing this Report.

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 2019, compared to 2018:

	2019	2018	% Change
Turnover	**327,795**	**322,733**	***1.6%***
Gross Profit	**63,548**	**63,225**	***0.5%***
Gross Profit Margin	***19.4%***	***19.6%***	
Other Operating Income	1,981	2,390	*-17.1%*
As % of Turnover	*0.6%*	*0.7%*	
Distribution Expenses	31,156	31,312	*-0.5%*
As % of Turnover	*9.5%*	*9.7%*	
Administrative Expenses	17,204	16,823	*2.3%*
As % of Turnover	*5.2%*	*5.2%*	
Research & Development Expenses	1,568	2,133	*-26.5%*
As % of Turnover	*0.5%*	*0.7%*	
Other Operating Expenses	4,257	2,156	*97.4%*
As % of Turnover	*1.3%*	*0.7%*	
Other Income / (Losses)	758	506	*49.8%*
EBIT*	**12,102**	**13,697**	***-11.6%***
EBIT Margin	***3.7%***	***4.2%***	
EBITDA*	**28,745**	**27,500**	***4.5%***
EBITDA Margin	***8.8%***	***8.5%***	
Adjusted EBITDA*	**30,606**	**28,986**	***5.6%***
Adjusted EBITDA Margin	***9.3%***	***9.0%***	
Financial Income / (Expenses)	-4,920	-4,547	*8.2%*
Income/(Expenses) from Companies consolidated with the Equity Method	1,166	855	*36.4%*
EBT	**8,348**	**10,005**	***-16.6%***
EBT Margin	***2.5%***	***3.1%***	
Income Tax	4,331	1,976	*119.2%*
Total EAT	**4,017**	**8,029**	***-50.0%***
EAT Margin	***1.2%***	***2.5%***	
Minority Interest	301	308	
Total EATAM	**3,716**	**7,721**	***-51.9%***
EATAM Margin	***1.1%***	***2.4%***	
Earnings per Share (in euro)	**0.0850**	**0.1765**	***-51.8%***

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

Amounts in thousand Euro, unless stated otherwise

Turnover **€ 327,795(+1.6%)**

The consolidated Turnover for the fiscal year 2019 amounted to € 327,795 compared to € 322,733 in 2018 (+1.6%). In particular, the Turnover of the Technical Fabrics Unit amounted to € 240,604 in year 2019 compared to 243,980 in 2018 (-1.4%) and of the Packaging Unit settled at € 94,895 in 2019 compared to € 91,642 in 2018 (+ 3.5%).

The sales volume of the Group amounted to 121,332 tons in 2019 compared to 121,867 tons in 2018, posting a decrease of 0.4%. In particular, the sales volume in the Technical Fabrics Unit reached 90,305 tons in 2019 compared to 93,458 tons in 2018 (-3.4%) and in the Packaging Unit settled at 35,673 tons in 2019 compared to 34,447 tons in 2018 (+ 3.6%). The changes in the Technical Fabrics Unit are mainly due to the closure of the mega sacks factory in Bulgaria and the reduction in sales of subsidiaries in Scotland and the United States. On the contrary, the rise in the Packaging Unit came mainly from the Greek market, due to an increase in sales volume in the food and paint industries.

Gross Profit ***€ 63,548(+0.5%)***

Gross Profit Margin stood at 19.4% in year 2019 compared to 19.6% in year 2018. In the Technical Fabrics unit, the Gross Profit margin settled at 17.8% versus 18.2% in 2018, whereas respectively in the Packaging unit the respective Gross profit margin settled at 21.5% compared to 19.9% in 2018.

Other Operating Income ***€ 1,981 (-17.1%)***

Specifically the analysis of the Other Operating income during the fiscal year 2019 compared to the year 2018 is presented below:

	2019	2018
Grants *	**240**	265
Rental Income	**620**	539
Macquette income	**22**	273
Reverse entry of non-utilized provisions	**218**	179
Income from Electric energy management programs	**712**	521
Other operating income	**169**	613
Total	**1.981**	**2.390**

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

Distribution Expenses ***€ 31,156(-0.5%)***

As percentage of Turnover, Distribution Expenses stood at 9.5% in 2019 versus 9.7% in 2018.

Amounts in thousand Euro, unless stated otherwise

Administrative Expenses ***€ 17,204 (+2.3%)***

As percentage of Turnover, Administrative Expenses stood at 5.2%, meaning at the same level with the year 2018.

Research & Development Expenses ***€ 1,568 (-26.5%)***

The Research and Development Expenses stood at 0.5% of Turnover in 2019 versus 0.7% in 2018.

The particular activity mainly concerns the development of new products and includes expenses for the following:

a) Preparation of study and determination of specifications of new materials and products.

b) Purchase of consumables and use of equipment for the production of samples of new products.

c) Presentation of new products to existing and new customers.

d) Payroll of the Research and Development Division.

Other Operating Expense ***€ 4,257 (+97.4%)***

The analysis of the other operating expenses in year 2019 compared to the year 2018 is presented below:

Other Operating Expenses		Group
	2019	**2018**
Provisions for doubtful receivables	**47**	61
Other taxes and duties not incorporated into the operating cost	**220**	180
Depreciation - amortization	**644**	45
Personnel indemnities	**412**	110
Commissions / other banking expenses	**188**	98
Expenses for the purchase of maquettes	**129**	376
Other operating expenses	**184**	139
Sub-Total	**1,824**	1,009
Extraordinary Non-Recurring Expenses	**2,426**	1,147
Total	**4,257**	**2,156**

Amounts in thousand Euro, unless stated otherwise

Analysis of Extraordinary Non-Recurring Expenses	Group	
	2019	**2018**
Fixed Assets Impairment ThraceLinq	**1,285**	-
Personnel Indemnities ThraceLinq	**393**	-
Restructuring Expenses Thrace Ipoma	**206**	-
Personnel Indemnities Don & Low	**549**	-
Extraordinary pension plan cost of previous years in the United Kingdom	**-**	686
Personnel Indemnities Thrace Nonwovens & Geosynthetics		325
Personnel Indemnities Evisak		136
Total	**2,433**	**1,147**

In the context of the restructuring of the business activities of the Group's companies, the following expenses arose:

ThraceLinq fixed assets impairments:
The Group decided to transfer one of the three machineries related to Geosynthetic fabrics of the subsidiary ThraceLinq to Don & Low LTD. As a result, there has been impairment in the value of tangible and intangible fixed assets by € 1,285, which mainly includes machinery's initial installation costs to ThraceLinq (note 3.33).

Thrace Linq Personnel Indemnity:
The expenditure of € 393 concerns provisions for indemnities granted to the personnel of Thrace Linq and relates to the planned cessation of its operation within the year 2020 (note 3.33).

Thrace Ipoma Restructuring Costs:
They concern the operating reorganization of Thrace Ipoma and in particular relate to the definitive cessation of the intensive labor production process of woven mega sacks (FIBC) in Sofia, Bulgaria (comprising a business activity under Thrace Ipoma AD), and the replacement of the volume produced by existing and new sub-contractors.

Don & Low Personnel Indemnity:
It concerned the operating reorganization of the company Don & Low. This company reduced its presence in the Woven technical fabrics market while it increased its production capacity in the Non-woven technical fabrics. These expenses relate mainly to personnel indemnities.

Other Earnings ***€ 758 (+49.8%)***

Amounts in thousand Euro, unless stated otherwise

Other earnings of €758 thousand mainly concern sales of fixed assets. It is noted that the amount included an extraordinary profit of € 640 that derived from the sale of fixed assets of Don & Low LTD and an extraordinary loss of € 68 which came from the sale of fixed assets of Thrace Ipoma. The above sales were made in the context of the reorganization of the two companies.

EBIT ***€ 12,102 (-11.6%)***

EBIT margin settled at 3.7% in 2019 versus 4.2% in 2018.

EBITDA ***€ 28,745 (+4.5%)***

EBITDA margin settled at 8.8% in 2019 versus 8.5% in 2018.

Adjusted EBITDA ***€ 30,606 vs € 28,986 (+5.6%)***

Adjusted EBITDA has been derived due to the deduction of non-recurring expenses which were recorded within the fiscal year 2019 and are not related to the Group's ordinary operating activities. Specifically the non-recurring expenses of the year 2019 are analyzed as following:

a) An expense of €1,679 resulted from the impairments and provisions for indemnities in the Group's company, Thrace Linq. Specifically, the Group decided to discontinue the business activity of the above company within 2020 and to cover the market of Geosynthetic fabrics in the USA through the subsidiary companies located in Greece and Scotland. For this reason, the company proceeded with the necessary impairments and provisions. The Group is also in the process of selling the industrial property that houses Thrace Linq and for this reason the specific fixed asset has been reclassified from the Tangible Fixed Assets to the Fixed Assets held for sale.

b) Expense of €273 relating to the operational reorganization (restructuring) of Thrace Ipoma and in particular to the definitive cessation of the labor-intensive production of woven mega sacks (FIBC) in Sofia, Bulgaria (comprising a business activity under Thrace Ipoma AD), and the replacement of the volume produced by existing and new sub-contractors.

c) Income of €91 concerns the operational reorganization of the subsidiary company Don & Low. This company reduced its presence in the Woven Technical Fabrics market while it increased its production capacity in the Non-Woven Technical Fabrics. In this context, there were profits generated from the sale of looms amounting to €640 and expenses from staff indemnities of €549.

The non-recurring expenses of the fiscal year 2018 were the following:

a) Amount of € 686 concerned 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 concerned the operating restructuring of the companies Thrace Nonwovens & Geosynthetics SA and EL.VIS. SA.

Financial Results ***(€ 4,920) (+8.2%)***

The following table presents the analysis of financial income and expenses during the year 2019 compared to the year 2018.

Financial Income	2019	2018
Interest and similar income	**17**	142
Foreign exchange differences	**401**	1,792
Total	**418**	**1,934**

Financial Expenses	2019	2018
Debit interest and similar expenses	**(4,060)**	(4,366)
Foreign exchange differences	**(556)**	(1,404)
Financial result of pension plans	**(722)**	(711)
Total	**(5,338)**	(6,481)

The increase in Financial Expenditures is due to the negative exchange rate differences resulting from the change of GBP against the EURO and USD.

Profit from the companies that are consolidated with the Equity method ***€ 1,166 (+36.4%)***

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) ***€ 8,348 (-16.6%)***

EBT Margin settled at 2.5% in 2019 compared to 3.1% in 2018.

Earnings after Taxes (EAT) ***€ 4,017 (-50.0%)***

Amounts in thousand Euro, unless stated otherwise

EAT Margin settled at 1.2% in 2019 compared to 2.5% in 2018.
The increase in the tax rate on the pre-tax profits is due to the losses of Thrace Linq, Don & Low LTD and Synthetic Holdings, for which the Group has not formed a deferred tax receivable.

Earnings after Taxes and Minority Interest (EATAM) ***€ 3,716 (-51.9%)***

EATAM Margin settled at 1.1% in 2019 compared to 2.4% in 2018.

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 the year 2019, the Company's Turnover for the provision of the above services amounted to €4,993 compared to €4,896 in 2018, posting an increase of 2.0%. The loss before Taxes, Financial and Investment Results amounted to €580 in 2019 versus a Loss of € 89 thousand in 2018. Profit before Tax for the year 2019 amounted to € 2,301 thousand in relation to € 683 thousand in year 2018, showing an increase of 236.9%. Finally, Profits after taxes in 2019 amounted to € 2,266 compared to € 451 in 2018, posting an increase of 402.4%.

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

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

It includes the Agricultural sector and the business activity of the Parent company which, as already mentioned apart from the investment activities, also provides Administrative – Financial – IT services to its subsidiaries.

Sector	Technical Fabrics			Packaging			Other		Eliminations		Group	
	2019	2018	*% Change*	**2019**	2018	*% Change*	**2019**	2018	**2019**	2018	**2019**	2018
Turnover	**240,604**	243,980	*-1.4%*	**94,895**	91,642	*3.5%*	**4,993**	4,896	**(12,697)**	(17,785)	**327,795**	322,733
Gross Profit	**42,736**	44,310	*-3.6%*	**20,437**	18,220	*12.2%*	**404**	354	**(29)**	341	**63,548**	63,225
Gross Profit Margin	***17.8%***	*18.2%*		***21.5%***	*19.9%*		***8.1%***	*7.2%*	**-**	-	***19.4%***	*19.6%*
Total EBITDA	**15,745**	15,528	*1.4%*	**13,280**	11,978	*10.9%*	**(264)**	78	**(16)**	(84)	**28,745**	27,500
EBITDA Margin	***6.5%***	*6.4%*		***14.0%***	*13.1%*		**-**	-	**-**	-	***8.8%***	*8.5%*

4. Consolidated Balance Sheet of the Group

The following table summarizes the basic information of the Group's financial position as of 31.12.2019:

	31.12.2019	**31.12.2018**	***% Change***
Tangible Fixed Assets	123,210	135,963	*-9.4%*
Right-of-use Assets	14,972	0	-
Investment Property	113	113	*0.0%*
Intangible Assets	11,350	11,567	*-1.9%*
Interests in Related Companies	14,547	13,355	*8.9%*
Other Long-term Receivables	5,091	5,087	*0.1%*
Deferred Tax Assets	833	935	*-10.9%*
Total Fixed Assets	**170,116**	**167,020**	***1.9%***
Inventories	**59,158**	66,896	*-11.6%*
Income Tax Prepaid	**588**	2,058	*-71.4%*
Trade Receivables	**57,428**	53,603	*7.1%*
Other Receivables	**7,844**	7,824	*0.3%*
Fixed Assets held for Sale	**6,155**	-	-
Cash & Cash Equivalents	**22,051**	22,824	*-3.4%*
Total Current Assets	**153,224**	**153,205**	***0.01%***
TOTAL ASSETS	**323,340**	**320,225**	***1.0%***

Amounts in thousand Euro, unless stated otherwise

Shareholders' Equity	**143,378**	138,935	*3.2%*
Minority Interest	**2,971**	2,680	*10.9%*
TOTAL EQUITY	**146,349**	**141,615**	***3.3%***
Long-term Loans	**52,871**	29,136	*81.5%*
Liabilities from Leases	**4,439**	-	-
Provisions for Employee Benefits	**15,252**	15,468	*-1.4%*
Other Long-term Liabilities	**2,636**	2,269	*16.2%*
Total Long-term Liabilities	**75,198**	**46,873**	***60.4%***
Short-term Bank Debt	**43,496**	72,050	*-39.6%*
Liabilities from Leases	**4,773**	-	
Suppliers	**36,187**	40,163	*-9.9%*
Other Short-term Liabilities	**17,337**	19,524	*-11.2%*
Total Short-term Liabilities	**101,793**	**131,737**	***-22.7%***
TOTAL LIABILITIES	**176,991**	**178,610**	***-0.9%***
TOTAL EQUITY & LIABILITIES	**323,340**	**320,225**	***1.0%***

Fixed Assets ***€ 170,116 (+1.9%)***

It is noted that due to the application of IFRS 16 during the fiscal year 2019, part of the fixed assets was transferred to the line "Right-of-Use Assets".

Current Assets ***€ 153,224 (+0.01%)***

Inventories amounted to € 59,158 on 31.12.2019 decreased by 11.6% compared to 31.12.2018.

The average inventories turnover ratio settled at 87 days compared to 89 in 2018.

Trade Receivables amounted to € 57,428 increased by 7.1% compared to 31.12.2018.

The average Trade Receivables Turnover ratio settled at 62 days compared to 63 days in 2018

Equity ***€ 146,349 (+3.3%)***

Equity settled at € 146,349 posting an increase of 3.3% compared to 31.12.2018.

Provisions for Employee Benefits ***€ 15,252 (-1.4%)***

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.

Amounts in thousand Euro, unless stated otherwise

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

	31.12.2019	31.12.2018
Present Value of Liabilities	153,268	136,389
Present Value of Fixed Assets	140,574	123,197
Net Liability Recognized in Balance Sheet	**12,694**	**13,192**

The Asset allocation of the plan is as follows

Asset allocation	31.12.2019	31.12.2018
Mutual Funds (Stock Market)	15,615	13,304
Mutual Funds (Bond Market)	71,292	63,086
Mutual Funds (Diversified Growth Funds)	50,752	44,986
Other	2,915	1,822
Total	**140,574**	**123,197**

The assets of the plan are measured at fair value and mainly consist of Mutual Funds of Baillie Gifford.

Net Debt ***€ 83,528 (+6.6%)***

The Net Debt to Equity ratio settled at 0.57x compared to 0.55x on 31.12.2018.

Net Debt was burdened by an amount of € 1,333 in year 2019 due to the adoption of IFRS 16.

Suppliers ***€ 36,187 (-9.9%)***

The average Suppliers Turnover Ratio settled at 53 days versus 54 days in 2018.

5. Financial Ratios

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

Amounts in thousand Euro, unless stated otherwise

Capital Structure Ratios	2019	2018	Explanation
Total Liabilities / Equity	1.2	1.3	Relation between Liabilities and Equity
Net Debt / Equity	0.6	0.6	Relation between Bank Debt and Equity
Net Debt/EBITDA	2.9	2.9	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	1.0	The level of financing of the Tangible Assets from the Equity
Leverage Ratios	**2019**	**2018**	
Equity / Total Assets	0.5	0.4	Relation between Equity and Total Assets
Interest Coverage	30	3.2	Debit Interest – Credit Interest Coverage from Operating Earnings (EBIT)
Liquidity Ratios	**2019**	**2018**	
Current Ratio	1.5	1.2	Total Current Assets / Total Short-term Liabilities
Acid Test Ratio	0.9	0.7	(Total Current Assets - Inventories) / Total Short-term Liabilities
Profit Margins (%)	**2019**	**2018**	
Gross Profit	19.4%	19.6%	Gross Profit/Total Turnover
EBITDA	8.8%	8.5%	EBITDA/ Total Turnover
Adjusted EBITDA	9,3%	9,0%	Adjusted EBITDA / Total Turnover
EBT	2.5%	3.1%	Earnings before Taxes/ Total Turnover
EATAM	1.1%	2.4%	Earnings after Taxes and Minorities / Total Turnover
Receivables and Turnover (in days)	**2019**	**2018**	
Average Customer Turnover	62	63	[(Customers 2019 + Customers 2018)/2] / Turnover 2018*365 days
Average Inventory Turnover	87	89	[(Inventories 2019+ Inventories 2018)/2] / Cost of Sales 2018*365 days
Average Suppliers Turnover	53	54	[(Suppliers 2019 + Suppliers 2018)/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 after restructuring expenses, merger and acquisition expenses and other non-recurring expenses have been deducted.

SECTION VIII: Prospects and Outlook of the Group for the Financial Year 2020

The uncertainty in the broader macroeconomic and financial environment along with the volatile business climate as well as the effects of the spread of the COVID-19 pandemic, are risk factors that do not allow for reliable assessments regarding the Group's future performance. At the same time, the Management continues to monitor and assess these risk factors. Especially in relation to the effects of the pandemic and the potential recession it has already had on the local economies, the impact that it would have on the Group's financial statements cannot be accurately estimated. In any case, the Management evaluates the data on an ongoing basis in order to ensure that all necessary and possible measures and actions are taken in order to reduce the negative effects on the Group's business activity, as a result of this event.

In relation to the current financial conditions, the improved financial results of the first quarter of 2020, compared to the previous financial year, will increase the capability of limiting potential risks, if they arise in the future.

Regarding the second quarter financial performance, the Group does not face significant impact from the adverse conditions due to the spread of the pandemic. This development derives from the fact that the decreased product sales in sectors with limited activity (e.g. catering, tourism), are counterbalanced by the increased sales of products that demonstrate significantly increased demand, as they relate to the areas of personal health protection, hygiene and food packaging and for which demand is expected to remain high in the near future..

Maintaining the Group's strong capital structure and the necessary liquidity, combined with continuous monitoring of the operating parameters and the action plan developed in a timely manner, are necessary conditions to reduce the potential negative effects due to the spread of the pandemic and to ensure operational and business continuity. The Management of the Group takes all the necessary decisions and actions and continues to work towards this direction.

SECTION IX: Events after the Balance Sheet Date

There are no other significant events that took place from the end of the closing year 2019 until the preparation date of the present Report, which are worthy of reporting, except for the following:

Macroeconomic Environment and the Impact of COVID-19

In early 2020, there was a global outbreak of COVID-19 which brought changes in global supply and demand, including Greece and other countries in which the Group operates. The impact of the spread of COVID-19 on the financial statements is a non-corrective event and is also subsequent to the balance sheet date of 31 December 2019.

The uncertainty in the macroeconomic and financial environment along and the volatile business climate are risk factors that the Group is constantly evaluating. At the same time, the broader developments both across the globe and in Greece at the levels of society and economy as a result of the pandemic of COVID-19, comprise an additional risk factor, which may affect the future results and financial performance of the Group.

The overall impact of the pandemic on the economies of the countries which the Group operates in, as well as the duration of the recession and the restrictive measures taken on a case-by-case basis, remain uncertain. At the same time, governments, both locally and across the European Union, have taken significant steps to support local economies and reduce potential recessionary risks.

To date, the Group does not face significant impact from the adverse conditions due to the spread of the pandemic. This development is a result of the fact that the decreased product sales in sectors with limited activity (e.g. catering, tourism), are counterbalanced by the increased sales of products that demonstrate significantly increased demand, as they relate to the areas of personal health protection, hygiene and food packaging and for which demand is expected to remain high in the near future.

The Management of the Group has formed a framework of actions, which have already been implemented in all areas of operation, such as: Hygiene and safety (based on the instructions of local health authorities), personnel management, production, supply chain, transaction cycle, liquidity, in order to deal with potential risks in these areas of business operation.

More specifically, specialized teams have been developed to monitor all relevant developments and assess the possible effects of COVID-19, having developed and fully implemented a plan to ensure health and safety as well as operational continuity, according to local health protocols.

At the same time, regarding the level of liquidity, the Group has taken additional measures to maintain the necessary, based on the conditions, liquidity level and has increased the level of daily monitoring of liquidity and the total transaction cycle.

The return to economic stability and normality depends largely on the duration of the pandemic and on the actions and decisions taken by governments in Greece and abroad alike.

The Management constantly assesses the conditions and their possible implications, in order to ensure that all necessary and appropriate measures as well as actions have been taken in time to limit potential impacts on the Group's activities and to also ensure its smooth business continuity. In any case and up until today, the financial repercussions of the pandemic cannot be estimated accurately and reliably.

Change in the Composition of the Board of Directors

The Board of Directors of the Company, during its meeting held on 10.01.2020, accepted the resignation of Mr. Georgios Braimis, Executive Member of the Board of Directors, who left the Group and submitted his resignation as executive member of the Board of Directors. During the same meeting on 10.01.2020, the Board of Directors decided in accordance with article 8 of the Company's Articles of Association and article 82, par. 2 of Law 4548/2018 the non-immediate replacement of above member and the continuation of the management and representation of the Company by the remaining members of the Board of Directors.

Change of Senior Executives

By decision of the Board of Directors of March 20th, 2020, Mr. Dimitris Malamos, Executive Member of the Board of Directors, took over the duties of Deputy CEO of the Group (Deputy Group CEO). Mr. Malamos, who has held the position of Group CFO since 2010, has many years of experience in financial analysis and internal restructuring, has demonstrated his administrative and managerial skills and at the same time has gained deep knowledge and experience about the organization, operation and business activities of the Company and the Group.

The position of Group CFO was assumed by Mr. Dimitrios Fragkou, Certified Accountant (member of ACCA), who for many years held managerial positions in a well-known auditing company and has significant and valuable expertise in providing financial, auditing and consulting services. This expertise will be further used to improve the organization, efficiency and operation of the relevant Divisions and Departments of the Company and the Group. Mr. Fragkou is a graduate of the Department of Business Administration and holds a Master's degree in Accounting and Finance from the Athens University of Economics and Business.

Group Restructuring

Further implementing the internal restructuring plan within the financial year 2020, the Group decided the following:

- The transfer of the second production line of non-woven fabrics (needle punch) from the 100% subsidiary Thrace Linq Inc. which is headquartered in South Carolina, USA, to the 100% subsidiary Thrace Nonwovens & Geosynthetics, based in Magiko of Xanthi, Greece, in order to strengthen the production capacity of the subsidiary and thus expand its sales growth potential. The transfer of the production line started in April 2020 and its installation will be completed within the second half of 2020. Following the above, the final termination of the operations of Thrace Linq Inc. was also approved whereas it was decided that the US geotextiles market would be served by the Group's facilities in Europe and by Lumite Inc., which is the Group's joint venture in the United States. The Management considers that the above action will strongly contribute to the improvement of the Group's profitability.

In this context, impairments of machinery for an amount of €1,285 and provisions for personnel compensation for an amount of €393 were carried out in the company Thrace Linq, which burdened the financial results of 2019. Based on these data, a valuation of Thrace Linq was performed as of 31/12/2019. As a result of this valuation, its parent company, Synthetic Holdings LTD, reduced its participation by an amount (in thousands) of GBP 3,080. The reduction equally affected the results of Synthetic Holdings LTD.

The valuation that was conducted by an independent appraiser for Synthetic Holdings Group showed that there was no reason to carry out an impairment on the Company's participation in the subsidiary of Synthetic Holdings, so the Group's financial results in 2019 are not burdened by the above impairment on the subsidiary Thrace Linq.

- The sale of the industrial property

where Thrace Linq Inc. is housed. The Management has already taken the necessary actions towards this direction.

- The liquidation of Thrace China and its parent company (Thrace Asia). The liquidation will be completed within the year. The latter company operates as the sales offices Thrace Nonwovens & Geosynthetics in the Chinese market, with extremely limited activity in recent years, as most of the sales in the Asian market are made directly by Thrace Nonwovens & Geosynthetics. Therefore, the Group's Management decided to suspend the operation of this office. The parent company's, SAEPE LTD, participation value in the above companies settled at € 631 and there was also an intra-group receivable of € 30. The participation and the receivable will be impaired by 100%.

It is noted that this impairment charge will not affect the results of the Group but only the results of the subsidiary SAEPE LTD.

New production line of protective masks

Thrace Plastics Group has been active in the production of non-woven polypropylene fabrics, which are used as raw materials by manufacturers of surgical masks and other protective medical products. This activity takes place in the production facilities of the Group's subsidiaries in Xanthi and Forfar in Scotland. Due to the COVID pandemic, the above products are in increased demand. In this context, the Group has decided each of the above subsidiaries to give priority to the supply of these products to local manufacturers of surgical masks and other protective medical products in the Greek market and that of the UK respectively.

In addition, with the possibility of utilizing its existing production facilities and infrastructure as well as its strong know-how in this field, the Group made an unplanned investment of 200 thousand Euros in order to add the required mechanical equipment for the production of Type I, Type II and Type IIR surgical masks.

The purpose of this decision was, on the one hand, to take advantage of a profitable business opportunity and, on the other hand, to make a significant social contribution.

The new production line has already been installed in the Group's production facilities in Xanthi and its production capacity is expected to reach approximately 100 thousand masks per day.

Distribution of Dividend for the Financial Year 2019

The Board of Directors of the Company intends to propose to the General Meeting a dividend distribution, however, taking into account the extraordinary conditions created as a result of Covid-19 and the uncertainty regarding their future impact on the Group's financial results, the Board will reconsider its position until the convening of the General Meeting, depending on the conditions that will have been formed at the time.

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 (henceforth called as "Statement" or "CGS" for abbreviation purposes) 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") that 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, the deviation from the Code for the closing year 2019 is presented below:

- **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.

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 AND THE GROUP AS REGARDS TO THE PROCEDURE OF PREPARING FINANCIAL STATEMENTS

The Internal Controls System consists of the functions established by the Group, i.e. both the parent Company and all other companies included in the consolidation, in order to ensure the protection of its assets, to identify and address the most important risks it faces or may face in the future, to ensure that the financial data on the basis of which the financial statements are drawn up (separate and consolidated) are correct, true and accurate, and also to ensure that the Group respects and also applies the laws and the applicable regulatory framework, and the principles and policies adopted by the Management.

For the development of this System, the Management of the Group, has studied and implemented various Policies, Procedures and Regulations, which have been included in its Internal Rules of Operation. Its implementation covers the Management of Potential Risks in relation to the process of drafting Financial Statements (separate and consolidated) in the following three (3) areas:

1) Entity level controls applied by the Company and each of the other companies included in the consolidation at a parent level,
2) Financial reporting process controls implemented by both the Company and all other companies included in the consolidation during the process of drafting financial statements, separate and consolidated,
3) IT controls into the information systems applied by the Company as well as all other companies included in the integration.

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 and the promotion of its business activities.

Additionally, the Board of Directors:

- Determines the main responsibilities and objective of each Division, so that the CEO can then assign to each Director the responsibility of allocating the above to his/her subordinates.
- 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.
- Is responsible for the preparation of the Remuneration Report of article 112, Law 4548/2018.

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.
- The Accounting Department carries out periodic reconciliation of balances of payroll, customers, suppliers accounts, VAT etc.
- The Group prepares the consolidated budget on an annual basis. Each subsidiary prepares the corporate budget in alignment with the objectives of the Group. These budgets shall be submitted to the Board of Directors of the Company 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 Company'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 audited by external Certified Auditors Accountants whose work is monitored by the Audit Committee, which then proposes their approval by the Company's Board of Directors.

3) IT controls

The IT Services Division of the Group is responsible for maintaining the Group's and 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 applicable procedures are described in detail by the Company's Internal Operation Regulation. It is noted that all the companies of the Group follow the Group Policies Manual and fully comply with its basic principles, rules and procedures, in order to ensure the reliable and appropriate implementation of the control of information systems of all companies within the Group. The most important of these procedures are listed 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 and the Group's central IT system.
- **Safekeeping (Confidential) of the Company's and the Group's Computer Files:** The IT Service applies the appropriate systems that ensure the "non" leakage of the Company's and the Group'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, including Group's Policies Manual, which concerns the single policies and procedures applied by the subsidiaries.
- 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 31/12/2019 and Ms. EufimiaChaliori owned a percentage of 20.851% of the Company's share capital on 31/12/2019. 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, as in force after its amendment by the Extraordinary General Meeting of Shareholders of 19 March 2019, for the purpose of harmonization with provisions of Law 4548/2018, 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 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 Board of Directors of the Company, during its meeting held on 10.01.2020, accepted the resignation of Mr. Georgios Braimis, Executive Member of the Board of Directors, who left the Group and submitted his resignation as executive member of the Board of Directors. During the same meeting on 10.01.2020, the Board of Directors decided in accordance with article 8 of the Company's Articles of Association and article 82, par. 2 of Law 4548/2018 the non-immediate replacement of above member and the continuation of the management and representation of the Company by the remaining members of the Board of Directors.

Also, with a decision of the Board of Directors of March 20, 2020, Mr. Dimitris Malamos, Executive Member of the Board of Directors, took over the duties of Deputy CEO of the Group (Deputy Group CEO). Mr. Malamos had, since 2010, held the position of Group CFO.

The following table presents the members of the ten-member (10-member) Board of Directors in effect.

Board Member	Position in the Board
Konstantinos Chalioris	Chairman & Chief Executive Officer
Christos-Alexis Komninos	Executive Vice-Chairman
Dimitrios Malamos	Executive Member – Deputy CEO
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

The above ten-member (10-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 10-member Board of Directors of the Company 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 57

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 77

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.

Dimitrios Malamos,

Executive Member, age 44

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. From June 2010 to March 2020 he worked at Thrace Plastics Group as a Group CFO. By the decision of the Board of Directors as of March 20, 2020, Mr. Dimitrios Malamos took over the duties of Deputy CEO of the Group.

Vasileios *Zairopoulos*,

Non-Executive Member, age 58

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 71

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 PricewaterhouseCoopers 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 75

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 56

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, as well as in commercial and industrial companies. He has been member in the boards of various companies listed on the Athens Exchange and the Cyprus Stock Exchange as well as of non-listed companies. Currently, he is a Special Partner in Capital Raising of Deloitte Greece, Managing Director of a Business Advisory Company and an Independent Non-Executive Member and a member of the Audit Committee of AS COMPANY SA which is listed on the Athens Exchange.

Petros Fronistas,

Independent Non-Executive Member, age 75

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 he 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, whereas in 2020 he was elected Chairman of the Board of Directors of KINSEN HELLAS SA.

Nikitas Glykas,

Independent Non-Executive Member, age 53

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 Head 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. Since 2019, he has been serving a Vice Chairman of XR SPACE Co LTD based in Taiwan.

Theodoros Kitsos,

Independent Non-Executive Member, age 56

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
	THRACE YAGHTING IKE	66%	Administrator
Christos Alexis Komninos	T.K.K. Consultants LTD	100%	Manager
Dimitrios Malamos	Dynamic Constructions – V. Zarifopoulos G.P.	-	Chairman of BoD
	Ioannis Filippaios S.A.	-	Board Member
	ZITA NEPA	1%	Vice Chairman of BoD

Amounts in thousand Euro, unless stated otherwise

Board Member	Companies outside the Group in which the Board members participate	Equity participation stake	Position
Christos Siatis	Spetses Trading LLC	99%	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
	C.P.S. Financial Solutions Ltd	99%	Manager
Vasileios Zairopoulos	V. Zairopoulos & SIA General Partnership	90%	Manager
	ZITA NEPA	99%	Chairman of BoD
Petros Fronistas	PAEGAE S.A.	-	Board Member
Ioannis Apostolakos	Arhaios Olynthefs S.M.P.C.	99.9%	Administrator
	AS Company S.A.	-	Board Member
Nikitas Glykas	XRSPACE Co LTD	-	Vice Chairman of BoD
Konstantinos Gianniris	Elastron S.A.	-	Board Member

** Mr. Petros Fronistas on January 16, 2020 was elected Chairman of the Board of Directors of KINSEN HELLAS SA.*

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 and the Group
- 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 has adopted 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 ap-

plication 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

- 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 upon absence or any other hindrance by his/her substitute according to the Articles of Association.

During 2019, 23 Board meetings took place of which 22 were fully attended by all BoD members.

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. a' of par. 3)

The Audit Committee monitors the procedure and performance of the mandatory audit on the separate and financial statements of the Company and the Group. 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 reviews conflicts of interests in the transactions of the Company with its related entities and submit relevant reports to the BoD.

Moreover, the Audit Committee examines 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 ensures the existence of procedures for the effective and independent investigation of such matters and for their appropriate confrontation.

Finally, the Audit Committee:

- monitors and examines the proper operation of the internal audit department and review its quarterly audit reports.
- ensures the independence of the internal audit department by proposing to the BoD the appointment and removal of the head of the internal audit department,
- makes, via the BoD, 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,
- reviews 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,
- examines and monitors 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.

Below, the CV of Mr. Georgios Samothrakis, Chairman of the Audit Committee, is presented for purposes of completeness.

Mr. George Samothrakis was born in Athens in 1947. He is a graduate of the Athens University of Economics and Business (ASOEE) and a Certified Public Accountant. He specializes in tax issues and in the formulation of a tax strategy for Greek and multinational companies, while he has extensively dealt with regular and extraordinary audits of commercial and industrial enterprises.

He began his career at the National Bank in 1965 and in 1972 moved to Coopers & Lybrand (now PwC), where he remained head of the Tax Services Department until 2006. For a number of years he was also Chairman of the Board of PwC. He is a member of the Supervisory Board of the Association of Certified Public Accountants (SOEL) where he is actively involved in the formulation of the audit industry in Greece. He has served as President of the Fédérationdes Experts Comptables Méditerranéens, President of the Hellenic Institute of Economic Management, Member of the Committees of the Ministry of Economy and Finance for the simplification of the accounting system and the incorporation of the 8th directive, and Member of the Economic Chamber.

Frequency of Meetings and Major Subjects of the Agenda

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 appropriate.

During 20198 the Committee convened seven (7) 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 nine (9) times during the year 2019.

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 particularly 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 insofar 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 of the Articles of Association 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 the full and without any reservation 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.

It is noted that the present Report concerns the fiscal year ended on 31 December 2019. However, due to the consistency of the information provided and the comparability of the data, the corresponding numerical data of the fiscal year ending 31 December 2018 are also presented.

SECTION XI: Non-Financial Report (Statement) 2019

INTRODUCTION

This Non-Financial Report (Statement) includes information regarding the performance of Thrace Plastics Group of Companies in the following areas, as outlined in Section 7 "Non-Financial Report (Statement)" of Circular 62784/2017, according to the provisions of articles 151 and 154 of Law 4548/2018:

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

The Report (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.

It is noted that this Report (Statement) relates to the fiscal year ended 31st of December 2019. However, for consistency purposes in relation to the information provided, as well as for reasons of data comparability, the corresponding data for the year that ended 31st December 2018 are also disclosed.

Finally, the Thrace Plastic Group published the first Sustainable Development Report for the financial years 2017-2018, in accordance with GRI Standards (2016 Issue), with the aim of communicating the Group's strategy, programs and results in the field of Sustainable Development. In this context, it proceeded with a thorough analysis of the issues that have the most significant impact on the economy, society and the environment arising from its activities, and conducting at the same time consultation with the Group's stakeholders.

The consultation was conducted with the participation of key stakeholder groups:

- Clients (B2B)*
- Investors
- Shareholders
- Employees
- Suppliers/Collaborators
- Business Unions
- Local and broad society
- State and local authorities

* ***Packaging Sector****: Dairy, halva, margarine, praline, coffee, color companies. Technical Fabrics Industry: Manufacturers, producers of filter materials, greenhouses, geosynthetic distributors*

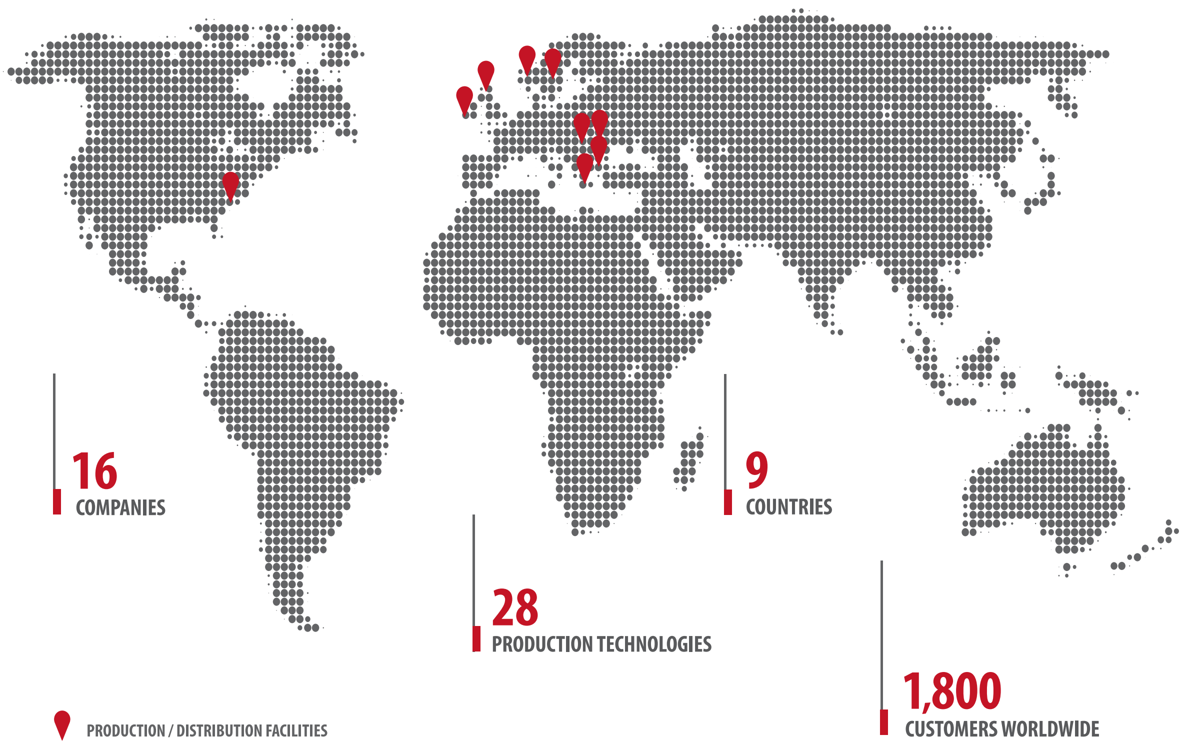
The issues that arose from the materiality analysis as material are:

- Employment
- Health, safety & happiness of the employees
- Financial performance
- Supply chain
- Corporate Governance, compliance and business ethics

- Products' safety / Health and safety of clients
- Energy consumption and Climate change
- Cyclical economy and economy of new plastics
- Raw materials' procurement

More information on the materiality analysis is available in the Sustainability Report posted on the website of the Plastic Thrace Group (see Thrace Plastics Group - *Sustainable Development Report 2017-2018*, pp. 26-30).

A GLOBAL PRODUCER WITH A LOCAL FOOTPRINT IN 9 COUNTRIES



Business Model

GROUP PROFILE

Thrace Plastics CO. S.A. Company was established in 1977 with its headquarters located in the area of Magiko, 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 CO S.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:

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, (branch in Xanthi) 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 in this non-financial Report (Statement) it is included the 100% of these companies , as these four companies apply the same with the Group's principles and values of sustainable development. The data that refer to the company Thrace-LINQ Inc. is not included in the present Report (Statement) as during the reporting period the Group announced its strategic focus on Europe's activities and the reduction of the presence of geotextiles in America. For this reason it was decided to move the needlepunch from Thrace Linq Inc to the Scotland Group's subsidiary Don & Low Ltd and then to discontinue Thrace Linq Inc.'s activity within 2020.

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 trading 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 while it operates through (seven) 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, 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 trade 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 (2), Bulgaria (1), Romania (1), Ireland (1) and Serbia (1) realizing the 58% of sales in the domestic market.

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.

At a glance:

Geographical and Product Dispersion

- Operation in 9 countries with production and trading companies.
- Sales network in 80 countries.
- Sales in 24 market segments.

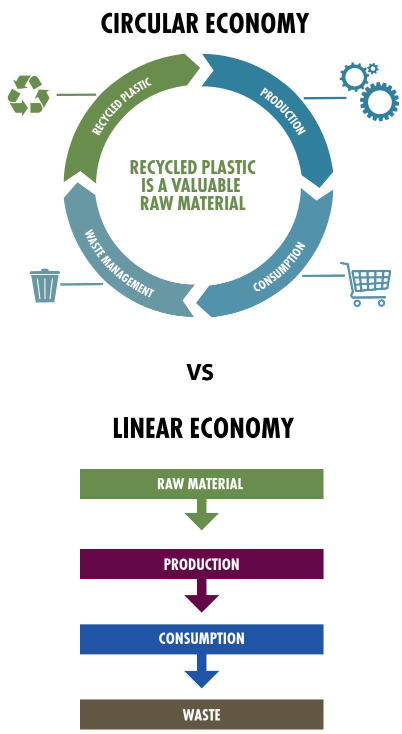
Advanced Know-how and Technological Superiority

- 28 different production technologies from processing to finishing.

GROUP'S STRATEGY AND CIRCULAR ECONOMY MODEL

Thrace Plastics Group with the strategy that has adopted the last 2 years responds to the "European Strategy for Plastics in a Circular Economy", which aims to reduce plastics disposal and combustion in the European Union, as well as to the new challenges posed in the market (e.g. production of sustainable products) and are now a requirement of significant Group's 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 these principles. Additionally, the Group aims to maximize the life cycle of its products, producing products that can be reused and utilizable for a long time.

Responding actively to the European Commission'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 products that meet these requirements.

Through specific activities, the Group aims to strengthen the circular economy model in practice. By applying practices based on the principles of reduction, re-use and recycling of waste it achieves a continuous reduction of its environmental footprint. Indicative actions:

- **Design and development of lighter weight products**

  e.g. yogurt cup weight reduction, 25% glass weight reduction 15%.

- **Collaboration with clients of Group companies to develop packaging products, aiming at reducing or eliminating secondary packaging**

  e.g. replacement of wooden pallets with multipurpose plastic and replacement of cartons with multipurpose plastic pallets.

- **Designing multipurpose products and replacing disposable products**
  e.g. multipurpose glass.
- **Design and production of 100% recyclable products**
  The vast majority of the Group's products are made of only one material (monomaterial polypropylene or polyethylene). This makes them 100% recyclable.
- **Production of products from recycled raw materials**
  e.g. production of bins for color using recyclable raw materials from disposable plastic cups.
- **Investing in closed recycling systems to produce - from waste - new products**
  e.g. production of film for packaging of raw materials, with re-usage of material from package of the same type coming from its user.

Anti-Corruption and Issues related to Bribery

MAJOR RISKS AND MANAGEMENT OF THOSE

The Group recognizes the risk of corruption or bribery issues within the whole range of its value chain. The potential risks are being examined both within its internal activities and as part of its activities and transactions with its key stakeholders, such as its suppliers and customers. The Group also recognizes that corruption issues, including bribery or/and blackmail, have significant potential impacts on the Group. These impacts relate 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, through negative effects on its reputation and trust in its stakeholders. It is also worth mentioning that the implications on social and human capital may have direct relation with the financial capital, through potential reduction of sales as a consequence of these implications.

DUE DILIGENCE AND OTHER POLICIES

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

In particular, The Group's Internal Rules of Procedures constitutes the basis of the Group's operation and organization, defining the duties of all-levels' employees as well as the policy that refers to conflict of interest. As a result, the Group has delegated to different employees or departments the responsibility for managing contracts, orders, goods receipt, invoices processing and payments and others.

In addition, relevant policies are included:

- In the Code of Business Ethics (sections "Conducting Transactions with Integrity", "Transparent and Legal Cooperation with Public Authorities", "Procedure-Receipt of Gifts", "Giving Gifts").
- In the "General Policies Manual" in the paragraphs "Trade Regulations" and "Gifts and Entertainment" sections. The "General Policies Manual" is available electronically or has been distributed to a copy at the upper and middle management levels and employees have received relevant training.
- The "Purchasing and Accounts Payable" manual, which includes policies and guidelines for avoiding corruption and bribery related to purchases and accounts payable. The Group communicates and applies this manual to all of its companies when selecting suppliers in order to avoid any potential conflict of interest and the posting and accepting of gifts between them and the employees of the respective company, before, during and afterwards of the cooperation.

The Group, in order to ensure the avoidance of corruption issues, operates preventively carrying out relevant updates and audits on a yearly basis through the Internal Audit Department. For the results of these audits the management of the companies are been updated. To discourage the case of participating in an incident of corruption and / or bribery, the Management uses disciplinary measures so as to ensure that the Group operates in accordance with its internal regulations. If there is an ex post facto incident, the Group Management is informed, which decides the appropriate course (e.g. recourse to justice, disciplinary measures, etc.).

Within the framework of supporting the internal procedures in order 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) and others.
- 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.

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 all of the Group's companies. 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

GRI 205-3

Confirmed incidents of corruption and measures that were taken

There were no confirmed incidents of corruption or bribery during the reporting period of this Report (Statement). Likewise, he did not submit to the Group's perception of any corruption or bribery intent.

Respect for Human Rights

MAJOR RISKS AND MANAGEMENT OF THOSE

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 employees working in the Group, including executives, employees and suppliers, must comply with the Group's ethical policies (see following sections) 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, inability, sexual orientation etc, as well as on the phenomena of forced and child labor, both in the Group companies and companies' supply chain. Group companies seek information about human rights in their country of operation and are informed of possible changes to relevant legislation.

The Group 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, and in case that is justified, the Group proceeds to disciplinary actions.

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 obligation to refrain from violent, threatening or abusive behaviors, as well as how to recognize cases of harassment in the workplace through the Group's Employees Manual in which it is included a special "Anti-Harassment Policy".
- Has adopted The Code of Conduct, various 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 that take place through the reference lines to the local management and henceforth to the Group's Management and takes appropriate preventive or/and disciplinary measures. The implementation of this policy is supervised by departments' 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 reference system, processing and resolving employees' complaints in relation to human rights, they have committed to develop this system in the future.

Protection of personal data

The Group recognizes that the protection of personal data is essential, respects the privacy of its stakeholders and maintains their personal information as confidential. By this way, seeks 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 applies the General Data Protection Regulation (GDPR) European Regulation 2016/679, as well as the national legislation l.4624/2019 concerning the protection of individuals with regard to the processing of personal data and the un-audit transfer of such data. Through the compliance program, technical and organizational measures for compliance with the requirements of the Regulation, periodic training of staff and controls of its implementation by the subsidiaries are implemented from 2018. The Group has appointed a Data Protection Officer (DPO) and applies best practices for the security of the processing, handling and storage of information, thus ensuring data security and protecting the privacy of individuals.

The Policy for Personal Data Protection is available at the site of the Group https://www.thracegroup.com/gr/el/privacy-policy/.

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 the application of legislation. For instance, the companies carry out regular safety risk assessments, which are submitted when requested to the labor inspectors and certification bodies in order to confirm that the measures applied are proportionate to the safety risk and in accordance with the relevant legislation.

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 the Group. Furthermore, the Group ensures 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 before the recruitment process.

RESULTS OF THE ABOVE POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

Performance Indicators

GRI 406-1

Discrimination incidents and correction measures assumed

During 2019, within the Group:

- There were not identified any incidents of discrimination due to race, religion, sex, age, disability, nationality, political convictions etc., including incidents of harassment
- There were no confirmed cases of human rights violations, including personal data protection issues.

Human rights violations in relation to the safety of facilities.

In 2019, there was no report of human rights' violation incident related to the security of the facilities.

Supply Chain Issues

MAJOR RISKS AND MANAGEMENT OF THOSE

The Group, in addition to the financial risks associated with the supply chain, which mainly concern 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 they do not meet international sustainable development standards. The Group focuses on risks in its supply chain related to safeguarding of human rights, labor issues and fighting 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 recording the supplier's policy evaluation. The impact of these risks may 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 suppliers' categories, vary according to the company. The main categories include:

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

Suppliers' Evaluation

Evaluation and selection of suppliers is an essential operational function in order to obtain the best possible supplies. Recognizing this need, the Group applies practices to determine whether a supplier meets the requirements and conditions that have been set. The process of evaluation of suppliers is carried out using a special evaluation form developed by some companies of the Group. According to this procedure, suppliers are required to complete the specific evaluation form in which they are evaluated on a number of issues. Examples include:

- Their management systems (ISO certifications etc.).
- The production process (product availability, environmental compliance, etc.).
- Quality management (information related to quality audits etc.).
- Customer satisfaction (quality specifications, product traceability, etc.)
- Research and development (information on research and development departments, personal data security, etc.).

The Group is in the process of developing a single supplier evaluation policy that will be implemented by all companies. It is estimated that this single policy can be implemented by the beginning of 2021.

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 mainly with large multinational companies, which constitute the 80% of its whole partnerships, which place great emphasis on transparency and anti-corruption, and therefore, the cooperation is ensured by the rules and policies of these suppliers.

Human rights in the supply chain

The Group has adopted policies to avoid engaging with partners who possess a high risk of violation of 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 incidents (whistle blowing policy), corruption and bribery, health and safety, and responsible supply chain of its suppliers. In addition to the above companies, all Group companies comply with Group's human rights policy assuming the necessary measures which are defined by it.

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 operate in 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 violation risk, in Group's supply chain.

The employees of the Group's companies 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 each company. These reports can be made -named or anonymous- in person, via telephone, or via email.

The Group is in the process of recording an evaluation police for suppliers in order to identify which suppliers are most at risk of defaulting social standards relating to employment, as well as human rights.

Modern Slavery Act

The Group has zero tolerance in respect the breach of UK Modern Slavery Act 2015, as well as of the terms of the individual agreements with the respective supplier. Below is presented 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 already 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 labor 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 can be excluded.

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

Operation

Thrace Group operates in 9 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 2019 amounted to €22.1 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 allocated to them:

- 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 integrity in all business transactions. This 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. In addition, employees retain the right to participate in trade unions while it is on their own discretion whether they will participate in associations and collective bargaining processes.

Group's 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 on-site inspections by third parties (Thrace Synthetic Packaging Ltd).

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 cases of modern slavery, taking corresponding action to deal with the relevant risk in the supply chain.

Assessment of Effectiveness

There were no complaints for modern slavery incidents from Group's employees or public authorities and institutions collaborating with the Group. Nevertheless, the Group will continue to work on its approach to mitigate this risk in the year ahead and it will continue to review the following key performance indicators:

- Enhancement of Employees' training.
- Actions taken to strengthen supply chain auditing.
- Steps taken for the evaluation of 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's companies on local suppliers based on each supplier's country of origin as well as the evaluation of new suppliers based on social criteria.

In 2019, no incidents of UK Modern Slavery Act 2015 violation were reported to the Group, as well as to the Companies of the Group where they operate.

Performance indicators

GRI 102-9 **Supply Chain**

INDICATORS	Don & Low Ltd	Thrace Nonwovens & Geosynthetics S.A. (1)	Thrace Ipoma A.D.	Thrace Greiner Packaging S.R.L.	Thrace Greenhouses S.A. (2)	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.(3)	Thrace Plastics Packaging DOO
Total number of suppliers for 2019	826	882	716	409	321	452	394	300	20	889	115	137	101
Total number of suppliers for 2018	840	1014	653	431	227	519	371	315	20	866	97	163	103**

** Note: Group companies have as suppliers companies of the Group respectively and they have been included in the above figures.*

*** Note: The differences in the total number of suppliers for 2018, in terms of the company Thrace Plastics Packaging DOO, in relation to the one mentioned in the published financial report for 2018, are due to the fact that the data of 2018 were restatement due to that an incorrect calculation method has been found in that year.*

(1) The difference between the two years exceeds 10% and is due to the decision in 2019 not to include long-term inactive suppliers in the list of suppliers.

(2) The difference of more than 10% compared to 2018 is due to the increase of the Turnover and production given that the absorption of the company Urban Cultures from the Thrace Greenhouses S.A.

(3) This difference in relation to 2019 is due to the fact that after the separation of the industrial segment of the parent company, all the suppliers related to the industrial activity have now been transferred to the company that absorbed the industrial segment.

Amounts in thousand Euro, unless stated otherwise

GRI 204-1 Percentage of expenditure on local supplies

INDICATORS	Don & Low Ltd	Thrace Nonwovens & Geosynthetics S.A.	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
Monetary value of the total payments on suppliers for 2019 (euro)	57.0 mn	87.0 mn	21.0 mn	14.9 mn	5.3 mn	20.0 mn	16.7 mn	9.0 mn	23.2 mn	45.9 mn	5.4 mn	2.6 mn	3.1 mn
Monetary value of the total payments on suppliers for 2018 (euro)	67.0 mn	93.0 mn	24.0 mn	14.4 mn.	2.9 mn.	19.5 mn.	21.4 mn.	9.5 mn.	29.4 mn.	40.4 mn.	2.8 mn.	2.0 mn.	1.6 mn.
Percentage of spending on local suppliers for 2019	84%	78%	53%	22%	99%	61%	73%	Insignificant percentage of total spent on local suppliers. The main suppliers of the company are the Group subsidiaries	5%	58 %	67%	87%	40%
Percentage of spending on local suppliers for 2018	83%	83%	50%	28%	98%	72%	75%		5%	75%	62%	88%	78%

** Note: The differences in the value of total payments to suppliers for 2018 data of the above table, regarding the company Thrace Greenhouses S.A., in relation to those mentioned in the published financial report for 2018, are due to the fact that the 2018 data have been restated due to the fact that an incorrect calculation method has been found in that year.*

GRI 414-1 New suppliers, which are being monitored based on social criteria

In 2019, 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 (human rights protection) and environmental criteria.

Amounts in thousand Euro, unless stated otherwise

Social and Labor issues

MAJOR RISKS AND RISK MANAGEMENT

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 on local employment as well as on the field for example of human rights for the local residents or for the wider communities.

DUE DILIGENCE AND OTHER POLICIES

The Group recognizes the value that is created by the human capital and it considers it as crucial for the good quality of its products, its high productivity and the achievement of 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 ways the enhancement of policy measures against discrimination.

Freedom to join trade unions and the right to bargain collectively

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 their salary, 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.

Policy against the discrimination and enhancement of objectivity on recruitments

For the selection of new employees, the Group relies on objective criteria and excludes any possibility of discrimination based on gender, age, marital status, nationality, religion, sexual orientation, political beliefs, etc.

In order to cover the new job opportunities arising, the Group initially provides its employees the opportunity to express their interest for the new position through its internal mobility program and then, while in the case that the position is not covered internally, it is 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. The categories are the following: a) employees in production (blue collar worker) and b) employee in administrative position (white collar worker).

- Recruitment production (blue collar worker): 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. Since 2018, the openings are also published electronically 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, weight, 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.
- Recruitment in administrative position (white collar employee): 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.

Fair compensation policy and equal opportunities

The Group has a remuneration policy for the members of the Board of Directors which is available at the official site of the Group (*https://www.thracegroup.com/gr/el/general-meetings/#*).

The policy specifies, on the one hand, the existing rights of the Board of Directors members and the obligations of the Group to them, and the conditions under which remuneration will be granted to existing and / or new members during its term of office.

The policy reflects the current agreements regarding the remuneration of the Executive Board members. In addition, the policy takes into account the provisions of the Company's Articles of Association, the Code of Corporate Governance of the Group, as well as the Internal Rules of Procedure.

The level of fixed remuneration - salary and remuneration of the Board of Directors - is determined in accordance with the rule of fair and equitable remuneration to the most appropriate person, taking into account the level of competence, knowledge and experience required for the role. At the same time, the Group ensures that it does not pay more than it should and that in any case the Group's long-term interests and sustainable development are served on the basis of the following principles:

- Providing a fair and appropriate level of fixed remuneration, avoiding variable remuneration and unreasonable risk-taking, encouraging continued value creation.
- Balancing long-term and short-term incentives to ensure focus on long-term goals on the one hand and short-term goals that will create value over time.
- By linking remuneration with short-term goals that lead to value creation for the company over the long term.

The policy does not include provisions for long-term variable fees.

Employees' 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 a) workplace accident as well as b) occurrence of occupational diseases in its people. Specifically, the strategic goal of the Group is "not to have an accident again that will cause harm to our people and not to have an accident again that would damage our facilities".

Adopting a Health and Safety Policy

The Group 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' education and awareness on health and safety issues at the workplace, as well as their participation in relevant actions.

Health and Safety Practices

For achieving its objectives of its policies set the Group, indicative is the case of the project implemented in Greece with the following actions:

- Conducting health and safety training, both internally in the company and in collaboration with external partners and employee involvement through improvement proposals. Specifically, for 2020, intensive training of the Group's employees on these issues continues.

- Occupational health and safety personnel on site, per plant or department.
- Investing in equipment, machinery and risk studies in our facilities to ensure a completely safe environment. The Group cooperates with specialized partners, with long and proven security experience, in order to identify and deal with risks that specialists will point us to. In particular, a budget of around €600,000 has been approved for 2020 for the above actions.
- Implementation of a security project, from 2017, where meetings with facility project teams are organized to identify and respond to risks. Within the scope of the respective project, has set up on-site workgroups, which meet monthly to list the risks they have identified, encountered, are briefed on safety issues, are discussing and take actions.
- Communication campaign to further raise the awareness of employees on safety issues by placing safety messages and rules at the central locations of the premises, providing clothing with the corresponding messages, etc.

Through specific Occupational Risk Assessment Studies (ORAS), the potential risks in each job are identified. Some of the practices followed are:

- Health and safety information and procedures are available to employees in all languages of the countries where the Group operates.
- The responsibilities for the health and safety duties of each company are determined by the Plant Manager in collaboration with the Safety Technician and the Occupational Therapist.
- Health and safety incidents (accidents / incidents, no matter how important) are recorded and investigated accordingly.
- Employees are encouraged to report any hazardous work practices or safety hazards they face at work, while the process of receiving and handling health and safety complaints from employees is confidential.
- The Group's production processes, machinery and equipment are regularly monitored to ensure that they are safe and in good condition for use at work.
- First aid kits and fire extinguishers are readily available, escape routes are clearly signposted and barrier-free.
- The workplace is maintained consistently and continuously to ensure clean and comfortable working conditions, including adequate temperature, ventilation and lighting.

<u>Proper use of the protective equipment</u>

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

Group's priority is 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, focusing on employee development, as the production methods used are modern and require continuous training. Consequently, the Group tangibly contributes to the human capital value creation for 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 by the human resources department in cooperation with the management of the departments.
- Cooperation of the Managing Director with the human resources department in order to provide his/her approval based on the above prioritized needs and the corresponding training programs.
- Implementation of the training programs

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 operate in the production and trading 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 displayed 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 safety of its customers, consumers and end-users of its products.

Utilization of high quality materials

The Group is committed:

- ✔ Not to produce or sell products that cannot be safely manufactured and used,

✔ To follow appropriate work and facilities practices.

Responsible product policy

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

- Spread throughout the Group of a quality culture that incorporates all staff.
- Establishment and maintenance of collaborations with suppliers and customers to optimize the added value of the supply chain.
- Establishment and maintenance of a Quality Management System that will reassure the customers that the products and services received are of proper use and quality, according also to the recognized ISO standards with which the Group and its companies are certified.
- 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

Basic Stages of Quality Assurance Procedure

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

1. Suppliers and Raw Materials' Control:

- Performing supplier evaluation (reputation, duration of the collaboration, certifications).
- Supply of raw 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 technical specification of the products with specific number and way of arranging items as well as specific type of paper-boxes so as to ensure their smooth and safe transport to the customer.
   - Implementation-through loading-of visual quality checks for the suitability –regarding loading- of the products at the loading phase.
   - Implementation of bar code systems to ensure that only authorized products are loaded.

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

<u>Indicative product safety procedures</u>

- 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 with accredited 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 in accordance as well with the 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 in cooperation with the notes of customers and external supervisors' inspections.
- 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 for the audit of compliance with products' safety procedure.
- Collaboration with accredited suppliers establishing contracts with specific terms 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 how naturally divided and protected outdoor areas (raw material procurement- outdoor area in good condition- storage of auxiliary material etc) indoor satisfactory condition of the area (satisfactory condition of the building, walls, floors- protection of the escape openings, adequate lighting and ventilation etc).
- 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 (based on the maintenance program that was formed according to the guidelines of the manufacturer per 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 (at least on three-month basis) on best manufacturing practices, product health and safety requirements of the product, use of protective equipment, workforce facilities and medical checks (cases of monthly training).

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 and those that it can respond to. Within this framework, 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. Aim of the Group companies is to be appointed as the most valuable business entities for the societies in which they operate by making stronger the ties of trust that have been built over the years of mutual existence. Within this framework operate so as to:

- Remain sensitive towards the local need and strengthen 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 being the main sponsors.

The purpose of the foundation, which in 2019 completed 10 years of operation, is a charitable entity and undertakes actions according to the needs of the local community, such as:

- Construction of buildings on land purchased by the Group, which will serve public purposes, either for use by the Group or for use by Public Sector and Local Government agencies.
- Granting of scholarships and financial support to children of Magiko Xanthi or the wider region who wish to study and fail to meet the costs of their studies.
- Financial support or coverage of treatment / hospitalization expenses for needy patients in the area who are experiencing serious health problems.
- Organizing of cultural events.
- Utilization - implementation of national and European programs with social and cultural content.
- Organizing cultural, social, educational workshops to inform the local community.
- Allocation of space for the operation of a primary health care clinic.

Within 2019, operated also sections of cultural action involving approximately 240 people: Below there are displayed the subjects of them:

- Painting
- Music

  - Learning musical instruments
  - Children' Choir
- Creative activities (childcare)
- Traditional dances (two children' sections, adult and mixed)
- Fitness (for women)
- Dancing Gym (for children)

- Supportive teaching - Social and Primary English Language Course
- Theatrical education (section for children and adults)
- Fairytale workshop
- Chess board (six children' classes with age classification)
- Educational Robotics (two classes).

RESULTS OF THE ABOVE POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

Support of the local community:

Expenditure on the local community of Xanthi	2019	2018
Total expenditure on Stavros Chalioris Social Center	€273,435.09	€250,248.81

Labor Issues:

The majority of the personnel of the companies based in Greece participate in trade and labor unions.

Thrace Plastics Pack S.A. has been certified according to OHSAS 18001: 2007 (Certificate Number 03016023) as well as with ISO 45001:2018 (Certificate Number 20152190001675)

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

Information of human resources

GRI 102-8 **Total number of employees**

Total number of employees by employment contract							
	Males		Females		Total		
	2019	2018*	2019	2018*	2019	2018*	Change
Permanent	**1,461**	1,579	**371**	443	**1,832**	2,022	**-9.4%**
Temporary*	**150**	107	**120**	98	**270**	205	**31.7%****
Total***	**1,611**	1,686	**491**	541	**2,102**	2,227	**-5.6%**

** Note: The differences in the data in the table above, in relation to the year 2018, in relation to those mentioned in the published financial report for 2018, are due to the fact that the present Report (Statement) includes the data for the company Lumite Inc. ., which was not included in the corresponding report for 2018.*

*** Note: The large increase in temporary employees is mainly due to Thrace Greenhouses SA. In particular, in 2019 there was an increase in production capacity by 40 acres and also the absorption of the company Urban Cultures in Vari took place. Due to the fact that the company's activity is seasonal, an increase in production capacity also means an increase in seasonal staff.*

**** Note: The table includes the joint ventures of the Group, whereas in the financial ones, these are not included.*

Amounts in thousand Euro, unless stated otherwise

Total number of employees per type of employment							
	Males		Females		Total		
	2019	2018*	2019	2018*	2019	2018*	Change
Full-time	**1,607**	1.680	**474**	524	**2,081**	2,204	**-5,6%**
Part-time	**4**	6	**17**	17	**21**	23	**-8.7%**
Total	**1,611**	1,686	**491**	541	**2,102**	2.,27	**-5.6%**

** Note: The differences in the data in the table above, in relation to the year 2018, in relation to those mentioned in the published financial report for 2018, are due to the fact that the present Report (Statement) includes the data for the company Lumite Inc. ., which was not included in the corresponding report for 2018.*

In addition, the temporary data has been restated for 2018 due to the fact that they had been mistakenly stated using an incorrect way regarding the company Thrace Greenhouses S.A

Total number of employees per geographical region

2019	Greece			USA			Romania			Norway		
	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
Permanent	797	116	913	113	48	161	72	31	103	8	6	14
Temporary	148	118	266	2	1	3	0	0	0	0	0	0
Total	945	234	**1,179**	115	49	**164**	72	31	**103**	8	6	**14**

2018*	Greece			USA			Romania			Norway		
	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
Permanent	805	100	905	127	56	183	71	27	98	7	6	13
Temporary	88	86	174	18	10	28	0	0	0	0	0	0
Total	893	186	**1,079**	145	66	**211**	71	27	**98**	7	6	**13**

2019	UK			Ireland			Serbia			Bulgaria		
	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
Permanent	339	102	441	30	7	37	4	4	8	98	57	155
Temporary	0	0	0	0	1	1	0	0	0	0	0	0
Total	339	102	**441**	30	8	**38**	4	4	**8**	98	57	**155**

2018*	UK			Ireland			Serbia			Bulgaria		
	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
Permanent	378	115	493	31	7	38	4	4	8	156	128	284
Temporary	0	1	1	0	1	1	0	0	0	1	0	1
Total	378	116	**494**	31	8	**39**	4	4	**8**	157	128	**285**

** The difference in the USA in relation to 2018 is attributed to the reduction of employees due to the difficult conditions in the market in 2019.*

Amounts in thousand Euro, unless stated otherwise

GRI 401-1 NEW RECRUITMENT AND EMPLOYEES' DEPARTURES/RETIREMENT

Percentage of new hires		2019									2018								
		<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	97	25	122	95	84	179	4	12	16	49	9	58	94	52	146	0	8	8
	Total employees	204	36	240	581	154	735	160	44	204	183	26	209	563	134	697	147	26	173
	Percentage of new hires	48%	69%	51%	16%	55%	24%	3%	27%	8%	27%	35%	28%	17%	39%	21%	0%	31%	5%
USA	Number of new hires	4	1	5	11	2	13	1	0	1	12	2	14	10	4	14	4	3	7
	Total employees	16	1	17	47	25	72	52	23	75	29	4	33	56	35	91	60	27	87
	Percentage of new hires	25%	100%	29%	23%	8%	18%	2%	0%	1%	41%	50%	42%	18%	11%	15%	7%	11%	8%
Romania	Number of new hires	32	12	44	24	13	37	10	3	13	25	2	27	30	5	35	6	0	6
	Total employees	14	5	19	45	19	64	13	7	20	14	3	17	45	18	63	12	6	18
	Percentage of new hires	229%	240%	232%	53%	68%	58%	77%	43%	65%	179%	67%	159%	67%	28%	56%	50%	0%	33%
Norway	Number of new hires	0	0	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0
	Total employees	0	0	0	4	4	8	4	2	6	0	0	0	2	3	5	5	3	8
	Percentage of new hires	0%	0%	0%	50%	0%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
UK	Number of new hires	17	3	20	8	5	13	5	0	5	21	5	26	14	8	22	5	0	5
	Total employees	51	6	57	129	37	166	159	59	218	56	10	66	150	40	190	172	66	238
	Percentage of new hires	33%	50%	35%	6%	14%	8%	3%	0%	2%	38%	50%	39%	9%	20%	12%	3%	0%	2%
Ireland	Number of new hires	5	1	6	6	1	7	1	0	1	4	2	6	6	1	7	1	1	2
	Total employees	5	1	6	15	2	17	10	5	15	4	1	5	17	2	19	10	5	15
	Percentage of new hires	100%	100%	100%	40%	50%	41%	10%	0%	7%	100%	200%	120%	35%	50%	37%	10%	20%	13%
Serbia	Number of new hires	1	0	1	0	0	0	0	0	0	0	0	0	4	4	8	0	0	0
	Total employees	1	0	1	3	4	7	0	0	0	0	0	0	4	4	8	0	0	0
	Percentage of new hires	100%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%	0%	0%	0%
Bulgaria	Number of new hires	13	7	20	20	11	31	5	5	10	18	15	33	32	7	39	0	0	0
	Total employees	15	8	23	58	32	90	25	17	42	25	32	57	79	66	145	53	30	83
	Percentage of new hires	87%	88%	87%	34%	34%	34%	20%	29%	24%	72%	47%	58%	41%	11%	27%	0%	0%	0%
Total	Number of new hires	169	49	218	166	116	282	26	20	46	129	35	164	190	81	271	16	12	28
	Total employees	306	57	363	882	277	1,159	423	157	580	311	76	387	916	302	1,218	459	163	622
	Percentage of new hires	55%	86%	60%	19%	42%	24%	6%	13%	8%	41%	46%	42%	21%	27%	22%	3%	7%	5%

Amounts in thousand Euro, unless stated otherwise

Percentage of employee **turnover**		2019									2018								
		<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	69	8	77	83	10	93	10	7	17	22	2	24	36	46	82	6	10	16
	Total number of employees	204	36	240	581	154	735	160	44	204	183	26	209	563	134	697	147	26	173
	Ratio of employee turnover	34%	22%	32%	14%	6%	13%	6%	16%	8%	12%	8%	11%	6%	34%	12%	4%	38%	9%
USA	Number of employee turnover	12	1	13	11	3	14	6	3	9	5	2	7	15	2	17	4	0	4
	Total number of employees	16	1	17	47	25	72	52	23	75	29	4	33	56	35	91	60	27	87
	Ratio of employee turnover	75%	100%	76%	23%	12%	19%	12%	13%	12%	17%	50%	21%	27%	6%	19%	7%	0%	5%
Romania	Number of employee turnover	32	10	42	24	12	36	9	2	11	27	2	29	37	8	45	5	0	5
	Total number of employees	14	5	19	45	19	64	13	7	20	14	3	17	45	18	63	12	6	18
	Ratio of employee turnover	229%	200%	221%	53%	63%	56%	69%	29%	55%	193%	67%	171%	82%	44%	71%	42%	0%	28%
Norway	Number of employee turnover	0	0	0	1	0	1	0	0	0	0	1	1	0	0	0	1	0	1
	Total number of employees	0	0	0	4	4	8	4	2	6	0	0	0	2	3	5	5	3	8
	Ratio of employee turnover	0%	0%	0%	25%	0%	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%	20%	0%	13%
UK	Number of employee turnover	16	5	21	23	7	30	30	10	40	14	5	19	11	3	14	12	6	18
	Total number of employees	51	6	57	129	37	166	159	59	218	56	10	66	150	40	190	172	66	238
	Ratio of employee turnover	31%	83%	37%	18%	19%	18%	19%	17%	18%	25%	50%	29%	7%	8%	7%	7%	9%	8%
Ireland	Number of employee turnover	3	1	4	2	0	2	0	0	0	7	1	8	6	0	6	3	1	4
	Total number of employees	5	1	6	15	2	17	10	5	15	4	1	5	17	2	19	10	5	15
	Ratio of employee turnover	60%	100%	67%	13%	0%	12%	0%	0%	0%	175%	100%	160%	35%	0%	32%	30%	20%	27%
Serbia	Number of employee turnover	1	0	1	3	4	7	0	0	0	0	0	0	4	4	8	0	0	0
	Total number of employees	1	0	1	3	4	7	0	0	0	0	0	0	4	4	8	0	0	0
	Ratio of employee turnover	100%	0%	100%	100%	100%	100%	0%	0%	0%	0%	0%	0%	100%	100%	100%	0%	0%	0%
Bulgaria	Number of employee turnover	17	9	26	52	26	78	23	11	34	15	5	20	29	14	43	0	0	0
	Total number of employees	15	8	23	58	32	90	25	17	42	25	32	57	79	66	145	53	30	83
	Ratio of employee turnover	113%	113%	113%	90%	81%	87%	92%	65%	81%	60%	16%	35%	37%	21%	30%	0%	0%	0%
Total	Number of employee turnover	150	34	184	199	62	261	78	33	111	90	18	108	138	77	215	31	17	48
	Total number of employees	306	57	363	882	277	1,159	423	157	580	311	76	387	916	302	1,218	459	163	622
	Ratio of employee turnover	49%	60%	51%	23%	22%	23%	18%	21%	19%	29%	24%	28%	15%	25%	18%	7%	10%	8%

The large increase in the number of departures in Bulgaria is due to the permanent cessation of labour-intensive production process of woven mega-bags (FIBC) in Sofia, Bulgaria (comprising a business activity under Thrace Ipoma AD), and the replacement of the volume produced by existing and new sub-contractors.

Amounts in thousand Euro, unless stated otherwise

EMPLOYEE TRAINING AND EDUCATION

GRI 404-1 **Average hours of training per employee annually**

Average hours of training per employee level						
	Male		Female		Total	
	2019	*2018**	*2019*	*2018**	*2019*	*2018**
Senior Management	3.86	4.13	7.05	1.92	4.59	3.62
Middle Management	4.67	10.88	4.24	9.18	4.58	10.56
Other category*	2.58	3.16	2.04	2.58	2.45	3.03
Total	2.79	3.71	2.35	2.92	2.69	3.53

* *The Other category refers to office employees who are not included in the higher and middle employees as well as workers.*

Average hours of training by employee function						
	Male		Female		Total	
	2019	*2018**	*2019*	*2018**	*2019*	*2018**
Office	3.48	6.87	6.17	7.10	4.42	6.95
Production	2.41	2.93	1.07	1.40	2.12	2.61
Other category 1**	10.66	14.20	6.09	0.00	9.79	14.20
Other category 2***	4.42	17.50	0.00	5.00	3.79	15.00
Total	2.80	3.72	2.30	2.93	2.68	3.54

** Note: The differences in the data of the above tables, regarding the year 2018, in relation to those mentioned in the published financial report for 2018, are due to the fact that the present Report (Statement) includes the data for the company Lumite Inc. ., which was not included in the corresponding report for 2018, as well as the fact that some data of 2018 have been restated because it was found that they were calculated incorrectly for this year.*

*** Other category 1: It concerns the maintenance department.*

**** Other category 2: The logistics section is concerned.*

EQUAL OPPORTUNITIES AT THE WORKPLACE

GRI 405-2 **Proportion of basic salary and compensation among female and male**

Diversity and equal opportunities		
	2019	*2018**
Indicator of basic salary proportion female/male	0.77	0.86

** Note: The difference in the percentage of the above table, in terms of the year 2018, in relation to what was mentioned in the published financial report for 2018, is due to the fact that this Report (Statement) includes data for the company Lumite Inc. ., which was not included in the corresponding report for 2018, as well as to the fact that some data of 2018 have been restated due to the fact that it was found that they were calculated incorrectly for this year.*

Amounts in thousand Euro, unless stated otherwise

EMPLOYEE HEALTH AND SAFETY

Company	Lost Time Accident (LTA) (LTA)		Hours Lost, h		Cost of Hours, €		Restricted Work Case (RWC)		Medical Treatment Case (MTC)		First Aid Case (FAC)		Near Miss Incident (NMI)		Total number of employees		Hours Worked, thn		LTA+ RWC+ MTC		Incident Ratio * (IR)		
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019 vs 2018
Don & Low Ltd	9	12	1,117	1,170	18,023	17,508	3	1	12	16	39	38	298	288	474	497	804,636	819,967	24	29	5.97	7.07	-16%
Thrace Greiner Packaging S.R.L.	0	3	4	88	52	640	0	0	0	0	1	14	122	59	105	108	204,517	218,255	0	3	0.00	2.75	-100%
Thrace Plastics Pack S.A. (Ioannina)	3	3	740.49	93.36	3,358	477	0	0	0	0	0	3	303	266	189	185	379,576	370,240	3	3	1.58	1.62	-2%
Thrace Ipoma A.D.	0	8	0	258	0	1,359	0	0	1	0	0	5	1	9	219	279	355,394	482,305	1	8	0.56	3.32	-83%
Thrace Synthetic Packaging Ltd.	2	1	24	54	348	772	0	0	0	1	6	2	9	4	38	37	64,290	63,811	2	2	6.22	6.27	-1%
Thrace NG, Thrace Polyfilms, Thrace Plastics Pack (Xanthi)	0	0	0	0	0	0	0	0	0	0	0	0	81	363	71	61	131,364	115,188	0	0	0.00	0.00	.-
Thrace Eurobent	0	0	0	0	0	0	0	0	0	0	0	1	11	56	8	7	12,985	13,223	0	0	0.00	0.00	.-
Lumite	0	0	0	0	0	0	1	3	6	2	41	45	432	398	174	177	370,931	499,067	7	5	3.77	2.00	88%
Total	**28**	**38**	**2,966**	**2,403**	**26,735**	**23,887**	**5**	**4**	**28**	**28**	**101**	**125**	**3668**	**3339**	**1,938**	**2,057**	**3,514,083**	**3,893,105**	**61**	**70**	**3.47**	**3.60**	**-3%**

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. Limbs injury by a moving cylinder.
3. Shoulder injury.
4. Limbs fractures

Amounts in thousand Euro, unless stated otherwise

* Employee training on health and safety * 2019			
Training categories	**Theme Sections**	**Number of participants**	**Training hours/**
Internal trainings delivered by the Safety Officer & Workplace Doctor	a) MAP b) Employees liabilities c) Emergency situations d) Causing accidents - damage e) Insurance provisions f) Machine operation	32	1
	Extinguishing system	26	1
	a) Work at height b) Safe cage use	2	1
	Firewall measures	30	1
	a) Forklift Loading Instructions b) Instructions for leaks c) Good practices	20	1
	a) Fire surveillance system b) safety stations	93	1
	Emergency situations, evacuation of facilities	404	2
	Occupational safety rules Safe work	92	2
	Fire safety, fire-fighting equipment, use of fire extinguishers	146	2
	Warm work	24	1
	First Aid / Defibrillation teams	60	4
Total number of employees that participated in the training		**929**	17

Amounts in thousand Euro, unless stated otherwise

* Employee training on health and safety * 2019			
Training categories	**Theme Sections**	**Number of participants**	**Training hours/**
Training from external partners	First Aid Help Provision	37	4
	BLS-AED (Use of defibrillator)	14	4
	a) Fire safety and active fire protection b) Classification of fire extinguishers c) Proper use of fire extinguishers d) Emergency situation management	75	1
	a) Traffic education b) Safe driving behavior	20	2
	Health & Safety at Work: Experiences and perspectives	1	7
	Handling and operation of fire detection system in board and file rooms	101	1
Total number of employees that participated in the training		**248**	19

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
	Handling and 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**	13

Amounts in thousand Euro, unless stated otherwise

Employee training on health and safety* 2018			
Training categories	**Theme Sections**	**Number of participants**	**Training hours**
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**	36

**Note. The training of employees for both years on Health and Safety issues concern the companies Thrace Plastics Pack S.A., Thrace Polyfilms SA, Thrace Nonwovens & Geosynthetics SA and Thrace Eurobent SA, Thrace Plastics Co S.A.*

*** The difference among the two years is due to the fact that some of the above training sections are been repeated every two or three years.*

PRODUCT SAFETY AND CONSUMERS AND END USERS' HEALTH AND SAFETY

GRI 416-2 **Cases of non-compliance regarding the effects of products and services on health and safety**

During 2019, there were no cases of non-compliance with legislation and regulations, concerning the effects of products on the consumers' health and safety.

Amounts in thousand Euro, unless stated otherwise

Environmental Issues

MAJOR RISKS AND MANAGEMENT OF THEM

The Group recognizes the potential risks that may arise, for instance 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 aim of the Group companies is to fully comply with the environmental legislation recognizing the risk of non-compliance. Within this framework, they have carried out an environmental impact assessment study, mainly focusing on the possible waste generated and their management while they received 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 company collaborates with a specialized law firm, as well as with an external consultant specialized in environmental management issues.

Recognizing it as one of the most important environmental issues concerning it, since the main materials it uses come from non-renewable resources, the Group ensures that they are properly selected and managed.

Environmental policy

The companies of the Group have official Environmental policy and relative procedures, into which they categorize their environmental impacts. Also, they have appointed persons in charge for the environmental management in order to monitor their performance through the Environmental Management System that they have.

Within this context:

- 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 impacts of their activities.
- Provide appropriate environmental training to their employees
- Invest in schemes for pollution reduction and to the maintenance of the natural resources.
- Utilize in a rational basis the energy resources across the entire operations spectrum.
- Review and reevaluate on periodical

basis the objectives for the reduction of the impact that they have on the environment

- 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 for waste management, storage, transportation, recycling and disposal. Group companies monitor the types and quantities of waste generated, including their location and method of recycling, ensuring that the companies to which the waste end up (hazardous and non-hazardous) for final treatment or disposal have valid operating documents in place from which is clearly indicated the right to manage the waste they receive. They also receive the relevant recycling certificates.

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. At the same time efforts are made towards the reduction of the waste materials through production labs.

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 and 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 these substances, which are used in the production and 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 while the access to these areas is only allowed to authorized persons who come from approved suppliers that know in depth the safety rules.

Energy and climate change

Group companies have in recent years taken actions aiming at saving energy, such as:

- replacement of energy-intensive equipment with new of lower energy requirements,
- continuous monitoring of energy consumption and assumption of measures in order to reduce it;
- Raising awareness and informing the company's employees on energy saving issues.

Despite the fact that the Group's greenhouse gas emissions are limited.

The reduction in the carbon footprint remains one of the key environmental management objectives of the Group. A typical example of this effort is the conduct of the latest carbon footprint assessment study on the hydroponic cultivation of tomato and cucumber at the subsidiary, Thrace Greenhouses SA. This study, which concerns 2019, is an analysis of the life cycle of the products produced, and provides an estimate of greenhouse gas emissions as a result of the production process that contribute to climate change. The results of the carbon footprint study of tomato and cucumber production are shown in the table below.

	Tomato	Cucumber	Total
Emissions (kg CO_2 eq)	1,609,583.83	1,134,144.02	2,743,727.85
Production (kg)	4,028.00	3,109.60	
Emissions (kg CO_2 eq / kg product)	0.400	0.365	

The main reasons behind the low carbon footprint of Thrace Greenhouses SA on the one hand is the utilization of geothermal energy, where CO_2 emissions are reduced compared to the use of other sources of energy, and on the other hand, the uptake of CO_2 by plants due to the photosynthetic process. It is evident that the use of geothermal water brings several advantages as it does not only lead to reduced production costs but it also helps to reduce the environmental footprint of Thrace Greenhouses and therefore of the Group.

Water

The consumption of water in the Group companies is not significant, - according to the relevant materiality analysis - (see *Thrace Plastics Group - Sustainable Development Report 2017-2018*, p. 26), however, measures are taken to monitor and reduce overall consumption.

Specifically, Thrace Plastic Pack SA takes steps to reduce water consumption, including:

- engine monitoring and repair of any leaks,
- dealing with leaks in the cooling circuit,
- the rational consumption of water by employees.

In addition, at Thrace Greenhouses SA, due to the fact that greenhouse plants are hydroponic, water consumption is reduced, achieving at the same time the maximum plants' performance.

Emergency cases and other environmental issues

To avoid accidents that could potentially have a serious impact on human health and the environment, the Group has detailed instructions, plans, equipment and training programs for the prevention and response to industrial accidents and emergencies.

Almost all Group companies carry out emergency exercises at least once a year, thus ensuring a high level of employee preparedness.

In addition, the Group complies with the legal requirements for noise, odor, light and vibration levels, while providing employee training programs for the proper management of these issues. Noise, odor and light levels in the environment are monitored on a regular basis and preventive or even remedial measures are taken if levels exceed the permitted limits.

In particular, at the premises of the Plastic Thrace Pack SA at regular intervals take place measurements of environmental parameters (e.g. noise, particulate matter, etc.) that may be harmful to the environment and to health and safety.

Amounts in thousand Euro, unless stated otherwise

RESULTS OF THE ABOVE POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

Certifications

CERTIFICATE	COMPANY
ISO 14001:2015 Environmental Management System (Certificate number: 0117387060638)	Thrace Plastics Pack S.A.
ISO 14001:2015 Environmental Management System	Thrace Greiner Packaging S.R.L.
ISO 14001:2015 Environmental Management System (Certificate number: 20051180000289)	Thrace Nonwovens & Geosynthetics S.A.
ISO 14001:2015 Environmental Management System	Thrace-LINQ Inc.
Global GAP for Good Agricultural Practices	Thrace Greenhouses S.A.
ISO 50001:2018 Energy Management Systems (Certificate number: 0117314060638)	Thrace Plastics Pack S.A.
ISO 50001:2018 Energy Management Systems (Certificate number: 20053180000888)	Thrace Nonwovens & Geosynthetics S.A.
Certificate of Active Fire Protection	Thrace Plastics Pack S.A.
ISO 9001: 2015 Quality Management System (Certificate number: 01010018)	Thrace Nonwovens & Geosynthetics S.A.

Amounts in thousand Euro, unless stated otherwise

Performance Indicators

Materials

GRI 301-1

Materials used per weight or volume

Total weight of materials (in t)			
	2019	2018	Change
Polypropylene	91,679	92,420	-1%
PET	0.00	0.00	0%
Polyethylene	10,151	9,001	13%
Master batches (MB)	3,413	3,224	6%
Packaging	6,864	7,729	-11%
PET Fiber	643.07	494.48	-23%
Recycled Polypropylene	6,256	4,741	32%
Total	**118,362.92**	**121,094.59**	**-2%**

** Note: The differences in the data in the table above, with regard to the year 2018, in relation to those mentioned in the published financial report for 2018, are due to the fact that the present Report (Statement) does not include Thrace-LINQ Inc.*

SOLID WASTE AND NON-HAZARDOUS LIQUID WASTE

Group companies have monitoring systems for generated non-hazardous waste water (waste-water). In particular, in the greenhouse production process in Xanthi, although the irrigated area increased, the production of liquid waste decreased due to the recycling of geothermal water and the non-discharge of irrigation water.

	Total weight of hazardous waste (in t)		Total weight of non-hazardous waste (in t)	
Disposal method	2019	2018	2019	2018
Re-utilization	0.00	0.00	7,715.15	6,333.44
Recycling	203.28	259.79	3,350.59	2,733.84
Incineration (including energy recovery)	12.49	17.17	225.08	44.88
Disposal in landfills	0.00	0.00	1,824.22	1,133.53
Storage on site	12.00	1.42	771.98	737.34
Other	2.65	3.30	0.00	0.00
Total	**230.42**	**281.68**	**13,887.01**	**10,983.03**

Amounts in thousand Euro, unless stated otherwise

ENERGY

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

Companies/Country of operation	Total kWh/Production (kg)		
	2019	2018	Change
Total production in Greece*	1.21	1.23	-1.6%
Don & Low Ltd	1.54	1.57	-1.5%
Thrace Ipoma A.D.	1.50	1.26	18.7%
Thrace Greiner Packaging S.R.L.	1.40	1.45	-3.1%
Total consumption of energy per kg of product	**1.32**	**1.32**	**-0.2%**

**Note. The figures refer to the operations of Thrace Nonwovens & Geosynthetics S.A., Thrace Polyfilms S.A. and Thrace Plastics Pack S.A.*

GRI 302-1

Energy consumption within the organization

Total energy consumption within the Group from non-renewable sources (in MJ)		
Source	**2019**	**2018**
Gasoline	26.73	18.74
Natural Gas	93,790,669	110,945,310
Methane	88,920	108,000
Liquefied Petroleum Gas	3,680,961	2,718,521
Diesel	1,738.56	770*
Heating pellets	2,886,332	0
Total	**100,448,648**	**113,772,619**

** Note: The differences in the data in the table above, in relation to the year 2018, in relation to those mentioned in the published financial report for 2018, are due to the fact that some data of 2018 had been restated due to the fact that a miscalculation was found last year.*

Amounts in thousand Euro, unless stated otherwise

Energy consumed (in MJ)		
Source	**2019**	**2018**
Electricity	571,706,671	551,742,505*/**
Thermal	1,548,000	2,041,200*
Cooling	0	0**
Steam	0	0
Total	**573,254,671**	**553,783,705**

** Note: The differences in the data in the table above, in relation to the year 2018, in relation to those mentioned in the published financial report for 2018, are due to the fact that the present Report (Statement) does not include Thrace-LINQ Inc.*

*** Note: The differences in the data in the table above, as far as the year 2018 is concerned, in relation to those mentioned in the published financial report for 2018, are due to the fact that some data of 2018 had been restated due to incorrect calculation in last year.*

Energy consumption from renewable sources (in MJ)		
Source	**2019**	**2018**
Geothermal energy	23,680,000	20,575,000
Total	**23,680,000**	**20,575,000**

Finally, we note that energy sales are carried out only by Thrace-LINQ Inc., which has been excluded from this Report (Statement) for 2019.

Xanthi, 29 April 2020

The Chairman of the Board of Directors and Chief Executive Officer	The Deputy CEO & Executive Member of the Board of Directors	The Non-Executive Member of the Board of Directors
Konstantinos St. Chalioris	**Dimitris P. Malamos**	**Vasileios S. Zairopoulos**

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 Company 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 ABC Listed Company (Company or/and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2019, 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 2019, 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 Law 4548/2018.

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 2019, are disclosed in note 3.29 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 € 15.3 million related to provisions for employee benefits, of which € 12.7 million are related to defined benefit plans which are funded and €2,6 million related to defined benefit plans which are not funded, as at 31 December 2019. 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 2.19 and 3.21 "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 2019, the Group has goodwill of € 9.8 million as stated in note 3.13 "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 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", 2.6.2 “Impairment assessment of goodwill” and 3.13 "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 2019.

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, 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 2019, the Company held investments in subsidiaries amounting to €73.9 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 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 2019.

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. 3.27 "Participations".

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 29 April 2020.

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 Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 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 150,151,153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of Law 4548/2018.

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.

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 Law 4548/2018, 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, as per the requirements of article 11 of the EE Regulation 537/2014.

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 10 years.

30 April 2020

The Certified Auditor

pwc

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

Despina Marinou
SOEL Reg. No. 17681

THRACE GROUP

THRACE PLASTICS CO S.A.

ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD 1.1.2019 – 31.12.2019

www.thracegroup.com

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IV. ANNUAL FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED)

Statements

Contents of Notes

STATEMENT OF COMPREHENSIVE INCOME AND OTHER COMPREHENSIVE INCOME

		Group		Company	
	Note	**1/1 - 31/12/2019**	1/1 - 31/12/2018	**1/1 - 31/12/2019**	1/1 - 31/12/2018
Turnover		**327,795**	322,733	**4,993**	4,896
Cost of Sales		**(264,247)**	(259,508)	**(4,589)**	(4,540)
Gross Profit/(loss)		**63,548**	63,225	**404**	356
Other Operating Income	3.2	**1,981**	2,390	**105**	356
Selling Expenses	3.4	**(31,156)**	(31,312)	**-**	-
Administrative Expenses	3.4	**(17,204)**	(16,823)	**(969)**	(753)
Research and Development Expenses	3.4	**(1,568)**	(2,133)	**-**	-
Other Operating Expenses	3.6	**(4,257)**	(2,156)	**(116)**	(45)
Other profit / (losses)	3.3	**758**	506	**(4)**	(3)
Operating Profit /(loss) before interest and tax		**12,102**	13,697	**(580)**	(89)
Financial Income	3.7	**418**	1,934	**-**	2
Financial Expenses	3.7	**(5,338)**	(6,481)	**(619)**	(800)
Income from Dividends		**-**	-	**3,500**	1,570
Profit / (losses) from companies consolidated with the Equity Method	3.25	**1,166**	855	**-**	-
Proft / (Losses) from Participations		**-**	-	**-**	-
Profit/(loss) before Tax		**8,348**	10,005	**2,301**	683
Income Tax	3.9	**(4,331)**	(1,976)	**(35)**	(232)
Profit/(loss) after tax (A)		**4,017**	8,029	**2,266**	451
Other comprehensive income					
Items transferred to the results					
FX differences from translation of foreign Balance Sheets		**2,228**	(37)	**-**	-
Items not transferred to the results					
Actuarial profit/(loss)		**431**	365	**(27)**	4
Other comprehensive income after taxes (B)		**2,659**	328	**(27)**	4
Total comprehensive income after taxes (A) + (B)		**6,676**	8,357	**2,239**	455
Profit / (loss) after tax (A)					
Attributed to:					
Owners of the parent		**3,716**	7,721	**-**	-
Minority interest		**301**	308	**-**	-
Total comprehensive income after taxes (A) + (B)					
Attributed to:					
Owners of the parent		**6,378**	8,041	**-**	-
Minority interest		**298**	316	**-**	-
Profit/(loss) allocated to shareholders per share (A)	3.8				
Number of shares		**43,737**	43,737	**-**	-
Earnings/(loss) per share		0.0850	0.1765	**-**	-

The accompanying notes that are presented in pages 115-198 form an integral part of the present financial statements

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF FINANCIAL POSITION

	Note	Group 31/12/2019	Group 31/12/2018	Company 31/12/2019	Company 31/12/2018
ASSETS					
Non-Current Assets					
Tangible fixed assets	3.10	**123,210**	135,963	**398**	412
Rights-of-use assets	3.11	**14,972**	-	**176**	-
Investment property		**113**	113	**-**	-
Intangible Assets	3.13	**11,350**	11,567	**503**	611
Participation in subsidiaries	3.27	**-**	-	**73,858**	70,316
Participation in joint ventures	3.27	**14,547**	13,355	**3,819**	3,004
Other long term receivables	3.14	**5,091**	5,087	**1,168**	1,168
Deferred tax assets	3.22	**833**	935	**708**	733
Total non-Current Assets		**170,116**	167,020	**80,630**	76,244
Current Assets					
Inventories	3.15	**59,158**	66,896	**-**	-
Income tax prepaid		**588**	2,058	**32**	343
Trade receivables	3.16	**57,428**	53,603	**2,838**	2,836
Other debtors	3.16	**7,844**	7,824	**4,254**	4,616
Assets held for sale	3.12	**6,155**	-	**-**	-
Cash and Cash Equivalents	3.17	**22,051**	22,824	**505**	3,172
Total Current Assets		**153,224**	153,205	**7,629**	10,967
TOTAL ASSETS		**323,340**	320,225	**88,259**	87,211
EQUITY AND LIABILITIES					
Equity					
Share Capital	3.18	**28,869**	28,869	**28,869**	28,869
Share premium	3.19	**21,524**	21,524	**21,644**	21,644
Other reserves	3.19	**24,632**	20,294	**14,214**	14,214
Retained earnings		**68,353**	68,248	**6,016**	5,720
Total Shareholders' equity		**143,378**	138,935	**70,743**	70,447
Minority Interest		**2,971**	2,680	**-**	-
Total Equity		**146,349**	141,615	**70,743**	70,447
Long Term Liabilities					
Long Term loans	3.20	**52,871**	29,136	**4,000**	-
Liabilities from leases	3.20	**4,439**	-	**43**	-
Provisions for Employee Benefits	3.21	**15,252**	15,468	**215**	195
Other provisions		**36**	75	**382**	444
Deferred Tax Liabilities	3.22	**2,507**	2,099	**-**	-
Other Long Term Liabilities		**93**	95	**1**	55
Total Long Term Liabilities		**75,198**	46,873	**4,641**	694
Short Term Liabilities					
Short Term loans	3.20	**43,496**	72,050	**11,098**	14,117
Liabilities from leases	3.20	**4,773**	-	**156**	-
Income Tax		**1,076**	1,391	**56**	174
Suppliers	3.23	**36,187**	40,163	**297**	356
Other short-term liabilities	3.23	**16,261**	18,133	**1,268**	1,423
Total Short Term Liabilities		**101,793**	131,737	12,875	16,070
TOTAL LIABILITIES		**176,991**	178,610	**17,516**	16,764
TOTAL EQUITY & LIABILITIES		**323,340**	320,225	**88,259**	87,211

The accompanying notes that are presented in pages 115-198 form an integral part of the present financial statements

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 01/01/2018	**28,869**	**21,540**	**25,713**	**(10)**	**(5,572)**	**64,573**	**135,113**	**2,365**	**137,478**
Change in accounting policy	-	-	-	-	-	(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 / (losses) for the period	-	-	-	-	-	7,721	**7,721**	307	**8,028**
Other comprehensive income	-	-	-	-	(38)	365	**327**	1	**328**
Distribution of earnings	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(2,058)	**(2,058)**	-	**(2,058)**
Changes in percentages	-	-	-	-	-	-	-	-	-
Other changes	-	(16)	5,780	-	(5,579)	(187)	**(2)**	7	**5**
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
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**
Balance as at 01/01/2019	**28,869**	**21,524**	**31,493**	**(10)**	**(11,189)**	**68,248**	**138,935**	**2,680**	**141,615**
Profit / (losses) for the period	-	-	-	-	-	**3,716**	**3,716**	**301**	**4,017**
Other comprehensive income	-	-	-	-	**2,235**	**435**	**2,670**	**(10)**	**2,660**
Distribution of earnings	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	**(1,943)**	**(1,943)**	-	**(1,943)**
Changes in percentages	-	-	-	-	-	-	-	-	-
Other changes	-	-	**2,103**	-	-	**(2,103)**	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Changes during the period	-	-	**2,103**	-	**2,235**	**105**	**4,443**	**291**	**4,734**
Balance as at 31/12/2019	**28,869**	**21,524**	**33,596**	**(10)**	**(8,954)**	**68,353**	**143,378**	**2,971**	**146,349**

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 01/01/2018	**28,869**	**21,644**	**14,133**	**(10)**	**16**	**7,838**	**72,490**
Change in accounting policy	-	-	-	-	-	(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 in percentages	-	-	-	-	-	-	**-**
Purchase of treasury shares	-	-	-	-	-	-	**-**
Divestiture	-	-	-	-	-	-	-
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**
Balance as at 01/01/2019	**28,869**	**21,644**	**14,208**	**(10)**	**16**	**5,720**	**70,447**
Profit / (loss) for the period	-	-	-	-	-	2,266	**2,266**
Other comprehensive income	-	-	-	-	-	(27)	**(27)**
Distribution of earnings	-	-	-	-	-	-	**-**
Dividends	-	-	-	-	-	(1,943)	**(1,943)**
Other changes	-	-	-	-	-	-	**-**
Purchase of treasury shares	-	-	-	-	-	-	**-**
Changes during the period	-	-	-	-	-	296	**296**
Balance as at 31/12/2019	**28,869**	**21,644**	**14,208**	**(10)**	**16**	**6,016**	**70,743**

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF CASH FLOWS

	Note	Group		Company	
		1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Cash flows from Operating Activities					
Profit before Taxes and Minority Interest		8,348	10,005	2,301	683
Plus / (minus) adjustments for:					
Depreciation		16,642	13,803	317	167
Provisions		(191)	410	60	(88)
FX differences		338	(359)	4	-
(Profit)/loss from sale of fixed assets		(749)	(129)	-	3
Dividends		-	-	(3,500)	(1,571)
Impairment of Fixed Assets		1,331	-	-	-
Debit interest and related (income) / expenses		4,920	4,547	619	798
(Profit) / losses from companies consolidated with the Equity method		(1,166)	(855)	-	-
Operating Profit before adjustments in working capital		29,473	27,422	(199)	(8)
(Increase)/decrease in receivables		(5,256)	5,792	115	3,343
(Increase)/decrease in inventories		8,329	(7,413)	-	-
Increase/(decrease) in liabilities (apart from banks-taxes)		(6,051)	(2,575)	(344)	(749)
Other non cash movements		-	2	-	-
Cash generated from Operating activities		26,495	23,228	(428)	2,586
Interest Paid		(3,663)	(3,888)	(624)	(761)
Other financial income/(expenses)		(584)	(820)	-	(3)
Taxes		(2,580)	(4,345)	-	(353)
Cash flows from operating activities (a)		19,668	14,175	(1,052)	1,469
Investing Activities					
Receipts from sales of tangible and intangible assets		1,454	114	-	3
Interest received		13	21	-	2
Dividends received		683	485	3,500	1,571
Increase of interests in subsidiaries / associates		(815)	(10)	(4,007)	-
Investment grants		-	136	-	-
Purchase of tangible and intangible assets		(22,443)	(32,339)	(54)	(36)
Cash flow from investing activities (b)		(21,108)	(31,593)	(561)	1,540
Financing activities					
Proceeds from loans		31,255	28,419	1,000	-
Repayment of Loans		(24,455)	(13,700)	-	(2,578)
Financial leases		(4,760)	(3,207)	(117)	
Dividends paid		(1,937)	(2,032)	(1,937)	(2,049)
Cash flow from financing activities (c)		103	9,480	(1,054)	(4,627)
				8,349	
Net increase /(decrease) in Cash and Cash Equivalents		(1,337)	(7,938)	(2,667)	(1,618)
Cash and Cash Equivalents at beginning of period	3.17	22,824	30,593	3,172	4,790
Effect from changes in foreign exchange rates on cash reserves		564	169	-	-
Cash and Cash Equivalents at end of period	3.17	22,051	22,824	505	3,172

The accompanying notes that are presented in pages 115-198 form an integral part of the present financial statements

Amounts in thousand Euro, unless stated otherwise

1. Information about the Group

The company THRACE PLASTICS CO 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 31.12.2019 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., and Romania. On 31st December 2019, the Group employed in total 1,605 employees, from which 909 in Greece.

The structure of the Group as of 31st December 2019 was as follows:

Amounts in thousand Euro, unless stated otherwise

Company	Registered Offices	Participation Percentage of Parent Company	Participation Percentage of Group	Consolidation Method
Thrace Plastics CO S.A.	**GREECE-Xanthi**	**Parent**	**-**	**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 S.M.P.C.	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	-	92.94%	Full
Trierina Trading LTD	CYPRUS-Nicosia	-	92.94%	Full
Thrace Ipoma A.D.	BULGARIA-Sofia	-	92.83%	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 S.A.	**GREECE - Xanthi**	**100.00%**	**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 2019. The basic accounting principles that were applied for the preparation of the financial statements for the year ended on 31 December 2019 are the same as those applied for the preparation of the financial statements for the year ended on 31 December 2018 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 29, 2019 and are subject to approval by the next General Meeting which will convene within the year 2020.

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 on 1st January 2019 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 16 «Leases»

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. The effect of the standard on the Group is described on note 2.26.

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

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.

IAS 28 (Amendments) "Long-term interests in associates and joint ventures"

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.

IFRIC 23 "Uncertainty over Income Tax Treatments"

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"

The amendments determine the manner with which the entities must define the pension expenses whenever a change takes place in defined benefit plans.

Annual Improvement in IFRS (Cycle 2015 – 2017)

The amendments presented below include changes in four IFRS.

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.

STANDARDS AND INTERPRETATIONS MANDATORY FOR SUBSEQUENT PERIODS

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.

IFRS 9, IAS 39 and IFRS 7(Amendments) "Interest Rate Benchmark Reform" *(effective for annual periods beginning on or after 1 January 2020)*

The amendments change certain requirements regarding risk accounting in order to facilitate the possible effects of uncertainty caused by the change in benchmark rates. In addition, the amendments require companies to provide additional information to investors about their hedging relationships, which are directly affected by these uncertainties.

IAS 1 (Amendment) "Classification of Liabilities as Short-term or Long-term" *(effective for annual periods beginning on or after 1 January 2022)*

The amendment clarifies that the liabilities are classified as short-term or long-term based on the rights in force at the end of the reference period. The classification is not affected by the entity's expectations or events after the reference date. In addition, the amendment clarifies the importance of the term «settlement» of a liability of IAS 1. The amendment has not yet been adopted by the European Union.

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 3.21.

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 years
Machinery and technical installations	7% - 10%	10 - 14 years
Specialized mechanical equipment	12% - 15%	7 - 8 years
Vehicles	10% - 20%	5 - 10 years
Furniture and fixture	10% - 30%	3 - 10 years

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 2.8). 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.

Amounts in thousand Euro, unless stated otherwise

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.

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 3.13.

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.

2.6.4 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 Non Current Assets Held for Sale

The Group classifies a non-current asset (or a group of assets and liabilities) as held for sale, if its value is expected to be recovered primarily through the sale of the item and not through its continued use and the sale is considered very likely. Immediately before the initial classification of the non-current asset (or group of assets and liabilities) as held for sale, the asset (or all assets and liabilities included in the group) shall be assessed on the basis of the applicable IFRS. Non-current assets (or asset and liability groups) classified as held for sale are valued at the lowest value between their book value and their fair value reduced by direct sales costs, and any resulting impairment losses and then they are recorded in the results. Any possible increase in the fair value in a later valuation is recorded in the statement of results, but not for an amount greater than the previously recorded impairment loss. From the day on which a non-current asset (or non-current asset included in a group of assets and liabilities) is classified as held for sale, depreciation or impairment is not counted.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 Foreign Exchange Translations

2.12.1 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.

2.12.2 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".

2.12.3 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.

2.13 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".

2.14 Dividends

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

2.15 Income

2.15.1 Income from contracts with customers

The Parent Company provides Administrative, Financial, Accounting, IT Services to the Subsidiaries of the Group. Income from the provision of services is recognized over time in the accounting period during which the services were provided.

The Group recognizes income from the sale of goods when the control of the goods is transferred to the customer, usually upon delivery, and there is no unfulfilled obligation that could affect the acceptance of the goods by the customer. The main product categories are technical fabrics (Geosynthetics and textiles for construction, garden projects, hospital and sanitary products, filter industry, automotive industry, industrial use, sports and leisure, carpet weaving, yarn and straps) and packaging products (Mega sacks, packaging film, packaging fabrics, containers, bins, cups, glasses, containers and trays, plastic boxes, bottles, bags, garbage bags, ropes and strings.) The Group accepts returns only in case of defective products or products which do not generally meet the required specifications.

The asset (receivable) is recognized when there is an unconditional right for the entity to receive the price for the performed obligations of the contract to the customer. The contractual asset is recognized when the Group has fulfilled its obligations to the customer, before the customer pays or before payment becomes due. Payment is usually required between 30 and 90 days. The contractual obligation is recognized when the Group receives a price from the customer (advance payment) or when it reserves the right to a price which is unconditional (deferred income) before the performance of the obligations of the contract and the transfer of the goods or services. The contractual obligation is recognized when the obligations of the contract are fulfilled and the income is recorded in the income statement.

2.15.2 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".

2.15.3 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.

2.15.4 Interest Income

Interest income is recognized on an accrual basis.

2.16 Expenses

Expenses are recognized in the Results on an accrual basis.

2.17 Leases

When a contract enters into force, the Group assesses whether the contract constitutes, or involves, a lease. A contract constitutes, or involves, a lease if the contract transfers the right to control the use of a recognized asset for a specified period of time in exchange for a consideration.

2.17.1 Leasing Accounting from Lessee

The Group applies a unified approach to recognition and measurement for all leases (except for short-term leases and low-value leases - see note 2.26). The Group recognizes liabilities from leases for payments and assets with a right of use that represent the right to use the underlying assets.

2.17.2 Right-of-use Assets

The Group recognizes the assets with the right of use on the date of commencement of the lease term (i.e. the date on which the underlying asset is available for use). Assets with the right to use are measured in cost, reduced by any cumulative depreciation and impairment losses and are adjusted based on any revaluation of the obligation from leases. The cost of the assets with the right of use consists of the amount of the obligation from recognized leases, the initial direct costs and any leases paid on the date of commencement of the lease period or earlier, minus any lease incentives received. Assets with the right of use are depreciated based on the fixed method in the shortest period of time between the duration of the lease and their useful life.

If the ownership of the leased asset is transferred to the Group at the end of the lease term or if its cost reflects the exercise of a market right, depreciation is calculated in accordance with the estimated useful life of the asset.

The Group has contracts for the lease of buildings (used as offices, warehouses), means of transport as well as other equipment used in its business activities. Lease agreements may contain lease and non-lease information. The Group has chosen not to separate the parts of the contract that are not a lease from the elements of the lease and therefore treats any element of the lease and any related parts that do not constitute a lease as a single lease. Assets with the right of use are subject to impairment test as described in the accounting policy "2.8 Impairments of Non Financial Assets".

2.17.3 Liabilities from Leases

At the date of commencement of the lease, the Group calculates the obligation from leases at the present value of the leases to be paid during the lease term. Leases consist of fixed parts (including substantially fixed leases) reduced by any lease incentives, floating parts that depend on an index or interest rate and amounts expected to be paid on the basis of residual value guarantees. Leases also include the exercise price of the purchase right if it is rather certain that the Group will exercise that right and the payment clause that would allow to terminate the lease if the term of the lease reflects the exercise of the right to renounce. To discount the leases, the Group uses the incremental borrowing rate since the implied interest rate related to the leasing cannot be easily determined.

After the start date of the lease, the amount of the lease liability increases based on the interest on the liability and decreases with the payment of the lease. In addition, the book value of the obligation from leases is recalculated if there are reassessments or amendments to the lease agreement. Analysis of the Group's leases is included in Note 3.11, while the effect from the first application of the standard to the Group is described in Note 2.26.

2.17.4 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.

2.18 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's companies offset 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.

2.19 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, certain studies are being performed by an independent actuary who applies the same rationale applied to the funded programs.

2.20 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.

2.21 Financial Assets

2.21.1 Financial Assets

Initial Measurement and Recognition

The Group and the Company measure the financial assets initially at their fair value by adding 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.

Subsequent Measurement

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 valued at fair value through the other comprehensive income or assets that are valued at fair value through the results as of 31 December 2019.

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.

Termination of financial asset recognition

The Group (or Company) ceases to recognize a financial asset when and only when the contractual rights expire on the cash flows of the financial asset or when it transfers the financial asset and the transfer meets the conditions for write-off.

Reclassification of financial assets

Reclassification of financial assets takes place in rare cases and is due to a decision of the Group (or Company) to modify the business model it applies with regard to the management of these financial assets.

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 contractual cash flows and all cash flows that the Group (or Company) expects to receive. The difference is discounted using an estimate of the initial real 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.

2.21.2 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).

2.22 Financial Liabilities

Initial Recognition and subsequent measurement of financial liabilities

All financial liabilities are initially valued at their fair value minus the transaction costs, in the case of loans and liabilities. For later measurement purposes, financial liabilities are classified as financial liabilities at amortized costs. 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.

De-recognition of Financial Liabilities

A financial liability is written off when the commitment arising from the liability is canceled or expires. When an existing financial liability is replaced by another by the same lender but on fundamentally different terms, or the terms of an existing liability are significantly modified, this exchange or amendment is treated as de-recognition of the initial liability and recognition of a new liability. The difference in the respective book values is recognized in the statement of results.

Offsetting between financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reflected in the statement of financial position only when the Group or Company has this legal right and intends to offset them on a net basis or to claim the asset and settle the liability at the same time. The legal right should not depend on future events and should be enforceable in the normal course of business and in the event of a breach, insolvency or bankruptcy of the company or counterparty.

2.23 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.

2.24 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.

2.25 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 2).

2.26 Changes in Accounting Principles

The Group applied for the first time the IFRS 16 "Leases" which replaces the provisions of IAS 17 and sets the principles for the recognition, measurement, presentation and disclosures concerning the leases. The standard is mandatory for the accounting periods that begin on 1st January 2019 or after. The IFRS 16 has a significant effect on the financial statements of the Group, particularly in the total assets and total liabilities, the results, the net cash flows from operating activities, the net cash flows from financing activities, and the presentation of financial position.

The Group applied the new standard by utilizing the amended retroactive method, meaning that the impact was recognized on cumulative basis in the "Results carried forward", whereas the comparative amounts were not restated. During the transition into the IFRS 16, the liabilities deriving from the existing operating leases are being discounted according to the relevant discount rate (or incremental borrowing rate). The present value that is calculated is then recognized as liability from lease. The right-of-use assets are being measured on equivalent basis with the liability from lease and are adjusted for any prepaid or accrued leases.

Regarding the options and the exemptions allowed according to IFRS 16, the Group adopted the following approach:

- The right-of-use assets and the liabilities from leases are depicted separately in the statements of financial position
- The requirements concerning the

recognition, measurement and disclosures of IFRS 16 were applied in all leases except for the leases of "small value" and the leases with shorter term, meaning 12 months or less.

In addition, in relation to the first application of IFRS 16, the following policies and practical facilitations were used in the Group and in the Company:

- The Group has chosen the new definition of lease to apply not only to contracts entered into (or change) on or after 1 January 2019, but also to all existing contracts on the date of initial application.
- The Group relied on its assessment of whether the lease agreements were burdensome immediately before the start date of the initial application. There were no burdensome leases on January 1, 2019.
- The Group, during the first application, did not change the book value of the assets previously classified as financial leases (the assets with the right of use are equal to the leased assets of IAS 17).

The Group, for all leases, utilized the practical facilitation not to separate the parts of the agreement that do not constitute lease (non-lease components) from the lease items (lease components) and therefore dealt with each element of the lease and any related parts that do not constitute lease as a single lease.

If the implied interest rate could not be easily determined, the discount rate used to measure the assets with the right to use and the lease liabilities was the Group's incremental borrowing rate. On January 1, 2019, the average weighted discount rate applied to the Company was 3.80% while for the Group it was between 1.65% and 4.00%.

In addition to the above, there were no other significant assessments or judgments required for the application of IFRS 16.

As for the Group and the Company as a lessor, the new definition of leases has no impact.

The following tables summarize the effect of the adoption of IFRS 16 on the financial statements of the Group and the Company on 1 January 2019, for each of the affected data:

	Group			
	31/12/2018	IFRS 16 Adjustments	IFRS 16 Reclassifications	01-01-2019 Revised
ASSETS				
Non-Current Assets				
Tangible fixed assets	135,963	-	(24,427)	111,536
Right-of-use assets	-	2,412	24,427	26,839
Investment property	113	-	-	113
Intangible Assets	11,567	-	-	11,567
Participation in subsidiaries	-	-	-	-
Participation in joint ventures	13,355	-	-	13,355
Other long term receivables	5,087	-	-	5,087
Deferred tax assets	935	-	-	935
Total non-Current Assets	167,020	2,412	-	169,432
Current Assets				
Inventories	66,896	-	-	66,896
Income tax prepaid	2,058	-	-	2,058
Trade receivables	53,603	-	-	53,603
Other debtors	7,824	-	-	7,824
Cash and Cash Equivalents	22,824	-	-	22,824
Total Current Assets	153,205	-	-	153,205
TOTAL ASSETS	320,225	2,412	-	322,637
EQUITY AND LIABILITIES				
Equity				
Share Capital	28,869	-	-	28,869
Share premium	21,524	-	-	21,524
Other reserves	20,294	-	-	20,294
Retained earnings	68,248	-	-	68,248
Total equity attributable to the shareholders of the parent company	138,935	-	-	138,935
Minority Interest	2,680	-	-	2,680
Total Equity	141,615	-	-	141,615
Long Term Liabilities				
Long Term loans	29,136	-	(10,927)	18,209
Liabilities from leases	-	1,677	10,927	12,604
Provisions for Employee Benefits	15,468	-	-	15,468
Other provisions	75	-	-	75
Deferred Tax Liabilities	2,099	-	-	2,099
Other Long Term Liabilities	95	-	-	95
Total Long Term Liabilities	46,873	1,677	-	48,550
Short Term Liabilities				
Short Term loans	72,050	-	(5,341)	66,709
Liabilities from leases	-	735	5,341	6,076
Income Tax	1,391	-	-	1,391
Suppliers	40,163	-	-	40,163
Other short-term liabilities	18,133	-	-	18,133
Total Short Term Liabilities	131,737	735	-	132,472
TOTAL LIABILITIES	178,610	2,412	-	181,022
TOTAL EQUITY & LIABILITIES	320,225	2,412	-	322,637

Amounts in thousand Euro, unless stated otherwise

	Company			
	31/12/2018	IFRS 16 Adjustments	IFRS 16 Reclassifications	01-01-2019 Revised
ASSETS				
Non-Current Assets				
Tangible fixed assets	412	-	-	412
Right-of-use assets	-	316	-	316
Investment property	-	-	-	-
Intangible Assets	611	-	-	611
Participation in subsidiaries	70,316	-	-	70,316
Participation in joint ventures	3,004	-	-	3,004
Other long term receivables	1,168	-	-	1,168
Deferred tax assets	733	-	-	733
Total non-Current Assets	76,244	316	-	76,560
Current Assets				
Inventories	-	-	-	-
Income tax prepaid	343	-	-	343
Trade receivables	2,836	-	-	2,836
Other debtors	4,616	-	-	4,616
Cash and Cash Equivalents	3,172	-	-	3,172
Total Current Assets	10,967	-	-	10,967
TOTAL ASSETS	87,211	316	-	87,527
EQUITY AND LIABILITIES				
Equity				
Share Capital	28,869	-	-	28,869
Share premium	21,644	-	-	21,644
Other reserves	14,214	-	-	14,214
Retained earnings	5,720	-	-	5,720
Total equity attributable to the shareholders of the parent company	70,447	-	-	70,447
Minority Interest	-	-	-	-
Total Equity	70,447	-	-	70,447
Long Term Liabilities				
Long Term loans	-	-	-	-
Liabilities from leases	-	178	-	178
Provisions for Employee Benefits	195	-	-	195
Other provisions	444	-	-	444
Deferred Tax Liabilities	-	-	-	-
Other Long Term Liabilities	55	-	-	55
Total Long Term Liabilities	694	178	-	872
Short Term Liabilities				
Short Term loans	14,117	-	-	14,117
Liabilities from leases	-	138	-	138
Income Tax	174	-	-	174
Suppliers	356	-	-	356
Other short-term liabilities	1,423	-	-	1,423
Total Short Term Liabilities	16,070	138	-	16,208
TOTAL LIABILITIES	16,764	316	-	17,080
TOTAL EQUITY & LIABILITIES	87,211	316	-	87,527

Amounts in thousand Euro, unless stated otherwise

The agreement between the commitments from operating leases on 31 December 2018 and the liabilities from leases that were recognized on 1 January 2019, is as follows:

Commitments from operating leases	**Group**	**Company**
Commitments from operating leases as they have been disclosed on 31.12.2018	**2,864**	**330**
Plus: liabilities from financial leases on 31.12.2018	16,268	-
(Minus): short-term leases on 1.1.2019	(116)	-
(Minus): leases of low value fixed assets on 1.1.2019	(100)	-
Liabilities from leases on 1.1.2019, non discounted	**18,916**	**330**
Discounting	(236)	(14)
Liabilities from leases on 1.1.2019	**18,680**	**316**
Analyzed as follows:		
Short-term liabilities from leases	6,076	138
Long-term liabilities from leases	12,604	178

Analysis of the leases of the Group and the Company is included in Note 3.11.

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.	It includes the Agricultural sector and the business activity of the Parent company which, as already mentioned apart from the investment activities, also provides Administrative – Financial – IT services to its subsidiaries.

BALANCE SHEET OF 31.12.2019	TECHNICAL FABRICS	PACKAGING	OTHER	WRITE-OFF OF TRANSACTIONS BETWEEN SEGMENTS	GROUP
Total consolidated assets	**211,121**	**103,865**	**88,441**	**(80,087)**	**323,340**

INCOME STATEMENT FOR THE PERIOD FROM 1.1 - 31.12.2019	TECHNICAL FABRICS	PACKAGING	OTHER	WRITE-OFF OF TRANSACTIONS BETWEEN SEGMENTS	GROUP
Turnover	240,604	94,895	4,993	(12,697)	327,795
Cost of sales	(197,868)	(74,458)	(4,589)	12,668	(264,247)
Gross profit	**42,736**	**20,437**	**404**	**(29)**	**63,548**
Other operating income	1,694	439	106	(258)	1,981
Distribution expenses	(22,977)	(7,850)	-	(329)	(31,156)
Administrative expenses	(12,452)	(4,368)	(970)	586	(17,204)
Research and Development Expenses	(1,340)	(228)	-	-	(1,568)
Other operating expenses	(3,277)	(877)	(117)	14	(4,257)
Other Income / (Losses)	787	(25)	(4)	-	758
Operating profit / (loss)	**5,171**	**7,528**	**(581)**	**(16)**	**12,102**
Interest & related (expenses)/income	(2,695)	(1,617)	(619)	11	(4,920)
Income from dividends	-	-	3,500	(3,500)	-
(Profit) / loss from companies consolidated with the Equity method	224	671	270	-	1,166
Total Earnings / (losses) before tax	**2,700**	**6,582**	**2,571**	**(3,505)**	**8,348**
Depreciations	**10,574**	**5,752**	**317**	**-**	**16,643**
Total Earnings / (losses) before interest, tax, depreciation & amortization	**15,745**	**13,280**	**(264)**	**(16)**	**28,745**

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)
(Earnings)/Losses from Subsidiaries	-	-	-	-	-
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	**5,216**	**5,555**	**889**	**(1,655)**	**10,005**
Depreciations	**8,437**	**5,198**	**168**	**-**	**13,803**
Total Earnings / (losses) before interest, tax, depreciation & amortization	**15,528**	**11,978**	**78**	**(84)**	**27,500**

Amounts in thousand Euro, unless stated otherwise

3.2 Other Operating Income

Other Operating Income	Group		Company	
	2019	2018	2019	2018
Grants (*)	**240**	265	**-**	-
Income from rents	**620**	539	**-**	-
Income from provision of services	**-**	-	**-**	-
Income from prototype materials	**22**	273	**-**	-
Reverse entry of not utilized provisions	**218**	179	**24**	71
Income from electric energy management programs	**712**	521	**-**	-
Other operating income	**169**	613	**81**	285
Total	**1,981**	**2,390**	**105**	**356**

** The amount of € 240 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	
	2019	2018	2019	2018
Profit / (Losses) from sale of fixed assets	**177**	129	**-**	-
Extraordinary profit from sale of fixed assets of Don&Low	**640**	-	**-**	-
Extraordinary loss from sale of fixed assets of ThraceIpoma	**(68)**	-	**-**	-
Foreign Exchange Differences	**9**	377	**(4)**	(3)
Total	**758**	**506**	**(4)**	**(3)**

Amounts in thousand Euro, unless stated otherwise

3.4 Analysis of Expenses (Production-Administrative-Distribution-Research & Development)

Analysis of Expenses (Production-Administrative-Distribution-Research & Development)	Group		Company	
	2019	2018	2019	2018
Payroll expenses	**57,381**	59,918	**2,824**	2,762
Third party fees – expenses *	**5,020**	5,603	**1,457**	1,302
Electric power – Natural gas	**15,334**	13,536	**18**	17
Repairs / Maintenance	**5,257**	6,185	**21**	36
Rental expenses (note 3.11)	**785**	1,310	**27**	173
Insurance expenses	**2,337**	2,449	**50**	36
Exhibitions / travelling expenses	**2,039**	2,190	**161**	163
IT and telecom expenses	**934**	1,003	**303**	331
Promotion and advertising expenses	**306**	453	**120**	124
Transfer expenses	**14,249**	14,447	**-**	-
Consumables	**4,728**	4,105	**3**	5
Sundry expenses / Other provisions	**4,036**	4,092	**257**	176
Depreciation / Amortization	**15,999**	13,759	**317**	168
Total	**128,405**	**129,050**	**5,558**	**5,293**

* *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	
	2019	2018	2019	2018
Production	**78,477**	78,782	**4,589**	4,540-
Administrative	**17,204**	16,823	**969**	753
Distribution	**31,156**	31,312	**-**	-
Research and Development	**1,568**	2,133	**-**	-
Total	**128,405**	**129,050**	**5,558**	**5,293**

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	
	2019	2018	2019	2018
Production expenses	**78,477**	78,782	**4,589***	4,540*
Cost of materials and inventory	**185,770**	180,726	**-**	-
Total	**264,247**	**259,508**	**4,589**	**4,540**

** 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	
	2019	2018	2019	2018
Wages	**47,280**	49,466	**2,504**	2,429
Employer contributions	**7,753**	8,022	**315**	304
Retirement benefits	**1,400**	1,510	**4**	5
Sub Total	**56,433**	**58,998**	**2,823**	**2,738**
Other Expenses	**948**	920	**1**	24
Grand Total	**57,381**	**59,918**	**2,824**	**2,762**

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	
	2019	2018	2019	2018
Regular employees	**1,605**	1,843	**20**	19

Amounts in thousand Euro, unless stated otherwise

3.6 Other Operating Expenses

Other Operating Expenses	Group		Company	
	2019	2018	2019	2018
Provisions for doubtful receivables	47	61	-	-
Other taxes and duties non-incorporated in operating cost	220	180	-	15
Depreciations	644	45	-	-
Staff indemnities	412	110	101	-
Supplies / other bank expenses	188	98	9	3
Expenses for the purchase of prototype materials (maquettes)	129	376	-	-
Other operating expenses	184	139	6	27
Sub-Total	**1,824**	**1,009**	**116**	**45**
Extraordinary and non-recurring expenses	2,433	1,147	-	-
Total	**4,257**	**2,156**	**116**	**45**

Analysis of extraordinary and non-recurring expenses	GROUP	
	2019	2018
Fixed asset impairments ThraceLinq	1,285	-
Personnel indemnities ThraceLinq	393	-
Restructuring expenses Thrace Ipoma	206	-
Personnel indemnities Don & Low	549	-
Extraordinary pension plan related cost of previous years in the United Kingdom	-	686
Personnel indemnities ThraceNonwovens & Geosynthetics	-	325
Personnel indemnities Evisak	-	136
Total	**2,433**	**1,147**

In the context of the restructuring of the business activities of the Group's companies, the following expenses arose:

Amounts in thousand Euro, unless stated otherwise

ThraceLinq fixed assets impairments:

The Group decided to transfer one of the three machineries related to Geosynthetic fabrics of the subsidiary ThraceLinq to Don & Low LTD. As a result, there has been impairment in the value of tangible and intangible fixed assets by € 1,285, which mainly includes machine's initial installation costs in ThraceLinq (note 3.33).

Thrace Ipoma Restructuring Costs

They concern the operating reorganization of Thrace Ipoma and in particular relate to the definitive cessation of the intensive labor production process (FIBC) in Sofia, Bulgaria (comprising a business activity under Thrace Ipoma AD), and the replacement of the volume produced by existing and new sub-contractors.

Thrace Linq Personnel Indemnity:

The expenditure of € 393 concerns provisions for indemnities granted to the personnel of Thrace Linq and relates to the planned cessation of its operation within the year 2020 (note 3.33).

Don & Low Personnel Indemnity:

It concerned the operating reorganization of the company Don & Low. This company reduced its presence in the Woven technical fabrics market while it increased its production capacity in the Non-woven technical fabrics. These expenses relate mainly to personnel indemnities.

3.7 Financial income/(expenses)

3.7.1 Financial income

Financial income	Group		Company	
	2019	2018	2019	2018
Credit interest and similar income	**17**	142	-	2
Foreign exchange differences	**401**	1,792	-	-
Total	**418**	**1,934**	**-**	**2**
Income from dividends	-	-	**3,500**	1,570

3.7.2 Financial expenses

Financial expenses	Group		Company	
	2019	2018	2019	2018
Debit interest and similar expenses	**(4,060)**	(4,366)	(615)	(796)
Foreign exchange differences	**(556)**	(1,404)	-	-
Financial result from Pension Plans	**(722)**	(711)	(4)	(4)
Total	**(5,338)**	**(6,481)**	**(619)**	**(800)**

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)	**2019**	**2018**
Earnings allocated to shareholders	**3,716**	7,721
Number of shares outstanding (weighted)	**43,737**	43,737
Basic and adjusted earnings per share (Euro in absolute terms)	**0.0850**	0.1765

As of 31st December 2019, 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**	
	2019	**2018**	**2019**	**2018**
Income tax	**(3,966)**	(2,926)	**-**	(31)
Provision for tax on un-audited fiscal years	**-**	-	**-**	-
Non-exempt taxes of foreign operations	**-**	-	**-**	-
Income tax differences of previous years	**9**	(276)	**-**	-
Deferred tax (expense)/income	**(374)**	1,226	**(35)**	(201)
Total	**(4,331)**	**(1,976)**	**(35)**	**(232)**

Amounts in thousand Euro, unless stated otherwise

Income tax (reconciliation with the effective tax rate) is analyzed as follows:

Income Tax	Group		Company	
	2019	2018	2019	2018
Earnings / (losses) before tax	**8,349**	10,005	**2,301**	683
Income tax rate	**24%**	29%	**24%**	29%
Corresponding income tax	**(2,004)**	(2,902)	**(552)**	(198)
Effect due to different tax rates of subsidiaries abroad	**(370)**	(541)	**-**	-
Non tax-deductible expenses	**(1,030)**	(1,265)	**(42)**	(234)
Tax effect on tax free reserves	**-**	1,123	**-**	-
Foreign tax not to be offset	**-**	-	**-**	-
Revenues not subject to tax	**1,142**	2,249	**840**	456
Tax corresponding to the net results of companies consolidated with the equity method	**287**	152	**-**	-
Income tax differences from previous years	**(154)**	(276)	**-**	-
Effect from tax losses for which no deferred tax asset has been recognized	**(2,335)**	(720)	**(244)**	(139)
Effect from offsetting tax losses from previous years with taxable earnings for the year	**-**	20	**-**	-
Income from tax-free dividends	**-**	-	**-**	-
Effect due to change of tax rate of companies	**133**	184	**(37)**	(117)
Income Tax	**(4,331)**	**(1,976)**	**(35)**	**(232)**

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 2018 for the Greek companies of THRACE PLASTICS CO SA, THRACE NONWOVENS & 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 2019, 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 2019 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 un-audited fiscal years
THRACE PLASTICS CO SA	2014-2019
THRACE NON WOVENS & GEOSYNTHETICS SA	2014-2019
THRACE PLASTICS PACK SA	2014-2019
THRACE POLYFILMS SA	2014-2019
THRACE PROTECT SINGLE PERSON S.M.P.C.	2017-2019
THRACE EUROBENT SA	2015-2019
THRACE GREENHOUSES SA	2014-2019

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 (of which € 92 concerns taxes and € 111 concerns surcharges) which the Company contradicts with regard to the tax audits of the years 2007 – 2009. The consolidated financial statements include a respective provision of € 173 which could be utilized in case of a negative outcome of the above legal case.

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 € 56 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 € 559. 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	2016-2019
DON & LOW AUSTRALIA LTD	2015-2019
SYNTHETIC HOLDINGS LTD	2016-2019
SYNTHETIC TEXTILES LTD	2016-2019
SYNTHETIC PACKAGINGLTD	2013-2019
THRACE POLYBULKA.B	2013-2019
THRACE POLYBULK A.S	2015-2019
THRACE GREINER PACKAGING SRL.	2014-2019
TRIERINA TRADING LTD	2014-2019
THRACE IPOMA A.D.	2013-2019
THRACE PLASTICS PACKAGING D.O.O.	2014-2019
LUMITE INC.	2013-2019
THRACE LINQ INC.	2013-2019
ADFIRMATELTD	2014-2019
PAREEN LTD	2014-2019
SAEPE LTD	2014-2019
THRACE ASIA LTD	2012-2019

Amounts in thousand Euro, unless stated otherwise

3.10 Tangible Fixed Assets

The changes in the tangible fixed assets during the year are analyzed as follows:

Tangible Assets							
Group 2019	**Fields – land plots**	**Buildings & technical works**	**Machinery & technical facilities**	**Vehicles**	**Furniture & other equipment**	**Fixed assets under construction or installation**	**Total**
ACQUISITION COST							
Acquisition cost 31.12.2018	**5,016**	**58,773**	**267,033**	**3,767**	**12,045**	**26,462**	**373,096**
Change in accounting policy due to IFRS 16 (note 2.26)	-	(2,761)	(28,191)	(1,083)	(40)	-	(32,075)
Acquisition cost 01.01.2019	**5,016**	**56,012**	**238,842**	**2,684**	**12,005**	**26,462**	**341,021**
Additions	-	1,221	4,939	41	257	15,668	22,126
Liquidations	-	(16)	(5,741)	(218)	(14)	-	(5,989)
Transfer to held for sale	(1,936)	(8,623)	-	-	-	-	(10,559)
Impairments	-	-	(1,240)	-	-	-	(1,240)
Other changes	-	-	4,424	(1,111)	(3,313)	-	-
Transfers	-	3,415	33,914	19	76	(37,424)	-
Transfer from right-to-use assets	-	2,761	7,887	-	-	-	10,648
Foreign exchange differences	72	939	3,856	53	389	1,123	6,432
Acquisition cost 31.12.2019	**3,152**	**55,709**	**286,881**	**1,468**	**9,400**	**5,829**	**362,439**

Amounts in thousand Euro, unless stated otherwise

Tangible Assets							
Group 2019	**Fields – land plots**	**Buildings & technical works**	**Machinery & technical facilities**	**Vehicles**	**Furniture & other equipment**	**Fixed assets under construction or installation**	**Total**
DEPRECIATIONS							
Cumulative depreciations 31.12.2018	**(22)**	**(29,752)**	**(194,922)**	**(2,012)**	**(10,425)**	**-**	**(237,133)**
Change in accounting policy due to IFRS 16 (note 2.26)	-	609	6,987	49	2	-	7,647
Cumulative depreciations 01.01.2019	**(22)**	**(29,143)**	**(187,935)**	**(1,963)**	**(10,423)**	**-**	**(229,486)**
Depreciations for the period	-	(1,893)	(10,583)	(139)	(389)	-	(13,004)
Liquidations	-	7	5,119	204	8	-	5,338
Transfer to assets held for sale	22	4,382	-	-	-	-	4,404
Impairments	-	-	65	-	-	-	65
Other changes	-	-	(3,970)	878	3,092	-	-
Transfer from right-to-use assets	-	(678)	(1,606)	-	-	-	(2,284)
Foreign exchange differences	-	(609)	(3,362)	(16)	(275)	-	(4,262)
Cumulative depreciations 31.12.2019	**-**	**(27,934)**	**(202,272)**	**(1,036)**	**(7,987)**	**-**	**(239,229)**
NET BOOK VALUE							
31.12.2018	4,994	29,021	72,111	1,755	1,620	26,462	135,963
31.12.2019	**3,152**	**27,775**	**84,609**	**432**	**1,413**	**5,829**	**123,210**

Amounts in thousand Euro, unless stated otherwise

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)	-	-
Transfers	-	-	-	-	-	-	-
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**

Amounts in thousand Euro, unless stated otherwise

Tangible Assets							
Company 2019	**Fields – land plots**	**Buildings & technical works**	**Machinery & technical facilities**	**Vehicles**	**Furniture & other equipment**	**Fixed assets under construction or installation**	**Total**
ACQUISITION COST							
Acquisition cost 31.12.2018	**-**	**392**	**11,113**	**226**	**1,213**	**-**	**12,944**
Additions	-	-	41	-	9	-	50
Liquidations	-	-	-	-	-	-	-
Destructions	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Acquisition cost 31.12.2019	**-**	**392**	**11,154**	**226**	**1,222**	**-**	**12,994**
DEPRECIATIONS							
Cumulative depreciations 31.12.2018	**-**	**(203)**	**(11,113)**	**(214)**	**(1,002)**	**-**	**(12,532)**
Depreciations for the period	-	(18)	(6)	(3)	(37)	-	(64)
Liquidations	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Cumulative depreciations 31.12.2019	**-**	**(221)**	**(11,119)**	**(217)**	**(1,040)**	**-**	**(12,597)**
NET BOOK VALUE							
31.12.2018	-	189	-	13	210	-	412
31.12.2019	**-**	**171**	**35**	**9**	**182**	**-**	**398**

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**

There are no liens and guarantees on the Company's tangible fixed assets, while the liens on the Group's tangible assets amount to € 5,552.

Amounts in thousand Euro, unless stated otherwise

3.11 Leases

The right-to-use assets are analyzed as follows:

Right-of-use assets					
Group 2019	**Buildings and technical works**	**Machinery equipments**	**Transporta-tion means**	**Furniture and other equipment**	**Total**
ACQUISITION COST					
Acquisition cost 01.01.2019	**-**	**-**	**-**	**-**	**-**
Changes due to IFRS 16 (note 2.26)	1,744	49	620	-	2,412
Reclassifications from tangible fixed assets due to IFRS 16 (note 2.26)	2,761	28,191	1,083	40	32,075
Acquisition cost 01.01.2019	**4,505**	**28,240**	**1,703**	**40**	**34,488**
Additions	-	136	492	16	644
Reductions	(980)	-	(59)	-	(1,039)
Transfers to tangible fixed assets	(2,761)	(7,887)	-	-	(10,648)
Foreign exchange differences	4	1	10	-	15
Acquisition cost 31.12.2019	**768**	**20,490**	**2,146**	**56**	**23,460**
DEPRECIATIONS					
Cumulative depreciations 01.01.2019	**-**	**-**	**-**	**-**	**-**
Changes due to IFRS 16 (note 2.26)	-	-	-	-	-
Reclassifications due to IFRS 16 (note 2.26)	**(610)**	**(6,987)**	**(49)**	**(2)**	**(7,647)**
Cumulative depreciations 01.01.2019	**(610)**	**(6,987)**	**(49)**	**(2)**	**(7,647)**
Depreciations for the period	(370)	(2,301)	(504)	(12)	(3,186)
Reductions	48	-	14	-	62
Transfers to tangible fixed assets	678	1,606	-	-	2,284
Foreign exchange differences	-	-	(2)	-	(2)
Cumulative depreciations 31.12.2019	**(253)**	**(7,681)**	**(541)**	**(14)**	**(8,489)**
NET BOOK VALUE					
01.01.2019	3,895	21,253	1,654	38	26,840
31.12.2019	**515**	**12,809**	**1,605**	**42**	**14,972**

Amounts in thousand Euro, unless stated otherwise

Right-of-use assets			
Company 2019	**Buildings and technical works**	**Transportation means**	**Total**
ACQUISITION COST			
Acquisition cost 01.01.2019	**-**	**-**	**-**
Changes due to IFRS 16 (note 2.26)	254	62	316
Reclassifications from tangible fixed assets due to IFRS 16 (note 2.26)	-	-	-
Acquisition cost 01.01.2019	**254**	**62**	**316**
Additions	-	-	-
Reductions	-	-	-
Transfers	-	-	-
Foreign exchange differences	-	-	-
Acquisition cost 31.12.2019	**254**	**62**	**316**
DEPRECIATIONS			
Cumulative depreciations 01.01.2019	**-**	**-**	**-**
Changes due to IFRS 16 (note 2.26)	-	-	-
Reclassifications due to IFRS 16 (note 2.26)	-	-	-
Cumulative depreciations 01.01.2019	**-**	**-**	**-**
Depreciations for the period	(116)	(24)	(140)
Reductions	-	-	-
Transfers	-	-	-
Foreign exchange differences	-	-	-
Cumulative depreciations 31.12.2019	**(116)**	**(24)**	**(140)**
NET BOOK VALUE			
01.01.2019	254	62	316
31.12.2019	**137**	**38**	**176**

Amounts in thousand Euro, unless stated otherwise

The consolidated and separate statement of financial position of year 2019, includes the following amounts related to lease liabilities:

Leases from Liabilities	Group	Company
Short-term liabilities from leases*	**3,878**	-
Short-term liabilities from leases **	**895**	156
Long-term liabilities from leases *	**4,001**	-
Long-term liabilities from leases **	**438**	43
Total liabilities from Leases	**9,212**	**199**

It concerns leases that have been concluded by the Group and have already been recognized on the basis of the previous framework (financial leases according to IAS 17).

*** It concerns leases that were recognized due to the application of IFRS 16 (operating leases based on IAS 17).*

The interest from the lease obligations of the Group and the Company amounts to € 539 and € 9 respectively.

The expenses from the short-term leases of the Group amount to € 785 and are included in the costs of sale and the administrative costs. The expenses from short-term leases of the Company amount to € 27 and are included in the administrative costs.

The total cash outflows of the Group and the Company for leases in 2019 amounted to € 6,084 and € 154 respectively.

The maturity of liabilities from leases is analyzed in Note 3.31.

3.12 Fixed assets held for sale

It is the industrial property of Thrace Linq which the management of the Group decided to sell. This property is included in the technical fabrics unit.

Amounts in thousand Euro, unless stated otherwise

3.13 Intangible Assets

The changes in the intangible fixed assets during the year are analyzed as follows:

Intangible Assets	Group			Company	
	Concessions & industrial property rights	Company goodwill	Total	Concessions & industrial property rights	Total
ACQUISITION COST					
Acquisition cost 31.12.2018	**4,967**	**9,828**	**14,795**	**1,580**	**1,580**
Additions	351	-	351	9	9
Transfers	-	-	-	-	-
Impairments	(256)	-	(256)	-	-
Foreign exchange difference	64	(17)	47	-	-
Acquisition cost 31.12.2019	**5,126**	**9,811**	**14,937**	**1,589**	**1,589**
AMORTIZATION					
Cumulative amortization 31.12.2018	**(3,228)**	**-**	**(3,228)**	**(969)**	**(969)**
Amortization for the period	(423)	-	(423)	(117)	(117)
Transfers	-	-	-	-	-
Impairments	99	-	99	-	-
Foreign exchange difference	(35)	-	(35)	-	-
Cumulative amortization 31.12.2019	**(3,587)**	**-**	**(3,587)**	**(1,086)**	**(1,086)**
NET BOOK VALUE					
31.12.2018	1,739	9,828	11,567	611	611
31.12.2019	**1,539**	**9,811**	**11,350**	**503**	**503**

Amounts in thousand Euro, unless stated otherwise

Intangible Assets	Group			Company	
	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
Transfers	-	-	-	-	-
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)
Transfers	-	-	-	-	-
Foreign exchange difference	(94)	-	(94)	-	-
Cumulative amortization 31.12.2018	**(3,228)**	**-**	**(3,228)**	**(969)**	**(969)**
NET BOOK VALUE					
31.12.2017	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

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.

Subsidiaries' Goodwill	2019
Don & Low LTD	7,490
Trierina Trading LTD	798
Thrace Polybulk AB	665
Thrace Polybulk AS	775
Thrace Nonwovens & Geosynthetics A.E.B.E	50
Other	33
Total	**9,811**

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 5-year financial budgets, which have been approved by the Management and then extrapolated into infinity. 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 investment 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). 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 basic assumptions used are consistent with independent external sources of information, and are analyzed below per cash flow generating unit.

Amounts in thousand Euro, unless stated otherwise

Assumptions – Don & Low LTD	2019	2018
Discount rate, weighted average	6.3%	6.1%
Annual growth rate in revenues	6%	8.1%
Earnings before interest, taxes, depreciation and amortization (5-year), (EBITDA) excluding IFRS 16	4.2% - 11.5%	5.9% - 12.8%
Assumptions – Trierina Trading LTD / Thrace Ipoma A.D.		
Discount rate, weighted average	6.0%	6.9%
Annual growth rate in revenues	3.2%	5.6%
Earnings before interest, taxes, depreciation and amortization (5-year), (EBITDA) excluding IFRS 16	12.1% – 20.3%	10.7% - 15%
Assumptions – Thrace Polybulk AS		
Discount rate, weighted average	7.8%	7.3%
Annual growth rate in revenues	3.5%	1.8%
Earnings before interest, taxes, depreciation and amortization (5-year), (EBITDA) excluding IFRS 16	10% - 13%	11.7%
Assumptions – Thrace Polybulk AB		
Discount rate, weighted average	6.7%	6.1%
Annual growth rate in revenues	4%	3.8%
Earnings before interest, taxes, depreciation and amortization (5-year), (EBITDA) excluding IFRS 16	5%	6%

Based on the results of the impairment audit, as of December 31, 2019, no impairment losses emerged in the book value of the goodwill of the above cash flow generating units.

On December 31, 2019, the recoverable amount for the specific cash flow generating units compared to the corresponding book values, indicates that there is a significant margin and any substantial change in the assumptions used would not result in a reduction in the book value of goodwill.

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). As a result of the sensitivity analysis, the recoverable amount for the above cash flow generating units (CFGU) compared to their respective book value, indicates a sufficient margin.

Amounts in thousand Euro, unless stated otherwise

3.14 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 receivable.

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	
	2019	2018	2019	2018
Grants receivable	**4,879**	4,879	**1,119**	1,119
Other accounts receivable	**212**	208	**49**	49
Total	**5,091**	**5,087**	**1,168**	**1,168**

3.15 Inventories

Inventories	Group		Company	
	2019	2018	2019	2018
Merchandise	**7,689**	10,618	**-**	-
Finished and semi-finished products	**32,174**	37,353	**-**	-
Raw & auxiliary materials	**19,209**	18,846	**-**	-
Provision for impairment of inventory *	**(1,073)**	(1,605)	**-**	-
Spare parts – other inventory	**1,159**	1,685	**-**	-
Total	**59,158**	**66,896**	**-**	-

Provision for Impairment of Inventory	Group	Company
Opening Balance 1.1.2018	**1,550**	-
Reverse Entry of Provisions	(37)	-
Provision	103	-
Foreign Exchange Differences	(11)	-
Total 31.12.2018	**1,605**	**-**
Reverse Entry of Provisions	(590)	-
Provision	-	-
Foreign Exchange Differences	58	-
Total 31.12.2019	**1,073**	-

Amounts in thousand Euro, unless stated otherwise

3.16 Trade and other receivables

3.16.1 Trade and other receivables

Trade and other receivables	Group		Company	
	2019	2018	2019	2018
Customers	**63,969**	60,288	**5,185**	5,207
Provisions for doubtful debts	**(6,541)**	(6,685)	**(2,347)**	(2,371)
Total	**57,428**	**53,603**	**2,838**	**2,836**

The Group's customers included notes and checks overdue of € 8.507 for the year 2019 and € 6,189 for the year 2018 respectively.

Classification of customer receivables

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.

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.

Impairment of receivables from customers

For the accounting policy on impairment of receivables from customers, see note 2.10. For information on financial risk management, see note 3.31.

3.16.2 Other receivables

Other receivables	Group		Company	
	2019	2018	2019	2018
Debtors	**2,717**	2,737	**4,075**	4,524
Investment Grant Receivable	**2,257**	2,257	**-**	-
Prepaid expenses	**2,870**	2,849	**179**	92
Provisions for doubtful debtors	**-**	(19)	**-**	-
Total	**7,844**	**7,824**	**4,254**	**4,616**

It concerns a grant receivable of Law 3299/2004 of the subsidiary Thrace Plastics Pack concerning an implemented investment.

Accrued expenses mainly concern the receivable for government subsidies, advance payments of taxes other than income tax and other prepaid expenses.

Amounts in thousand Euro, unless stated otherwise

3.16.3 Analysis of Provisions for Doubtful Receivables and other receivables

Analysis of Provisions for Doubtful Receivables	Group	Company
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**
Opening 1.1.2019	**6,704**	**2,371**
Additional Provisions	116	-
Reverse Entry of Provision	(272)	-
Provisions utilized	(17)	(24)
Foreign Exchange Differences	10	-
Total 31.12.2019	**6,541**	**2,347**

3.17 Cash & cash equivalents

Cash & cash equivalents	Group		Company	
	2019	2018	2019	2018
Cash in hand	**30**	178	**4**	3
Sight and term deposits	**22,021**	22,646	**501**	3,169
Total	**22,051**	**22,824**	**505**	**3,172**

Credit rating of cash & cash equivalents

Approximately 28.6% 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.

Amounts in thousand Euro, unless stated otherwise

Credit rating of cash & cash equivalents	Group		Company	
	2019	2018	2019	2018
AA-	**1,372**	956	**-**	-
A+	**2,849**	8	**-**	-
A	**6,674**	7,233	**-**	-
A-	**941**	1,365	**-**	-
BBB+	**1,270**	-	**-**	-
BBB	**45**	419	**-**	-
BB+	**4**	231	**-**	-
CCC+	**7,778**	10,501	**490**	3,157
CCC	**1,088**	1,933	**11**	12
Total	**22,021**	**22,646**	**501**	**3,169**

3.18 Share Capital and Share Premium Reserve

The Company's share capital accounted for 28,869,358.32 Euro (absolute number) on 31 December 2019 divided by 43,741,452 common registered shares with nominal value of 0.66 Euro per share.

3.19 Reserves

3.19.1 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.

3.19.2 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.

3.19.3 Foreign exchange difference reserves

These reserves are formed from the conversion 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 2.12.3.

Amounts in thousand Euro, unless stated otherwise

3.20 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 Greek and foreign banks with interest rates of Euribor or Libor plus a margin. The book value of loans approaches their fair value during 31 December 2019.

Analytically, bank debt at the end of the year was as follows:

Debt	Group		Company	
	2019	2018	2019	2018
Long-term loans	52,871	18,209	**4,000**	-
Liabilities from leases	-	10,927	**-**	-
Total long-term loans	**52,871**	29,136	**4,000**	-
Long-term debt payable in the next year	9,125	4,185	**-**	-
Short-term loans	34,371	62,524	**11,098**	14,117
Liabilities from leases	-	5,341	**-**	-
Total short-term loans	**43,496**	**72,050**	**11,098**	**14,117**
Grand Total	**96,367**	**101,186**	**15,098**	**14,117**

Short-term loans include an amount of € 1,179 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 Company recorded a loan increase of € 1,000, which is due to the receipt of a short-term intra-group loan.

The maturity of loans is as follows:

Maturity of Loans	Group		Company	
	2019	2018	2019	2018
Up to 1 year	**43,496**	72,050	**11,098**	14,117
From 1 – 3 years	**29,367**	10,990	**4,000**	-
Over 3 years	**23,504**	18,146	**-**	-
Total loans	**96,367**	**101,186**	**15,098**	**14,117**

During the financial year 2019, Don & Low LTD, Thrace Plastics Co S.A., Thrace Plastics Pack, Thrace Nonwovwens & Geosynthetics and ThracePolyfilms restructured their bank debt, converting part of their short-term debt into a long-term one, and therefore reducing their respective cost of debt.

Interest rates are linked on a per case basis to either Euribor or Libor plus a margin ranging from 2.0% to 3.5%.

Amounts in thousand Euro, unless stated otherwise

3.21 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	
	2019	2018	2019	2018
Defined contribution plans – Not self financed	2,599	2,268	**215**	195
Defined benefit plans – Self financed	12,653	13,200	-	-
Total provision at the end of the year	**15,252**	**15,468**	**215**	**195**

3.21.1 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.

Defined contribution plans – Not self financed	Group		Company	
	2019	2018	2019	2018
Amounts recognized in the balance sheet				
Present value of liabilities	2,599	2,268	215	195
Net liability recognized in the balance sheet	**2,599**	**2,268**	**215**	**195**
Amounts recognized in the results				
Cost of current employment	93	96	5	6
Net interest on the liability / (asset)	40	35	3	4
Ordinary expense in the account of results	**133**	**131**	**8**	**10**
Recognition of prior service cost	-	9	-	-
Cost of curtailment / settlements / service termination	369	519	80	-
Other expense / (income)	-	(8)	-	(67)
Total expense in the account of results	**502**	**651**	**88**	**(57)**

Amounts in thousand Euro, unless stated otherwise

Defined contribution plans – Not self financed	Group 2019	2018	Company 2019	2018
Change in the present value of the liability				
Present value of liability at the beginning of period	2,268	2,555	195	257
Cost of current employment	93	96	5	6
Interest cost	40	35	3	4
Benefits paid from the employer	(476)	(965)	(102)	-
Cost of curtailment / settlements / service termination	369	519	80	-
Other expense / (income)	-	(8)	-	(67)
Cost of prior service during the period	-	9	-	
Actuarial loss / (profit) – financial assumptions	241	(12)	(19)	-
Actuarial loss / (profit) – demographic assumptions	-	-	-	(8)
Actuarial loss / (profit) – evidence from the period	64	39	15	3
Present value of liability at the end of period	**2,599**	**2,268**	**215**	**195**
Adjustments				
Adjustments profit / (loss) in the liabilities due to change of assumptions	(241)	12	(19)	8
Empirical adjustments profit / (loss) in liabilities	(64)	(39)	(15)	(3)
Other	-	-	-	-
Total actuarial profit / (loss) in the Net Worth	**(305)**	**(26)**	**(35)**	**5**
Changes in the Net Liability recognized in Balance Sheet				
Net liability / receivable at the beginning of year	2,268	2,555	195	257
Benefits paid from the employer - Other	(476)	(965)	(102)	-
Total expense recognized in the account of results	501	651	88	(57)
Total amount recognized in the Net Worth	306	27	34	(5)
Net liability at the end of year	**2,599**	**2,268**	**215**	**195**
Cumulative amount in the Net Worth Profit / (Loss)	**(108)**	**(855)**	**(96)**	**(130)**
Money flows				
Expected benefits from the plan in the following year	52	38	-	-

Amounts in thousand Euro, unless stated otherwise

The actuarial assumptions are presented in the following table.

Actuarial Assumptions	Greek Companies		Thrace Ipoma AD	
	2019	2018	2019	2018
Discount rate	0.80%	1.80%	0.60%	1.00%
Inflation	1.16%	1.50%	3.80%	2.80%
Average annual increase of personnel salaries	1.16%	1.50%	5.00%	5.00%
Duration of liabilities	15.6 years	15.69 years	12.8 years	12.7 years

3.21.2 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	
	2019	2018
Amounts recognized in the balance sheet		
Present value of liabilities	154,901	137,851
Fair value of the plan's assets	(142,248)	(124,651)
Net liability recognized in the balance sheet	**12,653**	**13,200**
Amounts recognized in the results		
Cost of current employment	147	172
Net interest on the liability / (asset)	684	678
Ordinary expense in the account of results	**831**	**850**
Cost recognition from previous years	-	678
Cost of curtailment / settlements / service termination	-	-
Other expense / (income)	-	-
Foreign exchange differences	-	-
Total expense in the account of results	**831**	**1,528**
Change in the present value of the liability		
Present value of liability at the beginning of period	137,851	146,669
Cost of current employment	142	167
Interest cost	4,112	3,959
Benefits paid from the plan	(5,487)	(5,559)
Cost of curtailment / settlements / service termination	-	-
Other expense / (income)	-	-
Actuarial loss / (profit) – financial assumptions	12,534	(6,774)

Amounts in thousand Euro, unless stated otherwise

Defined Benefit Plans – Self financed	Group	
	2019	**2018**
Actuarial loss / (profit) – demographic assumptions	(1,139)	
Actuarial loss / (profit) – evidence from the period	(433)	510
Foreign exchange differences	7,321	(1,121)
Present value of liability at the end of period	**154,901**	**137,851**
Change in the value of assets		
Value of the plan's assets at the beginning of period	124,651	133,377
Income from interest	3,451	3,305
Return on assets	11,847	(6,566)
Employer's contributions	1,106	1,106
Employees' contributions	-	-
Benefits paid from the plan	(5,487)	(5,559)
Foreign exchange differences	6,680	(1,012)
Present value of assets at the end of period	**142,248**	**124,651**
Adjustments		
Adjustments profit / (loss) in the liabilities due to change of assumptions	(10,961)	6,264
Empirical adjustments profit / (loss) in liabilities	-	-
Empirical adjustments profit / (loss) in assets	11,847	(6,566)
Total actuarial profit / (loss) in the Net Worth	**886**	**(301)**
Cost recognition from previous years	-	-
Foreign exchange differences	-	-
Total amount recognized in the Net Worth	**886**	**(301)**
Asset allocation*		
Mutual Funds (Equities)	15,765	13,420
Mutual Funds (Bonds)	72,615	64,219
Diversified Growth Funds	50,752	44,986
Other	3,116	2,026
Total	**142,248**	**124,651**
Changes in the Net Liability recognized in Balance Sheet		
Net liability / receivable at the beginning of year	13,200	13,292
Contributions from the employer / Other	(1,134)	(1,812)
Total expense recognized in the account of results	831	1,528
Total amount recognized in the Net Worth	(886)	301
Foreign exchange differences	642	(109)
Net liability / (asset) at the end of year	**12,653**	**13,200**
Cumulative amount in the Net Worth Profit / (Loss)	**8,560**	**7,592**
Money flows		
Expected benefits from the plan in the following year	(6,464)	(6,149)

** The assets of the plan are measured at fair values and include mutual funds of Baillie Gifford.*

Amounts in thousand Euro, unless stated otherwise

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	
	2019	2018	2019	2018
Discount rate	2.00%	2.80 %	2.30%	2.60 %
Inflation	2.86%	3.25 %	1.50%	2.50 %
Average annual increase of personnel salaries	2.86%	3.50 %	2.25%	2.50 %
Duration of liabilities	17 years	17 years	11 years	11 years

3.22 Deferred Taxes

Group

The following amounts are recorded in the consolidated balance sheet, after any offsetting entries wherever it is required:

Deferred Taxation	2019	2018
Deferred tax assets	4,548	4,719
Deferred tax liabilities	(6,221)	(5,884)
Total deferred taxation	**(1,673)**	**(1,165)**

A. Change of deferred tax in the results	2019	2018
As at 1 January	**(1,165)**	**(2,509)**
Change in the results	(374)	1,225
Foreign exchange differences	(23)	9
Change in statement of comprehensive income	(111)	110
As at 31 December	**(1,673)**	**(1,165)**

Amounts in thousand Euro, unless stated otherwise

B. Deferred tax liabilities	Depreciations	Other	Total
As at 1 January 2018	**(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	**(4,966)**	**(917)**	**(5,883)**
Change in the results	(225)	27	(198)
Foreign exchange differences	(134)	(6)	(140)
Change in statement of comprehensive income	(181)	181	-
As at 31 December 2019	**(5,507)**	**(714)**	**(6,221)**

C. Deferred tax assets	Liabilities for employee benefits	Provisions	Other	Total
As at 1 January 2018	**3,102**	**1,395**	**564**	**5,061**
Change in accounting policy IFRS 9 note 2.26	**-**	**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
Change in the results	(100)	(50)	(25)	(175)
Change in the statement of comprehensive income	(14)	-	(98)	(112)
Foreign exchange differences	109	-	7	116
As at 31 December 2019	**2,866**	**1,221**	**461**	**4,548**

Amounts in thousand Euro, unless stated otherwise

Company

A. Change of deferred tax in the results	2019	2018
As at 1 January	**733**	**936**
Change in the results	(33)	(202)
Change in statement of comprehensive income	8	(1)
As at 31 December	**708**	**733**

B. Deferred tax liabilities	Depreciations	Other	Total
As at 1 January 2018	**193**	**(2)**	**191**
Change in the results	(84)	-	(84)
Change in other comprehensive income	-	-	-
As at 31 December 2018	**109**	**(2)**	**107**
Change in the results	-	-	-
Change in other comprehensive income	-	-	-
As at 31 December 2019	**109**	**(2)**	**107**

C. Deferred tax assets	Liabilities for employee benefits	Provisions	Other	Total
As at 1 January 2018	**75**	**670**	**-**	**745**
Change in the results	(25)	(92)	-	(117)
Change in other comprehensive income	(1)	-	-	(1)
As at 31 December 2018	**49**	**578**	**-**	**627**
Change in the results	(5)	(29)	-	(34)
Change in other comprehensive income	8	-	-	8
As at 31 December 2019	**52**	**549**	**-**	**601**

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.

Amounts in thousand Euro, unless stated otherwise

3.23 Suppliers and Other Short-Term Liabilities

Suppliers and Other Short-Term Liabilities are presented analytically in the following tables:

3.23.1 Suppliers

Suppliers	Group		Company	
	2019	2018	2019	2018
Suppliers	**36,187**	40,163	**297**	356
Total	**36,187**	**40,163**	**297**	**356**

3.23.2 Other Short-Term Liabilities

Other Short-Term Liabilities	Group		Company	
	2019	2018	2019	2018
Sundry creditors	**2,943**	3,601	**60**	358
Liabilities from taxes and pensions	**4,717**	5,313	**387**	396
Dividends payable	**64**	56	**62**	55
Customer prepayments	**1,034**	1,122	**-**	-
Personnel salaries payable	**2,272**	2,201	**484**	448
Accrued expenses – Other accounts payable	**5,231**	5,840	**274**	166
Total short-term liabilities	**16,261**	**18,133**	**1,268**	**1,423**

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.

Amounts in thousand Euro, unless stated otherwise

3.24 Dividend for the Year 2018

The Annual Ordinary Meeting of Shareholders of 18 June 2019 approved the distribution (payment) of dividend from the earnings of the closing year 2018 as well as from the earnings of previous years. Specifically, the Meeting approved the distribution of an amount of 1,944,000 Euros (gross amount), or 0.044443 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 0.044447 Euro. From the above amount, the corresponding tax of 10% on the dividend was withheld, according to the article 40, paragraph 1 and article 64, paragraph 1 of Law 4172/2013 as it is currently in effect following its amendment by Law 4603/2019, and therefore the final payable amount of dividend settled at 0.040023 Euro per share.

3.25 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 1/1/2019 – 31/12/2019 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 1/1/2019 – 31/12/2019 are presented below.

Income	1.1 – 31.12.2019		1.1 - 31.12.2018	
	Group	Company	Group	Company
Subsidiaries	-	4,950	-	4,809
Joint Ventures	5,729	97	5,667	61
Related Companies	2	-	9	-
Total	**5,731**	**5,047**	**5,678**	**4,870**

Expenses	1.1 – 31.12.2019		1.1 - 31.12.2018	
	Group	Company	Group	Company
Subsidiaries	-	36	-	55
Joint Ventures	1,346	-	1,011	-
Related Companies	837	378	890	465
Total	**2,183**	**414**	**1,901**	**520**

Amounts in thousand Euro, unless stated otherwise

Trade and other receivables	31.12.2019		31.12.2018	
	Group	Company	Group	Company
Subsidiaries	-	6,833	-	6,648
Joint Ventures	1,980	50	2,419	500
Related Companies	27	26	120	82
Total	**2,007**	**6,909**	**2,539**	**7,230**

Suppliers and Other Liabilities	31.12.2019		31.12.2018	
	Group	Company	Group	Company
Subsidiaries	-	1,173	-	34
Joint Ventures	42	19	39	-
Related Companies	44	3	46	22
Total	**86**	**1,195**	**85**	**56**

Long-term Liabilities	31.12.2019		31.12.2018	
	Group	Company	Group	Company
Subsidiaries	-	359	-	401
Joint Ventures	-	24	-	44
Related Companies	-	-	-	-
Total	**-**	**383**	**-**	**445**

In the context of the adoption of IFRS 16, the Company's liabilities to the Subsidiaries and related companies include liabilities from leases.

The liabilities from leases of the Company with the related parties are analyzed as follows:

Company					
Liabilities from leases	Initial balance 01.01.2019	Payments of leases	New Contracts / Amendments of Contracts	Interests on Leases	Closing Balance 31.12.2019
Subsidiaries	**5**	-	-	-	5
Related Companies	250	(100)	-	7	157
Total	**255**	**(100)**	**-**	**7**	**162**

Amounts in thousand Euro, unless stated otherwise

In addition, the depreciation charges of the Company include depreciation for assets with the right of use, relating to lease agreements with the parties concerned, amounting to € 116.

Also, the Group's liabilities to the companies of related parties include liabilities from leases.

The liabilities from leases of the Group with the related parties are analyzed as follows:

Group Liabilities from leases	Initial balance 01.01.2019	Payments of leases	New Contracts / Amendments of Contracts	Interests on Leases	Closing Balance 31.12.2019
Subsidiaries	266	(108)	-	7	64
Related Companies	**266**	**(108)**	**-**	**7**	**64**

In addition, the depreciation charges of the Group include depreciation for assets with the right of use, relating to lease agreements with the parties concerned, amounting to € 123.

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 31.12.2019, the unpaid amount for which the Company has guaranteed settled at € 66,691 and is analyzed as follows:

Guarantees for Subsidiaries	2019
ThraceNonwovens&Geosynthetics S.A.	23,900
Thrace Greenhouses SA	2,629
Thrace Plastics Pack SA	23,223
Thrace Polyfilms	9,065
Synthetic Holdings	7,874

3.26 Remuneration of Board of Directors

BoD Fees	Group		Company	
	2019	2018	2019	2018
BoD Fees	**5,344**	5,511	**2,118**	2,183

Amounts in thousand Euro, unless stated otherwise

The fees include remuneration of the executive members of Boards of Directors and other fees and benefits of both executive and other members.

3.27 Participations

3.27.1 Participation in companies consolidated with the full consolidation method

The Management reviews on annual basis whether there are indications for impairment in business interests held in subsidiaries. On 31.12.2019, the Management reviewed all equity participations with regard to any evidence of impairment. At the same time it followed the procedures described in note 2.6 with regard to review for goodwill impairment and conducted a valuation and an impairment test on the subsidiary companies.

According to the assessment made, there is no indication for the need of any impairment in the participations to subsidiaries as of 31.12.2019. An exception to the above statement concerns the company Thrace Linq, which is a subsidiary of Synthetic Holdings LTD, for which the amount of GBP 3,080 was impaired. This impairment does not affect though the results of the Parent Company and the Group.

The value of the Company's participations in the subsidiaries, as of 31st December 2019, is as follows:

Companies consolidated with the full consolidation method	2019	2018
DON & LOW LTD	37,495	33,953
THRACE PLASTICS PACK SA	15,508	15,508
THRACE NONWOVENS & GEOSYNTHETICS S.A.	5,710	5,710
SYNTHETIC HOLDINGS LTD	11,728	11,728
THRACE POLYFILMS	3,418	3,418
Total	**73,859**	**70,316**

3.27.2 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 € 3,615 and of 51% in Thrace Eurobent SA with a value of € 204 on 31/12/2019. The company Thrace Greiner Packaging SRL is 50% owned by Thrace Plastics Pack SA whereas Lumite Inc is 50% owned by Synthetic Holdings LTD.

Amounts in thousand Euro, unless stated otherwise

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. The company's shares are not listed.	**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, and belongs to the technical fabrics sector. The company's shares are not listed.	**51.00%**

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 GREINER PACKAGING SRL	THRACE GREENHOUSES SA	LUMITE INC	THRACE EUROBENT S.A.	Total
Balance at beginning 01.01.2018	**4,033**	**2,530**	**6,090**	**186**	**12,839**
Participation in profit / (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**
Balance at beginning 01.01.2019	**3,885**	**2,735**	**6,517**	**219**	**13,356**
Participation in profit / (losses) of joint ventures	671	270	173	51	1,166
Share capital increase	-	815	-	-	815
Dividends	(809)	-	-	-	(809)
Foreign exchange differences and other reserves	(93)	(23)	136	(1)	20
Balance at end 31.12.2019	**3,655**	**3,797**	**6,826**	**269**	**14,547**

The financial statements of the companies are presented in the following tables:

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF FINANCIAL POSITION	THRACE GREINER PACKAGING SRL		THRACE GREENHOUSES SA		LUMITE INC		THRACE EUROBENT S.A.	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
% of Participation	**46.47 %**	46.47 %	**50.91%**	**50.91%**	**50%**	**50%**	**51%**	**51%**
ASSETS								
Fixed assets	**7,093**	7,374	**10,173**	9,952	**5,251**	5,271	**60**	74
Inventories	**3,037**	2,997	**66**	58	**10,666**	11,327	**316**	364
Trade and other receivables	**3,200**	2,943	**3,992**	3,252	**2,049**	1,480	**675**	1,535
Other asset items	**-**	-	**178**	96	**96**	238	**30**	27
Cash	**611**	1,630	**1,199**	642	**311**	747	**346**	373
LIABILITIES								
Bank debt	**3,445**	3,839	**6,989**	7,203	**2,753**	3,709	**-**	-
Other liabilities	**3,116**	3,295	**1,162**	1,426	**2,099**	2,433	**854**	1,919
EQUITY	**7,380**	7,810	**7,457**	5,371	**13,521**	12,920	**573**	453

STATEMENT OF COMPREHENSIVE INCOME	THRACE GREINER PACKAGING SRL		THRACE GREENHOUSES SA		LUMITE INC		THRACE EUROBENT S.A.	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Turnover	**18,584**	17,834	**8,393**	5,577	**24,423**	27,406	**4,360**	3,429
Cost of sales	**(14,703)**	(14,469)	**(6,016)**	(3,842)	**(20,669)**	(23,885)	**(3,481)**	(2,709)
Gross profit	**3,881**	3,365	**2,377**	1,735	**3,754**	3,521	**879**	720
Distribution expenses	**(805)**	(747)	**(1,114)**	(962)	**(2,110)**	(2,128)	**(613)**	(558)
Administrative expenses	**(1,128)**	(1,313)	**(437)**	(116)	**(1,240)**	(1,243)	**(59)**	(58)
Other (expenses) / income	**(140)**	(5)	**(37)**	(52)	**303**	261	**(28)**	11
Operating profit / loss	**1,808**	1,300	**789**	605	**707**	411	**179**	115
Financial result	**(149)**	(87)	**(342)**	(267)	**(236)**	(202)	**-**	-
Profit/(loss) before Taxes	**1,659**	1,213	**447**	338	**471**	209	**179**	115

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF COMPREHENSIVE INCOME	THRACE GREINER PACKAGING SRL		THRACE GREENHOUSES SA		LUMITE INC		THRACE EUROBENT S.A.	
	2019	2018	2019	2018	2019	2018	2019	2018
Taxes	**(285)**	(255)	**84**	28	**(118)**	(36)	**(58)**	(41)
Profit/(loss) after Taxes	**1,374**	958	**531**	366	**353**	173	**121**	74
Other comprehensive income	**(186)**	(9)	**-**	-	**247**	582	**(1)**	2
Total comprehensive income after taxes	**1,188**	949	**531**	366	**600**	755	**120**	76

3.28 Commitments and Contingent Liabilities

On 31 December 2019 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.

3.29 Fees of auditing firms

During the financial year 2019, the total fees of the Company's and Group's legal auditors, are analyzed as follows:

Fees of auditing firms	Group		Company	
	2019	2018	2019	2018
Fees of auditing services	**468**	474	**55**	73
Fees for tax certificate	**151**	133	**11**	27
Fees for consulting services	**5**	19	**-**	-
Total	**624**	626	**66**	100

3.30 Reclassifications of accounts

In the present financial statements, there have been reclassifications of non significant comparative accounts for the purpose of comparability with the ones of the present year.

Amounts in thousand Euro, unless stated otherwise

3.31 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.

3.31.1 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.

3.31.2 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 maxium 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. For the trade receivables, the Group and the Company applied the simplified approach of the accounting standard and calculated the expected credit losses based on the expected credit losses for the entire lifetime of these items. 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 at 31/12/2019.

Maturity of Trade Receivables 31.12.2019	Group	Company
01 – 30 days	17,848	2
31 – 90 days	32,584	3
91 – 180 days	7,037	47
180 days and over	6,500	5,133
Subtotal	**63,969**	**5,185**
Provisions for doubtful receivables	(6,541)	(2,347)
Total	**57,428**	**2,838**

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

Analysis of delayed customer receivables 31/12/2019	Group	Company
Timely receivables	44,182	2
Overdue receivables 1 – 30 days	9,373	1
Overdue receivables 31 – 90 days	3,197	49
Overdue receivables above 91 days	7,217*	5,133*
Subtotal	**63,969**	**5,185**
Provisions for doubtful customer receivables	(6,541)	(2,347)
Total	**57,428**	**2,838**

* *From the amount of € 7,217 for the Group and € 5,133 for the Company, an amount of € 6 and an amount of € 2,780 respectively concern debts of joint ventures and subsidiaries for which no provisions have been formed.*

Amounts in thousand Euro, unless stated otherwise

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 2018 are presented in the following tables.

Maturity of Trade Receivables 31.12.2019	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**

Analysis of delayed customer receivables 31/12/2019	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 for the Group and € 5,200 for the Company, amounts of € 1,669 and € 2,829 respectively concern payables to joint ventures and subsidiaries, for which no provisions are being formed*

3.31.3 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 bank 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 31.12.2019	Up to 1 month	1-6 months	6-12 months	1-3 Years	Over 3 years	Total
Suppliers	17,180	19,007	-	-	-	**36,187**
Other short-term liabilities	8,600	7,097	564	-	-	**16,261**
Short-term debt	3,946	17,027	22,523	-	-	**43,496**
Liabilities from Leases (short-term part)	405	1,883	2,485	-	-	**4,773**
Long-term debt	-	-	-	29,367	23,504	**52,871**
Liabilities from Leases (long-term part)	-	-	-	3,632	807	**4,439**
Other long-term liabilities	-	-	-	93	-	**93**
Total 31.12.2019	**30,131**	**45,014**	**25,572**	**33,092**	**24,311**	**158,120**

Company 31.12.2019	Up to 1 month	1-6 months	6-12 months	1-3 Years	Over 3 years	Total
Suppliers	297	-	-	-	-	**297**
Other short-term liabilities	771	356	141	-	-	**1,268**
Short-term debt	-	-	11,098	-	-	**11,098**
Liabilities from Leases (short-term part)	31	59	66	-	-	**156**
Long-term debt	-	-	-	4,000	-	**4,000**
Liabilities from Leases (long-term part)	-	-	-	43	-	**43**
Other long-term liabilities	-	-	-	1	-	**1**
Total 31.12.2019	**1,100**	**415**	**11,306**	**4,044**	**-**	**16,864**

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	6,702	778	-	-	**18,132**
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**	**72,078**	**28,005**	**11,085**	**18,146**	**159,576**

Company 31.12.2018	Up to 1 month	1-6 months	6-12 months	1-3 Years	Over 3 years	Total
Suppliers	234	122	-	-	-	**356**
Other short-term liabilities	565	694	164	-	-	**1,423**
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**

3.31.4 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.

Amounts in thousand Euro, unless stated otherwise

Foreign Currency	2019			2018		
Change of foreign currency against Euro	USD	GBP	Other	USD	GBP	Other
Profit before tax						
+5%	(1,012)	(331)	(6)	(659)	(62)	3
-5%	1,118	365	7	729	69	(3)
Equity						
+5%	(439)	649	(207)	106	460	(186)
-5%	486	(718)	229	(118)	(508)	205

** Note*

- *•Profit before Taxes are converted at the average exchange rates.*
- *•Equity is converted at the exchange rate at the closing date of each fiscal year.*

3.31.5 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	
	2019	2018	2019	2018
Interest rate increase 1%	**(1,055)**	(1,012)	**(153)**	(141)
Interest rate decrease 1%	**1,055**	1,012	**153**	141

3.31.6 Capital Adequacy Risk

The Group controls capital adequacy using the net debt to operating profit ratio and the net 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.

Amounts in thousand Euro, unless stated otherwise

Capital Adequacy Risk	Group		Company	
	2019	2018	2019	2018
Long-term debt	52,871	29,136	4,000	-
Long-term liabilities from leases	4,439	-	43	-
Short-term debt	43,496	72,050	11,098	14,117
Short-term liabilities from leases	4,773	-	156	-
Total debt	**105,579**	**101,186**	**15,297**	**14,117**
Minus cash & cash equivalents	22,051	22,824	505	3,172
Net debt**	**83,528**	**78,362**	**14,792**	**10,945**
EBITDA	**28,745**	**27,500**	**263**	**78**
NET DEBT /EBITDA	**2.91**	**2.85**	*	*
EQUITY	**146,349**	**141,615**	**70,743**	**70,447**
NET DEBT / EQUITY	**0.57**	**0.55**	**0.21**	**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.*

** *Net Debt was burdened by € 1,333 in 2019 from the application of IFRS 16.*

3.31.7 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. On 31/12/2018 the British Pound was valued at € 0.8945 and on 12/31/2019 at € 0.8508.

The Management considers that any change in the exchange rate due to BREXIT has been already discounted into the change of the exchange rate.

Given that the terms of the country's withdrawal from European Union and what the institutional framework will be after Brexit remain unclear, whether there will be an impact on the Group's subsidiaries will depend significantly on the rules to be imposed, given that a significant part of the sales of subsidiaries operating in the UK are realized towards customers within the UK.

In any case, the Management systematically and continuously evaluates the data in order to take the necessary and appropriate measures, and in order to minimize the effects of Brexit on the business activity, the results and the performance of the Group.

Amounts in thousand Euro, unless stated otherwise

3.32 Significant events

Investment Plan

New Investments

For the entire fiscal year 2019, investments of a total amount of EUR 22,126 were implemented, of which EUR 14,021 concerned investments in the Technical Fabrics sector and EUR 8,105 concerned investments in the Packaging sector. Investments were also made in the joint ventures in which the Group participates. The Group's participation in joint ventures' investments amounted to EUR 1,073..

Internal Restructuring of the Group's Participations

In November 2019, the Company informed the investors' community that in the context of the internal restructuring of the Group's holdings, which was initiated in the second half of 2018, with the aim of optimizing the production and distribution network of its products and focusing on markets and products that maximize returns, the Management decided the following:

(a) The permanent cessation of the labor intensive manufacturing process of woven mega sacks(FIBC) in Sofia, Bulgaria (comprising a business activity under Thrace Ipoma AD), and the replacement of the volume produced by existing and new sub-contractors.

(b) The subsequent strategic focus on Europe's activities by reducing the presence in the geotextile market of America. For this reason, it was decided to transfer the needle-punch production line from the wholly owned by 100% subsidiary Thrace Linq Inc which is headquartered in South Carolina, USA, to the wholly owned by 100% subsidiary Don & Low Ltd, based in Forfar, Scotland, with the aim of strengthening and further consolidating the Group's products in the markets of UK and Northwestern Europe. The transfer of the production line commenced by the end of 2019 and its installation in operation status is expected to complete within the third quarter of 2020.

(c) The share capital increase of the subsidiary Don & Low Ltd, by GBP 3 million, which was fully subscribed by the Company in order to cover the costs of transporting and installing the non-woven production line (needle-punch), as well as securing the working capital needed to operate the line.

The above mentioned internal restructuring of the Group's holdings aims at further improving the Group's financial results.

The Group is in the process of selling the industrial property that houses ThraceLinq. The subject property on 31.12.2019 has been transferred from the Intangible Fixed Assets to the Fixed Assets held for sale.

Other Significant Events

- **Decisions of the Annual Ordinary General Meeting of Shareholders on 18th May 2019**

The shareholders approved the distribution (payment) of dividend from the earnings of the closing year 2018 as well as from the earnings of previous years. Specifically, the Meeting approved the distribution of an amount of 1,944,000 Euros (gross amount), or 0.044443 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 0.044447 Euro. From the above amount, the corresponding tax of 10% 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 0.040023 Euro per share. The payment of the dividend commenced on Wednesday, June 26, 2019 and was made through Piraeus Bank SA.

Issuance of Tax Certificate

In October 2019, after the completion of the special tax audit for the fiscal year 2018, 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.

Election of a New Board of Directors and Audit Committee / Audit Committee Appointment / Articles of Association Harmonization

The Extraordinary General Meeting of the Company's shareholders on March 19, 2019, among other issues on the agenda:

It approved by a majority the election of a new eleven-member (11-member) Board of Directors with a five-year term, extending until the deadline within which the next Ordinary General Meeting must convene. The Board of Directors consisted of the following members: 1) Konstantinos Chalioris of Stavros, 2) Christos - Alexis Komninos of Konstantinos, 3) Georgios Braimis of Pericles, 4) Dimitrios Malamos of Petros, 5) Vassilios 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. Simultaneously with the same majority decision, the Extraordinary General Meeting appointed as independent members of the Board of Directors, in accordance with the provisions of Law 3016/2002, as in force today, Messrs: 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.

It also approved by a majority the appointment of an Audit Committee in accordance with the provisions of Article 44 of Law 4449/2017, which consists of the following three (3) natural persons, namely Messrs. 1) Georgios Samothrakis of Panagiotis, 2) Konstantinos Gianniris of Ioannis and 3) Ioannis Apostolakos of Georgios.

Finally, it unanimously approved the amendment and supplementation of the provisions of the Company's Articles of Association for the purpose of adaptation and harmonization with the provisions of Law 4548/2018, as in force today, precisely in the form in which the adjusted and harmonized provisions were announced by the Company in accordance with article 123 par. 4 of law 4548/2018.

3.33 Events after the Balance Sheet date

Macroeconomic Environment and the Impact of COVID-19

In early 2020, there was a global outbreak of COVID-19 which brought changes in global supply and demand, including Greece and other countries in which the Group operates. The impact of the spread of COVID-19 on the financial statements is a non-corrective event and is also subsequent to the balance sheet date of 31 December 2019.

The uncertainty in the macroeconomic and financial environment along and the volatile business climate are risk factors that the Group is constantly evaluating. At the same time, the broader developments both across the globe and in Greece at the levels of society and economy as a result of the pandemic of COVID-19, comprise an additional risk factor, which may affect the future results and financial performance of the Group.

The overall impact of the pandemic on the economies of the countries which the Group operates in, as well as the duration of the recession and the restrictive measures taken on a case-by-case basis, remain uncertain. At the same time, governments, both locally and across the European Union, have taken significant steps to support local economies and reduce potential recessionary risks.

To date, the Group does not face significant impact from the adverse conditions due to the spread of the pandemic. This development is a result of the fact that the decreased product sales in sectors with limited activity (e.g. catering, tourism), are counterbalanced by the increased sales of products that demonstrate significantly increased demand, as they relate to the areas of personal health protection, hygiene and food packaging and for which demand is expected to remain high in the near future.

The Management of the Group has formed a framework of actions, which have already been implemented in all areas of operation, such as: Hygiene and safety (based on the instructions of local health authorities), personnel management, production, supply chain, transaction cycle, liquidity, in order to deal with potential risks in these areas of business operation.

More specifically, specialized teams have been developed to monitor all relevant developments and assess the possible effects of COVID-19, having developed and fully implemented a plan to ensure health and safety as well as operational continuity, according to local health protocols.

At the same time, regarding the level of liquidity, the Group has taken additional measures to maintain the necessary, based on the conditions, liquidity level and has increased the level of daily monitoring of liquidity and the total transaction cycle.

The return to economic stability and normality depends largely on the duration of the pandemic and on the actions and decisions taken by governments in Greece and abroad alike.

The Management constantly assesses the conditions and their possible implications, in order to ensure that all necessary and appropriate measures as well as actions have been taken in time to limit potential impacts on the Group's activities and to also ensure its smooth business continuity. In any case and up until today, the financial repercussions of the pandemic cannot be estimated accurately and reliably.

Change in the Composition of the Board of Directors

The Board of Directors of the Company, during its meeting held on 10.01.2020, accepted the resignation of Mr. Georgios Braimis, Executive Member of the Board of Directors, who left the Group and submitted his resignation as executive member of the Board of Directors. During the same meeting on 10.01.2020, the Board of Directors decided in accordance with article 8 of the Company's Articles of Association and article 82, par. 2 of Law 4548/2018 the non-immediate replacement of above member and the continuation of the management and representation of the Company by the remaining members of the Board of Directors.

Change of Senior Executives

By decision of the Board of Directors of March 20th, 2020, Mr. Dimitris Malamos, Executive Member of the Board of Directors, took over the duties of Deputy CEO of the Group (Deputy Group CEO). Mr. Malamos, who has held the position of Group CFO since 2010, has many years of experience in financial analysis and internal restructuring, has demonstrated his administrative and managerial skills and at the same time has gained deep knowledge and experience about the organization, operation and business activities of the Company and the Group.

The position of Group CFO was assumed by Mr. Dimitrios Frangou, Certified Accountant (member of ACCA), who for many years held managerial positions in a well-known auditing company and has significant and valuable expertise in providing financial, auditing and consulting services. This expertise will be further used to improve the organization, efficiency and operation of the relevant Divisions and Departments of the Company and the Group. Mr. Frangou is a graduate of the Department of Business Administration and holds a Master's degree in Accounting and Finance from the Athens University of Economics and Business.

Group Restructuring

Further implementing the internal restructuring plan within the financial year 2020, the Group decided the following:

- The transfer of the second production line of non-woven fabrics (needle punch) from the 100% subsidiary Thrace Linq Inc. which is headquartered in South Carolina, USA, to the 100% subsidiary Thrace Nonwovens & Geosynthetics, based in Magiko of Xanthi, Greece, in order to strengthen the production capacity of the subsidiary and thus expand its sales growth potential. The transfer of the production line started in April 2020 and its installation will be completed within the second half of 2020. Following the above, the final termination of the operations of Thrace Linq Inc. was also approved whereas it was decided that the US geotextiles market would be served by the Group's facilities in Europe and by Lumite Inc., which is the Group's joint venture in the United States. The Management considers that the above action will strongly contribute to the improvement of the Group's profitability.

In this context, impairments of machinery for an amount of €1,285 and provisions for personnel compensation for an amount of €393 were carried out in the company Thrace Linq, which burdened the financial results of 2019. Based on these data, a valuation of Thrace Linq was performed as of 31/12/2019. As a result of this valuation, its parent company, Synthetic Holdings LTD, reduced its participation by an amount (in thousands) of GBP 3,080. The reduction equally affected the results of Synthetic Holdings LTD.

The valuation that was conducted by an independent appraiser for Synthetic Holdings Group showed that there was no reason to carry out an impairment on the Company's participation in the subsidiary of Synthetic Holdings, so the Group's financial results in 2019 are not burdened by the above impairment on the subsidiary Thrace Linq.

- The sale of the industrial property where Thrace Linq Inc. is housed. The Management has already taken the necessary actions towards this direction.
- The liquidation of Thrace China and its parent company (Thrace Asia). The liquidation will be completed within the year. The latter company operates as the sales offices Thrace Nonwovens & Geosynthetics in the Chinese market, with extremely limited activity in recent years, as most of the sales in the Asian market are made directly by Thrace Nonwovens & Geosynthetics. Therefore, the Group's Management decided to suspend the operation of this office. The parent company's, SAEPE LTD, participation value in the above companies settled at € 631 and there was also an intra-group receivable of € 30. The participation and the receivable will be impaired by 100%.

It is noted that this impairment charge will not affect the results of the Group but only the results of the subsidiary SAEPE LTD.

New production line of protective masks

Thrace Plastics Group has been active in the production of non-woven polypropylene fabrics, which are used as raw materials by manufacturers of surgical masks and other protective medical products. This activity takes place in the production facilities of the Group's subsidiaries in Xanthi and Forfar in Scotland. Due to the COVID pandemic, the above products are in increased demand. In this context, the Group has decided each of the above subsidiaries to give priority to the supply of these products to local manufacturers of surgical masks and other protective medical products in the Greek market and that of the UK respectively.

In addition, with the possibility of utilizing its existing production facilities and infrastructure as well as its strong know-how in this field, the Group made an extraordinary investment of 200 thousand Euros in order to add the required mechanical equipment for the production of Type I, Type II and Type IIR surgical masks.

The purpose of this decision was, on the one hand, to take advantage of a profitable business opportunity and, on the other hand, to make a significant social contribution.

The new production line has already been installed in the Group's production facilities in Xanthi and its production capacity is expected to reach approximately 100 thousand masks per day.

Distribution of Dividend for the Financial Year 2019

The Board of Directors of the Company intends to propose to the General Meeting a dividend distribution, however, taking into account the extraordinary conditions created as a result of Covid-19 and the uncertainty regarding their future impact on the Group's financial results, the Board will reconsider its position until the convening of the General Meeting, depending on the conditions that will have been formed at the time.

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 29 April 2020 and are signed by the representatives of such.

The Chairman and Chief Executive Officer	The Deputy CEO	The Head Accountant
KONSTANTINOS ST. CHALIORIS	DIMITRIOS P. MALAMOS	FOTINI K. KYRLIDOU
ID NO. AM 919476	ID NO. AO 000311	ID NO. AK 104541 Accountant Lic. Reg. No. 34806 A' CLASS

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 CO SA" are registered on the internet at *www.thracegroup.gr*.

General Commerce Reg. No. 12512246000

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