

Financial Statement of Sarantis Romania S.A.
for period
from 1 January 2018 to 31 December 2018

INTRODUCTION TO THE FINANCIAL STATEMENT THE GENERAL INFORMATION

1. Name , address, the basic object of the activity of the Company

The business of the company Sarantis Romania S.A. , hereinafter referred to as statement "Company", is mainly the sales and distribution activity of household products, skin care and cosmetics products.

The Company registration number in the in the National Trade Registry J40/13955/2018.

On 21.01.2005 the Company changed the name from Romsar Cosmetics S.A to Sarantis Romania S.A.

2. Company's Address

Soseaua Bucuresti-Ploiesti St, No. 172-176, Building B, 2nd Floor, District 1, Bucharest, Romania

Warehouse address:

Piersicului St. No. 1, Dragomiresti-Vale, Ilfov County, Romania

3. Management Board of the Company

On 31 December 2018 the Management Board is composed of :

Grigorios Sarantis – President of the Board

Kyriakos Sarantis – Vice-president of the Board

Konstantinos Rozakeas – Member of the Board

Vasileios Meintanis – Member of the Board

Pantazis Sarantis – Member of the Board

Elpiniki Sarantis – Member of the Board

Grigorios Sarantis – Member of the Board

To represent the Company to third parties are entitled:

1. Nenad Marinkovic – Executive Manager
2. Any member of the Management Board,

4. Statutory Auditor

BDO AUDIT SRL

Invingatorilor St. No. 24, District 3, Bucharest, Romania

RO6546223

5. Name of the parent company

GR Sarantis Cyprus Ltd,Cyprus

6. Name of the ultimate parent company

GR Sarantis SA, Greece

7. Principles of presentation

Information on principles adopted for preparation of financial statement for 2018

The financial statement has been prepared in accordance with accounting principles contained in the International Financial Reporting Standards adopted by the European Union. The financial statement covers the period from 1 January to 31 December 2018 and the comparative period from 1 January to 31 December 2017.

The financial statement is compliant with all IFRS requirements adopted by the EU and present a true and fair view of the Company's financial position as of 31 December 2018 and 31 December 2017, results of its activity and cash flows for the year ended 31 December 2018 and 31 December 2017.


8. Statement of the Management Board

1) The Management Board of Sarantis Romania S.A. hereby honestly and sincerely declares that to the best of its knowledge the foregoing financial statement and comparative data were prepared in compliance with International Financial Reporting Standards adopted by the European Union (IFRS). The statement reflects true and fair view on financial position and its financial result of Sarantis Romania S.A. and that the Management Board Commentary on the Company's Operations presents true overview of Company's development, achievement and business situation of Company, including basic risks and exposures.


2) The Management Board of Sarantis Romania S.A. declares that the entity, authorized to audit and conduct the audit of financial statements, was selected in compliance with the law and that entity and auditors conducting the audit met the conditions to issue an independent opinion in compliance with relevant regulations of the domestic law.


Bucharest, 9th of April 2019.

The Management Board


President of the Board
Grigoris Sarantis



Vice President of the Board
Kyriakos Sarantis


Member of the Board
Konstantinos Rozakeas


Member of the Board
Meintanis Vasileios


Member of the Board
Pantazis Sarantis


Member of the Board
Grigoris Sarantis


Member of the Board
Elpiniki Sarantis


Nenad Marinkovic
Executive Manager

Prepared by:
Adina Handrea



9. Significant accounting principles

Basic of the financial statement

Financial statement of Sarantis Romania S. A. is prepared in accordance with International Accounting Standards adopted by European Union. The statement was prepared assuming that the company will continue its activity in the nearest future. On the day in which this statement was accepted there is no circumstances indicating any danger to continue of business activity of Company.

Consolidated financial statement

Consolidated financial statement, which includes also subsidiary entities is performed by highest level parent company GR Sarantis SA, based in Athens, Greece.

Functional currency and presentation currency of financial statements

The financial statement is presented in Ron, after rounding to full sums. The Romanian Leu is a functional and reporting currency of the Company.

Judgments and evaluations

Judgments, evaluations and assumptions, which have significant influence on accounting principles, presenting value of assets, liabilities, costs and incomes are required by the Management Board. Evaluations and assumptions based on the historical experience and other factors rationally justified, their results allow to estimate balance sheet value of assets and liabilities. Real value may be different from estimated value. Evaluations and assumptions are verified on a current basis. Change in accounting estimations is included in the period in which the accounting estimations were changed or in the current and future periods.

Fixed assets

Fixed assets, excluding land and investment property, are estimated at cost which consists of acquisition cost and direct costs related to bringing the fixed asset into use. Fixed assets are depreciated. The cost of current maintenance of land and assets are recorded in the financial result during the period when they are incurred. The cost of significant repairs and regular maintenance programs is recognized as asset and depreciated in accordance with their economic useful lives, is there is the case. Depreciation of assets starts since when they are available for use, meaning it is in the location and condition necessary for it to be capable of operating. The beginning of the depreciation (except assets under construction) starts not later than one month after functioning date and follows in the manner intended by the management, over the period reflecting their estimated economic useful life. The correctness of applied periods, depreciation methods and residual value of fixed assets is verified on each balance sheet day and respective adjustments are made if it is necessary.

The following types of useful life are used for fixed assets:

	Years
Measuring and control devices	4
Transport means	4-6
Furniture, devices and other tangible assets	3-20
Intangible non-current assets	3-22

If there have been events or changes which indicate that the carrying amount of fixed assets may not be recoverable, the assets are analyzed. If there are indications of impairment, the company makes estimation of recoverable amounts of particular assets. Loss is included if accounting value of asset is higher than estimated recoverable value.

The recoverable amount of assets reflects the higher of the following values: net selling price and value in use. Impairment allowances are recognized as other operating costs in the profit and loss, if there is the case.

Profit and loss resulting from the removal tangible fixed asset from the balance sheet are calculated as difference between net incomes from disposal, and balance sheet value and shown as income or cost in the profit and loss account

Finance lease

The company has not contracted Finance leases.

Intangible assets

Intangible assets are recognized if it is probable that expected future economic benefits, which are directly attributable to the assets, will cause growth of the entity. Initially intangible assets are stated at acquisition or construction cost. After initial recognition, intangible assets are measured at acquisition or construction cost less amortization and impairment allowances. Intangible assets with a definite useful life are amortized when it is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management over their estimated economic useful life. The correctness of the applied amortization periods and rates is periodically reviewed, at least at the end of the reporting year, and potential adjustments to amortization allowances are made in the subsequent periods, if there is the case. Intangibles with indefinite useful life are not subject to depreciation. Their value is reduced by potential impairment allowances.

The standard economic useful lives for amortization of intangible assets are following:

Acquired licenses, patents, and similar intangible assets 1 - 3 years

Acquired computer software 3 - 22 years

Other intangible assets are verified in terms of impairment allowances at the end of each reporting period. If there are indications of impairment, and the carrying amount exceeds the estimated recoverable amount, the value of those assets or the related cash-generating units is decreased to the recoverable amount. The recoverable amount of those assets is the higher of the following values net selling price or their value in use.

Valuation of shares in subsidiary entities

Not applicable.

Financial instruments

Not applicable.

Financial instruments other than derivatives.

Receivables and deposits are presented on date of origin.

Financial instruments estimated by financial results at fair value

Not applicable.

Investments retained until the maturity term

Not applicable

Receivables and loans

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables and loans are designated as current assets.

Derivative Financial assets not available for sale

Not applicable

Inventories

Inventories are measured at the lower of cost and net realizable value, considering any inventory allowances. The net realizable value is the selling price estimated in the ordinary course of business activity less the estimated costs of completion and the estimated selling costs.

Cost of goods sold is determined based on the weighted average costs formula.

Receivables

The receivables in foreign currencies are recorded in the accounting books in RON at the exchange rate of the date of the document, as well as in foreign currencies.

Trade receivables and other receivables in Ron are kept at historical value with consideration of allowances for bad debts. Trade receivables and other receivables in foreign currency are valued with National Bank of Romania exchange rate of the last day of the month each month, with consideration of allowances for bad debts. The Company establishes provisions only for certain debtors, when the

collection is deemed uncertain. The value of the provision represents the difference between the book value and its recoverable value. The value of the provision is recognized in the profit and loss account.

Cash and cash equivalent

Cash includes cash in hand and cash at the bank. Cash in foreign currency is valued with National Bank of Romania exchange rate of the last day of the month each month.

Trade incomes

Probability of derived economic benefits and possibility to determine the amount of income let the Company recognize the incomes. Trade incomes are evaluated in net value after the reduction by tax on goods and services and discounts. Revenues from sales of goods are recognized at the time the invoice for delivery of the goods is issued, when there has been a transfer of risks and rewards. Particular items of Company's costs are decreased by the re-invoiced amounts which are not an income.

Equity capital

Equity capital is divided by types, in accordance with law obligations and resolutions of Company Statute. Share capital is presented in the nominal value, in the amount according to the Company Statute and entry in the commercial register. Own funds of the Company are decreased by due contributions to the share capital.

Non-distributed profits for the previous years and the current results (profits) are presented in the financial statement as the retained profits.

Loan and credits

Loans and credits are presented at the fair value of received inflows decreased by the costs of transactions. Loans and credits are valued at the amortized acquisition price in accordance with effective interest rate.

Transactions in foreign currency

Transactions in foreign currency carried out in accordance with exchange rate are recorded in the accounting books in RON, as well as in foreign currencies.

The transactions expressed in foreign currency are recorded in the accounting books at the exchange rate in force on the date of the transaction. The monetary assets and liabilities expressed in foreign currency are translated in Romanian Lei at the exchange rate in force on the date of the balance sheet..

All differences arising from the offset and translation of the amounts in foreign currency are recognized in the profit and loss account of the year during which they were performed. RON is not a convertible currency outside Romania.

Exchange rate differences and evaluations of financial assets and liabilities on the balance sheet date, in accordance with Romanian National Bank exchange rate on this day, are presented as financial costs or incomes in the profit and loss account.

Exchange rate differences resulting from clearance of transactions in foreign currencies and valuation of assets and liabilities in cash on the balance sheet day are presented as financial costs or income in statement of complete income in net amount.

For the balance valuation, the following exchange rates were adopted:

Exchange rate at the day	31.12.2018	31.12.2017
USD	4.0736	3.8915
EUR	4.6639	4.6597
CHF	4.1404	3.9900

Income tax

The income tax includes current part and deferred part. Current and deferred income tax is included in profit or loss of current period, except the case, when it regards to merger of companies and items included immediately in equity or as other total income.

Current tax is an expecting amount of liabilities or receivables from income tax which have to be taxed for a particular year, calculated with the use of tax rates, legally or actually binding as of the reporting day and corrections of tax liability regarding previous years.

The rate of the corporate tax for 2017, respectively for 2018, was 16%.

Deferred tax is included in connection with temporary differences between balance sheet value of assets and liabilities and their value calculated for tax purposes.

Deferred tax is valued with the use of tax rates, which in accordance with expectations are going to be used when the temporary differences will be reversed - legally or actually tax rules binding up to reporting day are the base of this.

Assets for deferred tax are reviewed as of the reporting day and they are reduced according to the possibility of generating profits in income tax, connected with them.

Fixed assets available to sale

Fixed assets available to sale satisfy following criteria:

- The Management Board declared intent of sale
- Assets are available to instantaneous sale in present condition
- Potential buyer is looked for
- Sale transaction is highly probable and the transaction will be settle during 12 months
- The trade price is rational and in accordance with the current fair value
- Probability of introduction of changes into disposal plan is inconsiderable

If the criteria are met after the balance sheet date, the assets are not reclassified at the end of the reporting year prior to the designation for sale. The reclassification is reflected in the reporting period when the criteria are met. Depreciation is discontinued for the asset when it is designated for sale.

Assets held for sale are measured at the lower of the following values: net carrying value or the fair value decreased by selling costs.

Provisions

The Company shall recognize a provision when it has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and if a reliable estimation may be made of the amount of the obligation. The provisions are reviewed at balance sheet date and adjusted to reflect the best current estimation.

Liabilities

Trade and other liabilities are measured at the due amount.

Contingent liabilities

Contingent liabilities are defined as obligations that arise from past events and which are dependent on occurrence or non-occurrence of some uncertain future events. Contingent liabilities are not recognized in the balance sheet however the information on contingent liabilities is disclosed unless the probability of outflow of resources relating to economic benefits is remote.

Application of the accounting principles

The above principles are applicable for comparative data.

Impact of new Standards and interpretations on the Company's financial statements.

Changes in standards or interpretations in force and applied by the Company from 01.01.2018.

Amendment to IAS 7 "Statement of cash flows"

The revised standard requires entities to disclose information that will enable users of financial statements to assess changes in an entity's indebtedness (ie changes in loans and credits taken out).

The company disclosed the information required by the amended standard in page 16.

Application of the standard or interpretation prior to their effective date.

These financial statements do not use the voluntary application of the standard or interpretation prior to their mandatory effective date.

Standards and interpretations that were published but did not enter into effect for the periods beginning on January 1, 2018 and their impact on the Company's statements.

Until the date of preparation of these financial statements, new or amended standards and interpretations were published, effective for annual periods starting with 2018: :

New IFRS 9 "Financial Instruments"

The new standard will replace the current IAS 39. The changes introduced by the standard in the accounting of financial instruments include mainly:

- other categories of financial assets on which the asset valuation method depends; the allocation of assets to the category is made depending on the business model relating to a given asset and the nature of flows from it,
- new hedge accounting principles that reflect risk management to a greater extent,
- a new model of impairment of financial assets based on anticipated losses and necessitating faster recognition of costs in the financial result.

The company has analyzed the impact of the new standard on its financial statements.

Until now, the Company had only assets classified as "receivables". Under the new standard, all such assets will be classified as measured at amortized cost. This change will not affect the value of the Company's assets and its financial result.

Changes in the method of estimating losses due to credit risk will not have a material impact on the financial statements.

The Company's Management Board has decided that the application of IFRS 9 will take place retrospectively without adjustment of comparative data due to the fact that it would not be possible without the use of knowledge obtained post factum. The effects of the implementation of the standard will be recognized as a change in the opening balance of retained earnings as of 2018.

The standard is effective for annual periods beginning on January 1, 2018 or later.

New IFRS 15 "Revenue from contracts with customers"

The new standard will replace the existing IAS 11 and IAS 18 by providing one consistent revenue recognition model. The new 5-step model will make the recognition of revenue dependent on the client's control over the good or service. In addition, the standard introduces additional disclosure requirements and guidance on several specific issues. The Company has analyzed the impact of the standard on the financial statements. Its results indicate that the recognition of revenues and the Company's results will not change significantly.

The Company's Management Board of the Company has decided that the application of IFRS 15 will take place retrospectively without adjusting the comparative data. The effects of the implementation of the standard will be recognized as a change in the opening balance of retained earnings as of January 1, 2018.

The standard is effective for annual periods beginning on January 1, 2018 or later.

The company applies IFRS 15 as 2018.

Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"

The rules governing the settlement of loss of control over a subsidiary so far provided for a gain or loss to be recognized at that time. In turn, the principles of applying the equity method indicated that the result of transactions with entities accounted for using the equity method is recognized only up to the amount of the share of other shareholders of these entities.

When a parent company sells or contributes shares in a subsidiary to an entity priced with the equity method, in such a way that it loses control over it, the above-mentioned regulations would be contradictory. The amendment to IFRS 10 and IAS 28 eliminates this collision as follows:

- if the entity over which control is lost is a business enterprise, the result of the transaction is recognized in full,
- if the entity over which control is lost does not constitute a business enterprise, the result is recognized only to the amount of the share of other investors.

The entry into force of this amendment has been suspended.

New IFRS 16 "Leasing"

The new standard regulating lease agreements (including rental agreements) includes a new definition of leasing.

Significant changes concern the lessee: the standard requires recognition in the balance sheet of each lease contract the value of the "right to use an asset" and an analogous financial liability. The right to use the assets is then depreciated, while the liability is measured at amortized cost. Simplifications are foreseen for short-term contracts (up to 12 months) and low-value assets.

The accounting approach to leasing from the lessor's side is similar to the principles set out in the IAS 17.

The Company estimates that the new standard will have a significant impact on its financial statements, but has not yet completed the process of determining the value. At the end of 2018, the Company is a lessee in two vehicle operating leases and rental and lease agreements concluded for periods from 4 years to 7 years.

The changes are effective for annual periods beginning on January 1, 2019 or later.

Amendment to IFRS 2 "Share-based payments"

The IAS Board settled three issues:

- the manner of including in the valuation of the program (regulated in cash) conditions other than the conditions for the acquisition of rights,
- classification of payments in shares when the entity is required to collect a tax from the employee,
- modification of the program, which results in a change from the program settled in cash into a program settled in equity instruments.

The Company estimates that the change in the standard will not affect its financial statements due to the fact that there were no transactions covered by the amendment.

The changes are effective for annual periods beginning on January 1, 2018 or later.

Amendment to IFRS 4 "Insurance Contracts"

In connection with the entry into force in 2019 of the new standard on financial instruments (IFRS 9), the IASB introduced transitional (until the entry into force of the new IFRS 17) rules for the application of new accounting principles for financial instruments in the financial statements of insurers. Otherwise their results would be exposed to a considerable variability.

Two alternative approaches have been proposed:

- adjusting the volatility caused by IFRS 9 for some assets through a separate item in the income statement and other comprehensive income,
- exemption from the application of IFRS 9 until the entry into force of the new insurance standard (or 2021).

The amendment to the standard will not affect the Company's financial statements due to the fact that it does not conduct insurance activities.

The changes are effective at the time of applying IFRS 9.

Amendments to IFRS 1 and IAS 28 resulting from the "Annual amendments project: cycle 2014-2016".

Amendments to standards include:

- IFRS 1: some short-term exemptions that were applied when switching to IFRS were removed due to the fact that they concerned periods that had already passed and their application was no longer possible. The change will not affect the Company's financial statements, as it is already prepared in accordance with IFRS.

- IAS 28: it has been clarified that in situations where IAS 28 permits investment valuation either using the equity method or at fair value (by high risk capital management organizations, mutual funds, etc. or shares in investment units), this choice may be made separately for each of the such investments. The change will have no impact on the financial statements of the Company, as the Company does not have the possibility to choose the method of investment valuation in affiliates and joint ventures to fair value.

The changes will come into force for annual periods beginning on January 1, 2018.

Amendment to IAS 40 "Investment Property"

The amendment clarifies the rules according to which the real estate is reclassified to or from the investment property category from or to fixed assets or inventories.

First of all, the change of classification takes place when the method of use changes and this change has to be proved. The standard directly implicates that change of the intention of the Management Board is not enough in itself.

The change of the standard should be applied to all changes in use, which will occur after the amendment to the standard comes into force and to all investment properties owned as of the effective date of the amendment to the standard.

The Company estimates that the change will not have a material impact on its financial statements. The changes are effective for annual periods beginning on January 1, 2018 or later.

New IFRIC 22 "Foreign currency transactions and advances"

The interpretation defines which rate of exchange should be used in the case of sale or purchase in a foreign currency, which is preceded by receiving or making an advance payment in that currency. According to the new interpretation, the advance payment as of the date of payment should be included in the exchange rate for that day. Then, when recognized in the income statement, income in a currency or cost or asset acquired should be recognized at the exchange rate effective on the day when the advance was recognized, not at the exchange rate when the income or cost or asset was recognized.

The Company has assessed that the new interpretation will not have a material impact on its financial statements, as advance payments are made sporadically. The interpretation applies to annual periods beginning on 1 January 2018 or later.

New IFRIC 23 "Uncertainty regarding the inclusion of income tax".

The interpretation to IAS 12 "Income tax" determines the approach to the situation when the interpretation of income tax regulations is not unambiguous and it cannot be definitively decided which solution will be accepted by tax authorities, including courts. The management should first assess whether its interpretation is likely to be accepted by tax authorities. If so, the interpretation should be used to prepare the financial statements. If not, the uncertainty of amounts related to income tax should be taken into account with the most probable value or expected value method. The company should assess any changes in facts and circumstances affecting the determined value. If the value is subject to adjustment, it is treated as a change in respect in accordance with IAS 8.

The Company estimates that the new interpretation will not have a material impact on its financial statements, as it does not carry out transactions the changes concern. The interpretation applies to annual periods beginning on January 1, 2019 or later.

New IFRS 17 "Insurance Contracts"

A new standard regulating the recognition, valuation, presentation and disclosures regarding insurance and reinsurance contracts. The standard replaces the previous IFRS 4.

The Company estimates that the new standard will not affect its financial statements because it does not conduct insurance activities. The standard is valid for annual periods beginning on January 1, 2021 or later.

The Company intends to implement the above regulations within the time limits prescribed for application by standards or interpretations.

Bucharest, 9th of April 2019

The Management Board

President of the Board

Grigoris Sarantis

Vice President of the Board

Kyriakos Sarantis

Member of the Board

Konstantinos Rozakeas

Member of the Board

Meintanis Vasileios

Member of the Board

Pantazis Sarantis

Member of the Board

Grigoris Sarantis

Member of the Board

Elpini Sarantis

Nenad Marinkovic

Executive Manager

STATEMENT OF FINANCIAL POSITION AS OF 31.12.2018

	31.12.2018	31.12.2017
Tangible Fixed Assets	6,920,767	2,465,674
Intangible Fixed Assets	2,071,910	2,189,861
Deferred tax	347,250	
Other Long-Term assets	488,199	497,603
TOTAL ASSETS	9,828,126	5,153,138
Inventories	48,804,027	40,073,351
Trade receivables	71,169,736	48,305,311
Other receivables	326,123	383,759
Cash & cash equivalents	14,075,674	14,101,969
TOTAL CURRENT ASSETS	134,375,560	102,864,390
Assets Transitional Accounts	247,723	455,481
TOTAL ASSETS	144,451,409	108,473,009
Share capital	8,355,012	8,355,012
Share premium	1,877,517	0
Revaluations & Grants	899,802	899,802
Reserves	6,267,146	8,144,663
Carried forward Results	56,552,740	52,202,360
TOTAL EQUITY	73,952,217	69,601,836
Long Term Liabilities	180,000	180,000
Deferred tax	0	
Suppliers	43,147,029	35,643,067
Loan Liabilities	23,332,687	0
Other liabilities	1,396,326	1,311,430
Tax Liabilities	2,107,201	1,345,353
Liabilities Transitional Accounts	335,950	391,322
TOTAL LIABILITIES	144,451,409	108,473,009

The Management Board:

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Grigoris Sarantis

Vice President of the Board
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Member of the Board
Konstantinos Rozakeas

Member of the Board
Meintanis Vasileios

Member of the Board
Pantazis Sarantis

Member of the Board
Grigoris Sarantis

Member of the Board
Eirini Sarantis

Nenad Marinkovic
Executive Manager

Prepared by:
Adina Handrea



STATEMENT OF COMPREHENSIVE INCOME	31.12.2018	31.12.2017
Revenue:		
Gross Sales	372,167,852	337,192,319
Less: Discounts and Allowances	-127,678,983	-113,471,728
Net Sales	244,488,869	223,720,592
Cost of Goods Sold	-165,667,731	-151,501,787
Gross Profit	78,821,138	72,218,804
Expenses:		
Payroll	-16,889,458	-13,442,588
Advertising&Promotion	-12,327,524	-10,531,741
Third Party Transportation Expenses	-3,329,006	-2,630,841
Vehicles Expenses	-1,920,777	-1,740,509
Rents (Warehouses,Offices)	-1,919,030	-1,940,869
Recycling Contribution	-1,548,115	-1,561,134
External Services	-1,272,768	-2,122,671
Extraordinary Incomes/Expenses	-1,166,258	-614,538
Payroll Taxes And Benefits	-773,924	-2,945,160
Marketing Development/Research	-754,420	-603,538
Logistic Services	-625,897	-292,762
Maintenance Of Computer Hardware And Software	-574,494	-543,705
Travelling Expenses	-532,963	-541,971
Utilities & Postage	-530,545	-548,824
Maintenance Of Buildings, Equipm.	-506,335	-492,564
Depreciation	-445,161	-420,165
Packaging & Consumable Materials	-341,316	-320,714
Other Third Party Expenses	-287,219	-477,364
Other Overhead Expenses	-257,847	-190,161
Events & Hospitality	-249,233	-234,679
Other Operating Taxes	-175,557	-118,386
Security Expenses	-175,110	-164,341
Consumables	0	0
Cleaning Services	-86,188	-68,354
Insurance (Inventory,Equipment)	-68,717	-83,201
Other Operating Income	208,617	123,031
Total Expenses	-46,549,244	-42,507,748
Net Operating Profit	32,271,894	29,711,057
Financial expenses	-1,272,473	-1,607,407
Financial revenues	296,445	268,085
Gain/Loss from valuation of assets	2,719,362	
Net financial revenues and expenses	1,743,333	-1,339,322
Profit before Tax	34,015,227	28,371,735
Income tax	-5,465,489	-4,868,862
Net Income	28,549,738	23,502,873

The Management Board:

President of the Board
Grigoris Sarantis

Vice President of the Board
Kyriakos Sarantis

Member of the Board
Konstantinos Rozakeas

Member of the Board
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Member of the Board
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Member of the Board
Grigoris Sarantis

Member of the Board
Eliniki Sarantis

Nenad Marinkovic
Executive Manager



STATEMENT OF CASH FLOWS

for the period ended on 31 December 2018

Cash Flow Statement	31.12.2018	31.12.2017
Cash flows from Operating Activities		
Profit before Tax	34,015,227	28,371,736
Adjustments:		
Depreciation & amortization	450,062	425,067
Impairment of tangible & Intangible assets	-2,719,362	
Foreign exchange differences	370,966	855,082
Interest expense and other related expenses	620,345	490,958
Gain/Loss from fixed assets sale	-3,303	-845
Interest income and other related income	-15,282	-6,719
Operational Inflows before Working Capital	32,718,652	30,135,279
Plus/minus adjustments for changes in working capital accounts		
Decrease / (increase) in inventories	-8,730,676	-1,854,764
Decrease / (increase) in receivables	-23,485,172	-5,867,982
(Decrease) / increase in liabilities (other than to banks)	30,657,806	168,019
Interest and other related expenses, paid	-616,199	-490,958
Tax Paid	-5,254,198	-5,520,693
	-7,428,440	-13,566,378
Net inflows / (outflows) from operating activities (a)	25,290,212	16,568,902
Cash flows from Investment Activities		
Acquisition/Disposal of subsidiaries, associates, joint ventures and other investments	9,404	-274,511
Acquisition of tangible and intangible assets	-1,918,066	-243,801
Revenues from sale of tangible and intangible assets	31,872	25,815
Interest received	15,282	6,719
Net inflows / (outflows) from investment activities (b)	-1,861,508	-485,778
Cash flows from Financial Activities		
Dividends paid	-23,455,000	-9,075,000
Net inflows / (outflows) from financial activities (c)	-23,455,000	-9,075,000
Effect of FX differences on cash		
	-26,295	7,008,123
Net increase / decrease in cash and cash equivalents for the period (a)+(b)+(c)		
Cash and cash equivalents, beginning of the period	14,101,969	7,093,848
Cash and cash equivalents, end of the period	14,075,674	14,101,969

The Management Board:

President of the Board

Grigoris Sarantis

Vice President of the Board

Kyriakos Sarantis

Member of the Board

Konstantinos Rozakeas

Member of the Board

Meintanis Vasileios

Member of the Board

Pantazis Sarantis

Member of the Board

Grigoris Sarantis

Member of the Board


Epiriki Sarantis

Nenad Marinkovic
Executive Manager


STATEMENT OF CHANGES IN EQUITY

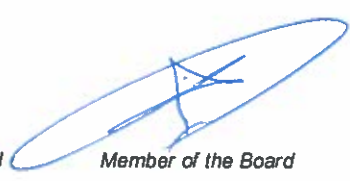
	Nominal share capital	Share premium	Revaluations & Grants	Reserves	Retained earnings	Total equity
Equity as of 1 January 2017	<u>8,355,012</u>	<u>1,877,517</u>	<u>899,802</u>	<u>6,267,146</u>	<u>37,774,488</u>	<u>55,173,965</u>
Net profit	-	-	-	-	23,502,872	23,502,872
The dividends paid to shareholders	-	-	-	-	-9,075,000	-9,075,000
Equity as of 31 December 2017	<u>8,355,012</u>	<u>1,877,517</u>	<u>899,802</u>	<u>6,267,146</u>	<u>52,202,360</u>	<u>69,601,837</u>
The dividends paid to shareholders	-	-	-	-	-23,455,000	-23,455,000
IFRS 9 effect on prior years result					-744,358	-744,358
Net profit current year	-	-	-	-	28,549,738	28,549,738
Equity as of 31 December 2018	<u>8,355,012</u>	<u>1,877,517</u>	<u>899,802</u>	<u>6,267,146</u>	<u>56,552,740</u>	<u>73,952,217</u>

The Management Board:



 President of the Board
 Grigoris Sarantis



 Vice President of the Board
 Kyriakos Sarantis


 Member of the Board
 Konstantinos Rozakeas


 Member of the Board
 Meintanis Vasileios


 Member of the Board
 Pantazis Sarantis


 Member of the Board
 Grigoris Sarantis


 Member of the Board
 Elgihiki Sarantis


 Nenad Marinkovic
 Executive Manager

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ADDITIONAL INFORMATION AND EXPLANATIONS

1. Tangible fixed assets

	31.12.2018	31.12.2017
Land	-	1,576,649
Buildings - Technical Works	1,115,958	20,926
Equipment & Other Equipment	605,207	358,422
Means of Transportation	-	-
Furnitures	745,759	508,659
Fixed Assets under construction and prepayments	157,831	1,017
Investments in Property	4,296,012	-
Tangible Fixed Assets	6,920,767	2,465,674

There are no tangible assets which are a security for liabilities of the company as of 31st December 2018 and 31st December 2017.

As of December 31, 2018 and December 31, 2017, the Company did not have any liabilities due to finance leases.

In 2018 and 2017, the Company did not make any changes to depreciation periods.

At December 31, 2018 and December 31, 2017 the Company had no future investment commitments.

Changes in tangible fixed assets according to the category criterion:

	Land	Buildings - Technical Works	Equipment & Other Equipment	Means of Transportation	Furnitures	Assets under construction and prepayments	Total Tangible Assets
Asset Value-01.01.2017	1,576,649	255,367	1,892,537	289,091	1,113,052	1,017	5,127,713
Acquisitions in Period			143,708		36,316		180,024
Cost of Disposals			-3,907		-21,063		-24,970
Cost of write - offs							0
Asset Value-31.12.2017	1,576,649	255,367	2,032,338	289,091	1,128,305	1,017	5,282,767
Reevaluation	2,719,362						2,719,362
Acquisitions in Period		1,164,478	394,875		316,767	156,814	2,032,934
Cost of Disposals			-280,717		-20,768		-301,485
Cost of write - offs			-116,892		-27,396		-144,288
Asset Value-31.12.2018	4,296,012	1,419,845	2,029,604	289,091	1,396,908	157,831	9,589,290

	Land	Buildings - Technical Works	Equipment & Other Equipment	Means of Transportation	Furnitures	Assets under construction and prepayments	Total Depreciation Tangible Assets
Accumulated Depreciation - 01.01.2017	0	198,767	1,546,919	289,091	535,832	0	2,570,609
Depreciation in Period		35,673	126,996		83,815		246,484
Accumulated Depreciation - 31.12.2017	0	234,440	1,673,916	289,091	619,646	0	2,817,093
Depreciation in Period		69,446	119,521		79,666		268,634
Depreciated value of Disposals			253,881		20,768		274,649
Depreciated value of write-offs			115,159		27,396		142,555
Accumulated Depreciation - 31.12.2018	0	303,887	1,424,397	289,091	651,149	0	2,668,523

	Land	Buildings - Technical Works	Equipment & Other Equipment	Means of Transportation	Furnitures	Assets under construction and prepayments	Total Net Value Tangible Assets
Net accounting value 01.01.2017	1,576,649	56,600	345,618	0	577,221	1,017	2,557,104
Net accounting value 31.12.2017	1,576,649	20,926	358,422	0	508,659	1,017	2,465,674
Net accounting value 31.12.2018	4,296,012	1,115,958	605,207	0	745,759	157,831	6,920,767

2. Intangible fixed assets

	31.12.2018	31.12.2017
Property Rights	42,542	42,542
Research Expenses	23,866	23,866
Other Intangible Assets	4,919,809	4,856,332
Tangible Fixed Assets	4,986,217	4,922,740

Changes of intangible fixed assets were following:

Total Intangible Assets	Other development expenses	Trademarks	Other intangible assets - computer software	Total Intangible Assets
Acquisition Value- 01.01.2017	23,866	42,542	4,792,555	4,858,962
Acquisitions in Period			63,477	63,777
Acquisition Value- 31.12.2017	23,866	42,542	4,856,332	4,922,740
Acquisitions in Period			63,477	63,477
Acquisition Value- 31.12.2018	23,866	42,542	4,919,809	4,986,217

Total Intangible Assets	Depreciation of other development expenses	Depreciation trademarks	Depreciation of other intangible assets - computer software	Total depreciation of Intangible Assets
Accumulated Depreciation - 01.01.2017	23,866	41,535	2,488,896	2,554,296
Depreciation in Period		1,007	177,575	178,582
Accumulated Depreciation - 31.12.2017	23,866	42,542	2,666,471	2,732,879
Depreciation in Period			181,428	181,428
Accumulated Depreciation - 31.12.2018	23,866	42,542	2,847,900	2,914,307

Total Intangible Assets	Other development expenses	Trademarks	Other intangible assets - computer software	Total Intangible Assets
Net accounting value 01.01.2017	0	1,007	2,303,659	2,304,666
Net accounting value 31.12.2017	0	0	2,189,861	2,189,861
Net accounting value 31.12.2018	0	0	2,071,910	2,071,910

In 2018 and 2017, the Company did not make any changes to depreciation periods.

3. Deferred tax

Deferred tax as of 31 December 2018 is resulting from:

Deferred tax asset	31.12.2018
Bad debt provision	141,783
POP stock	143,302
Accruals	678,542
Total	963,627

Deferred tax liability	31.12.2018
Bad debt provision	37,311
Land reevaluation	579,066
Total	616,377

4. Inventories

	31.12.2018	31.12.2017
Finished Goods	44,768,877	37,163,943
Raw Materials	122	44,111
Packaging & Other Auxiliary Materials	1,162,007	879,541
Work in Process Semifinished Goods	-	643
Advances to Third Party Suppliers	-	296
Goods in transit	2,873,022	1,949,052
Stock(Finished, Raw mat)Alloc to Afill	-	35,765
	48,804,027	40,073,351

As of 31 December 2018 and 31 December 2017 has been not established any pledge on the inventories to secure the Company's liabilities.

A write – off of inventories was performed in 2018 in value of 84181 Ron. (Including services of destruction)
Provision for write off was recorded in value of 748664 Ron.

5. Trade receivables and other receivables

Trade receivables	31.12.2018	31.12.2017
Trade receivables - Third Party	67,479,323	43,968,496
Trade receivables - Affiliates	209,646	18,167
Bad Debt Provision for Receivables from Customers	(192,204)	(78,752)
IFRS 9 Bad Debt Provision for Receivables from Customers	(652,946)	
Notes Receivable In Portfolio	3,836,315	3,594,624
Notes Receivable In Banks to Collect	489,601	802,776
Short-term receivables Total	71,169,736	48,305,311

Trade receivables are interest-free and their term of payment is 30-120 days. As of 31 December 2018 receivables in amount of 845150 Ron were considered as difficult to recover and Company created provision for bad debts.

As a result of IFRS 9 application, the company calculated a bad debt provision affecting prior year results in value of 886141 RON. In 2018, the company calculated an income provision related to the bad debts in value of 233195 RON, included in the current year result.

Movements regarding provision for bad debts were following:

	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017
Beginning of a period	78,752	179,517
Increases	120,000	70,000
Increases due to IFRS 9	886,141	
Usage	-6,549	-170,764
Decreases – reversal	-233,195	0
At the end of a period	845,150	78,752

Currency structure of short-term trade receivables and other receivables

	31.12.2018	31.12.2017
Receivables in the local currency	70,181,034	42,273,576
Receivables in the foreign currency	988,702	6,031,735
	71,169,736	48,305,311

	31.12.2018	31.12.2017
Receivables in EUR	988,702	6,031,735
Receivables in USD	-	-
	<u>988,702</u>	<u>6,031,735</u>

Concentration of credit risk, connected with trade receivables is limited due to a lot of Company's clients and their dispersion, mainly in Romania.

6. Transactions with affiliated entities

Receivables from affiliated entities:

Receivables from affiliated entities:	31.12.2018	31.12.2017
Sarantis D.O.O. Serbia	41,616	13,791
Sarantis Skopje		16.22
Sarantis Bulgaria Ltd.		
Sarantis Czech Republic s.r.o.		4,359.71
Sarantis Poland	146,853	0.05
Sarantis Hungary Kft.	21,177	
Total	<u>209,646</u>	<u>18,167</u>

Liabilities to affiliated entities:

Liabilities to affiliated entities:	31.12.2018	31.12.2017
Gr. Sarantis SA Greece	3,799,380	6,525,960
Sarantis Poland	2,060,040	2,288,706
Polipak Sp. z o.o., Poland	968,701	
Total	<u>6,828,121</u>	<u>8,814,666</u>

Loan Liabilities including interest

	31.12.2018	31.12.2017
Sarantis D.O.O., Serbia	2,501,649	0
GR. Sarantis SA -Cyprus	2,502,827	0
	<u>5,004,477</u>	<u>0</u>

Dividend payable

	31.12.2018	31.12.2017
GR Sarantis Cyprus Ltd., Cyprus	-	-
	<u>-</u>	<u>-</u>

Income from the sales – affiliated entities

	31.12.2018	31.12.2017
Sarantis Czech Republic s.r.o.	61,138	56,839
Gr. Sarantis SA Greece	369,992	327,779
Sarantis Skopje		27,152
Sarantis D.O.O. Serbia	78,727	104,353
Sarantis Bosnia	6,970	1,945
Sarantis Bulgaria Ltd.	14,610	2,120
Sarantis Hungary Kft.	65,371	
Sarantis Poland	232,749	
Polipak Sp. z o.o., Poland		-
	<u>829,557</u>	<u>520,189</u>

Sales of fixed assets

	31.12.2018	31.12.2017
Gr. Sarantis SA Greece	<u>30,540</u>	<u>0</u>
	<u>30,540</u>	<u>0</u>

Goods purchased from affiliated entities

	31.12.2018	31.12.2017
Sarantis Czech Republic s.r.o.	0	44,606
Gr. Sarantis SA, Greece	22,887,475	20,304,738
Sarantis D.O.O., Serbia	40,114	17,724
Sarantis Poland	12,783,673	10,030,819
Polipak Sp. z o.o., Poland	1,241,458	
Sarantis Bulgaria Ltd., Bulgaria	78,430	33,812
	<u>37,031,151</u>	<u>30,431,699</u>

Purchase of fixed assets

	31.12.2018	31.12.2017
Gr. Sarantis S.A.,Greece	0	2,517
	<u>0</u>	<u>2,517</u>

Other purchase affiliated entities

	31.12.2018	31.12.2017
Gr. Sarantis SA, Greece	371,104	278,736
Sarantis Poland	1,319	0
	<u>372,424</u>	<u>278,736</u>

Financial expenses – affiliated companies

	31.12.2018	31.12.2017
Sarantis Skopje Macedonia – interest	376,038	299,669
Sarantis D.O.O. Serbia– interest	7,683	
GR. Sarantis Cyprus – interest	13,187	13,763
	<u>396,908</u>	<u>313,432</u>

7. Accruals and deferrals

	31.12.2018	31.12.2017
ACCRUALS		
Third Party Expenses	80,436	58,230
Charges For Outside Services	46,097	62,810
Taxes & Rates	119,941	101,812
Overhead Expenses	-20,476	-3,161
Media	367,599	
Digital	46,537	
Indirect Brand Support	41,883	87,754
Customer Marketing		513,634
Financial Revenues/Expenses	-4,146	
Extraordinary Expenses		-47,943
Accruals Shopper Disc/Exps.	-458,312	
Cogs Accruals	-12,277	-455,300
TOTAL ACCRUALS	207,281	317,836
Accruals Receivable		-57,633
Accruals Trade Expenses	3,644,172	1,922,527
Stock - Provision For Write Off	748,664	397,961
Provision For Write-Off Of Bad Debts	120,000	70,000
TOTAL PROVISIONS	868,664	467,961
TOTAL	<u>4,720,117</u>	<u>2,650,691</u>

Accrued expenses recorded under liabilities relate to the incurred commercial, administrative, and marketing costs, for which the Company has not yet received source documents from suppliers.

8. Cash and cash equivalents

	31.12.2018	31.12.2017
Cash in hand	14,285	15,668
Cash in banks	14,061,389	14,086,301
	<u>14,075,674</u>	<u>14,101,969</u>
	31.12.2018	31.12.2017
In local currency	13,972,414	14,006,953
In foreign currency	103,260	95,016
	<u>14,075,674</u>	<u>14,101,969</u>
	31.12.2018	31.12.2017
Cash in EUR	84,075	77,677
Cash in USD	14,595	12,889
Cash in GBP	352	356
Cash in CHF	4,238	4,084
	<u>103,260</u>	<u>95,006</u>

Concentration of credit risk connected with financial funds is limited because receipts from the sale are allocated proportionally in several financial institutions. Overnight deposits are created in Unicredit Bank.

9. Share capital

Share capital of Sarantis Romania S.A. as of 31 of December 2018 is:

SHAREHOLDINGS AND FINANCING SOURCES

Subscribed and paid share capital	Ron 8,355,012
Number of shares	8,355,012 pieces
Value of a share	Ron 1

In 2018, the subscribed and paid share capital is of Ron 8,355,012, from which RON 1,410,265 and Euro 1,634,058. The share capital is divided into 8,355,012 shares.

Shareholders:

GR SARANTIS CIPRUS LIMITED

REGISTERED OFFICE: CYPRUS, NICOSIA

Capital contribution: Ron 8,353,704, representing RON 1,410,45 and Euro 1,633,802

Shares: 8,353,704

Shareholding rate: 99.98434%

KYRIAKOS SARANTIS

NATIONALITY: GREEK

Capital contribution: Ron 872, representing RON 147 and Euro 171

Shares: 872
Shareholding rate: 0.01044%

GRIGORIS SARANTIS
NATIONALITY: GREEK
Capital contribution: Ron 436, representing RON 74 and Euro 85
Shares: 436
Shareholding rate: 0.00522%

10. Retained profits:

	31.12.2018	31.12.2017
Profits retained from the previous years	28,747,360	28,699,488
Net profit in current period	25,391,714	23,502,872
Total retained profits not distributed	54,139,074	52,202,360

The dividend paid in 2018 was the amount of 23.455.000 RON. The dividend paid in 2017 accounted for 9.075.000 RON.

Total retained profits not distributed amounting 54.139.074 RON represent **Statutory Retained Earnings**, as Sarantis Romania, according to Romanian Law, applies Romanian Accounting Standards.

11. Profit distribution for 2018

The net profit of 2018 in the amount of 25.391.713,91 RON will remain undistributed until the approval of the balance sheet by the general Assembly of Shareholders.

12. Credits, loans and other liabilities

In the year 2018, Sarantis Romania received a loan from SARANTIS SKOPJE D.O.O. in the amount of 2,500,000 EURO, loan restituted in full until 31 December 2018, with an interest of 3.5%. The loan was repaid in full on 19.12.2018, together with 90% of interest calculated up to that date, in value of 72.708,9 EURO, 10% interest in value of 8.78,77 EURO representing withholding tax paid according to the law to Romanian fiscal office.

In December 2018, Sarantis Romania received a loan from GR. SARANTIS CYPRUS. in the amount of 2.500,000 EURO, loan restituted in full in January 2019, with an interest of 3.44%.

In December 2018, Sarantis Romania received a loan from SARANTIS D.O.O. - SERBIA. in the amount of 2.500,000 EURO, loan to be restituted in full until 23.12.2019, with an interest of 3.44%.

Credit Lines

The company has established a **6.000.000 Euro** line of credit with the UNICREDIT Bank for the issuance of bank guarantee letters for which it warrants with a mortgage on receivables, guarantee on the current accounts opened with the UNICREDIT Bank. The amount used from the line of credit is 2.000.000 EURO and 1.361.506,68 USD on December 31, 2018, representing guarantee letters and credit letters issued for the following suppliers:

- A letter of guarantee issued for Cilag GMBH International – Euro 2,000,000.00

USD	3,591.95	CHANGLE RUISEN PLASTIC PRODUCTS CO., LTD	Letter of Credit
USD	5,048.66	WEIFANG FENGDE PLASTIC PRODUCTS CO., LTD	Letter of Credit
USD	11,823.00	NINGBO QUICK CLEAN COMMODITY CO., LTD	Letter of Credit
USD	11,844.00	NINGBO QUICK CLEAN COMMODITY CO., LTD	Letter of Credit
USD	31,540.33	WEIFANG LIFA PLASTICS PACKING CO., LTD	Letter of Credit
USD	49,017.19	WEIFANG FENGDE PLASTIC PRODUCTS CO., LTD	Letter of Credit
USD	79,463.76	WEIFANG XINAO PLASTICS PRODUCTS CO., LTD	Letter of Credit
USD	85,134.18	CHANGLE RUISEN PLASTIC PRODUCTS CO., LTD	Letter of Credit
USD	103,966.04	CHANGLE RUISEN PLASTIC PRODUCTS CO., LTD	Letter of Credit
USD	108,859.52	WEIFANG XINAO PLASTICS PRODUCTS CO., LTD	Letter of Credit
USD	128,661.67	WEIFANG XINAO PLASTICS PRODUCTS CO., LTD	Letter of Credit
USD	141,528.00	WEIFANG XINAO PLASTICS PRODUCTSCO., LTD.	Letter of Credit
USD	143,674.04	WEIFANG XINAO PLASTIC PRODUCTS CO., LTD	Letter of Credit
USD	152,244.53	WEIFANG XINAO PLASTIC PRODUCTS CO., LTD	Letter of Credit
USD	152,544.63	WEIFANG XINAO PLASTICS PRODUCTS CO., LTD	Letter of Credit
USD	152,565.18	WEIFANG XINAO PLASTICS PRODUCTS CO., LTD	Letter of Credit
USD	1,361,506.68		

Financial leasing

As of 31 December 2018 and 31 December 2017, the Company had no liabilities under finance lease.

Operational leasing

Company uses the leased property located in Bucharest, Sos. Bucuresti-Ploiesti no 172-176, District 1, Romania, as office space of headquarter of the company with a total area of 1035 m2. The agreement contains a clause price indexation based on current market conditions. Future minimum lease payments amount to:

Obligations of next year	98,940	EUR
Obligations for more than one year and less than five years	469,965	EUR
	<u>568,905</u>	<u>EUR</u>

Company uses the leased property located in Bucharest, Sky Tower Building, Calea Floreasca 246 C, Sector 1, Romania, as office space of one working point of the company. The agreement contains a clause price indexation based on current market conditions. Future minimum lease payments amount to:

Obligations of next year	66,118	EUR
Obligations for more than one year and less than five years	220,394	EUR
	<u>286,512</u>	<u>EUR</u>

As part of an operating lease agreement, the Company uses the company cars.
The future minimum obligations under this head will be:

Obligations of next year	225,696	EUR
Obligations for more than one year and less than five years	134,870	EUR
	<u>360,566</u>	<u>EUR</u>

Company uses the leased property located in Ilfov, Dragomiresti Vale, Str. Piersicului nr. 1, Romania, as warehouse space of the company with a total area of 10243,51 m2. The agreement contains a clause price indexation based on current market conditions. Future minimum lease payments amount to:

Obligations of next year	405,265	EUR
Obligations for more than one year and less than five years	2,633,716	EUR
	<u>3,038,981</u>	<u>EUR</u>

13. Financial instruments

Financial instruments in accordance with category:	31.12.2018	31.12.2017
Granted loans and own receivables:	71,495,859	48,689,070
- Loans granted	-	-
- Trade receivables	71,169,736	48,305,311
- Other receivables	326,123	383,759
Cash	<u>14,075,674</u>	<u>14,101,969</u>
	<u>85,571,533</u>	<u>62,791,039</u>
Financial liabilities valued at book value		
Trade liabilities	43,147,029	35,643,067
Loans from Affiliates	<u>23,332,687</u>	
	<u></u>	<u></u>

<u>66,479,716</u>	<u>35,643,067</u>
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Due to the short-term nature of the financial instruments, their fair value is not significantly different from their book value.

14. Short-term trade payables and other liabilities

Short-term trade payables and other liabilities	31.12.2018	31.12.2017
Trade payables to affiliated entities	6,835,813	8,814,666.14
Trade payables to other entities	36,311,216	26,828,400.38
Liabilities towards to the State Budget	2,758,756	1,870,935.22
Loans from Affiliates	23,332,687	-
Payroll (and assimilated) Payables	646,622	568,712.32
Other liabilities	98,149	142,664.75
Other liabilities - affiliated companies		74,471.33
Special funds		
Total short-term liabilities	<u>69,983,243</u>	<u>38,299,850</u>

Trade payables are interest-free and usually settled within 60-120 days.

Currency structure of short-term liabilities

Currency structure of short-term liabilities	31.12.2018	31.12.2017
Liabilities in local currency	37,441,134	12,373,169
Liabilities in foreign currency	<u>32,542,109</u>	<u>25,926,681</u>
	<u>69,983,243</u>	<u>38,299,850</u>
	31.12.2018	31.12.2017
Liabilities in EUR	30,027,315	24,363,318
Liabilities in USD	<u>2,514,794</u>	<u>1,563,363</u>
	<u>32,542,109</u>	<u>25,926,681</u>

15. Tax liabilities

	31.12.2018	31.12.2017
Tax liabilities	<u>2,107,201</u>	<u>1,345,353</u>
	<u><u>2,107,201</u></u>	<u><u>1,345,353</u></u>

16. Sales revenue

	31.12.2018	31.12.2017
Revenue from goods sales	220,001,702	203,786,602
Revenue from products sales	24,487,162	19,933,957
Revenue from sales - other	<u>5</u>	<u>32</u>
	<u><u>244,488,869</u></u>	<u><u>223,720,592</u></u>
	31.12.2018	31.12.2017
Revenue from Domestic Sales	241,605,877	221,336,316
Revenue from Direct Export	2,053,435	1,864,087
Revenue from Export to Affiliates	<u>829,557</u>	<u>520,189</u>
	<u><u>244,488,869</u></u>	<u><u>223,720,592</u></u>

17. Other revenue

	31.12.2018	31.12.2017
Other Operating Income		
Income from Services to Third Parties	192,465	
Income from Services to Personnel	16,152	108,782
Income from Rents		<u>14,249</u>
	<u><u>208,617</u></u>	<u><u>123,031</u></u>

18. Other operating costs

	31.12.2018	31.12.2017
Other Third Party Expenses		
Lawyers,public notaries,documents legalization	133,103	73,126
Accruals Third Party Expenses	80,436	58,230
Auditors, Consultants,etc.	73,680	346,009
	<u>287,219</u>	<u>477,364</u>
Other Overhead Expenses		
	31.12.2018	31.12.2017

Small Inventory Expenses	63,679	114,178
Mandatory Medical Check of Personnel	44,663	52,506
Archiving services	56,781	
Miscellaneous	92,723	23,478
	257,847	190,161

19. Financial costs and revenues

	31.12.2018	31.12.2017
Interest expense	-410,745	-313,538
Accruals interest expense	-4,146	
TOTAL INTEREST EXPENSE	-414,891	-313,538
Bank charges	-205,454	-177,421
FX expenses	-652,128	-1,116,448
FX income	281,162	261,366
FX INCOME/EXPENSES	-370,966	-855,082
Interest income	15,282	6,719
TOTAL INTEREST INCOME	15,282	6,719
FINANCIAL RESULT	-976,029	-1,339,322
	31.12.2018	31.12.2017
Gain/Loss from valuation of subsidiaries and other investments	2,719,362	0

20. Income tax

Major components of income tax for the years ended 31 December 2018 and 31 December 2017 are as follows:

	31.12.2018	31.12.2017
Current income tax	5,670,956	4,868,862
Creation/ reversal of deferred tax	-205,467	
Corrections of income tax from the previous years		
Income tax shown in the profit and loss account	5,465,489	4,868,862

The difference between the amount of income tax shown in the profit and loss account and the amount calculated on the basis of tax rate is resulting from the following items:

	31.12.2018	31.12.2017
Gross financial results	34,015,227	28,371,735
The amount of the tax according to the tax rate 16%	5,465,489	4,868,862
Current income tax	5,465,489	4,868,862

Effective tax rate

16.07%

17.16%

21. Credit risk management

The overall objective of the Company's market risk management is to reduce the volatility of cash flows and potential economic losses caused by the events that may have a negative impact on the individual. Market risk management includes identification, measurement and definition of risk mitigation, including aspects related to currency exchange rates and interest rates.

Credit risk

Credit exposure is monitored currently according to the credit policy realized by the Company. Evaluation of credibility is conducted in relation with clients lending needs over the determined amount. Additionally, receivables are regularly monitored by financial department.

Sales are stopped and receivables collection is started in connection with overdue receivables according with procedures.

The company is exposed to risk, that the debtors do not pay for their liabilities and cause the Company's losses.

As of 31 December 2018, 98.61% of all receivables were receivables from domestic market, and 1.39% from the foreign customers. The Management Board considers that there is not significant concentration of credit risk, because of the great number of customers. Allowances for bad debts was made for receivables difficult to collect. Credit risk connected with cash in bank in amount of 14.061.389 RON is not significant because the Company engages in transactions with institutions with established financial position.

Interest rate risk

Interest rate risk is associated with interest-bearing assets and liabilities. Interest rate fluctuations affect the financial costs and incomes. Increase of interest rates affects increase of the Company's financial cost, especially the cost of interest and the increase of accrued interest.

Interest rate risk for Cash in bank – overnight deposits

Financial statements item	Accounting value of financial instruments	Average interest rate in 2018	Influence on financial results (Increase by 100 pb)	Influence on equity capital (Increase by 100 pb)	Influence on financial results (Decrease by 100 pb)	Influence on equity capital (Decrease by 100 pb)
Variable rate of interest						
Cash in bank	14.061.389	0,01%	1.406	1.406	-1.406	-1.406
Total			1.406	1.406	-1.406	-1.406

Exchange rate risk

Transactions of purchase of goods in foreign currency are the main sources of exchange rate risk. Significant part of trade payables is in foreign currency especially in EUR and USD. The sales is generally conducted in RON currency.

Liquidity risk

The Company is exposed to liquidity risk arising from of the relationship of current liabilities to current assets. Operating activities are carried out under the assumption of maintaining a constant excess liquidity and credit lines. Receivables units are analyzed in Note 5. Management believes that the carrying value of financial assets and liabilities reflect their fair value. In the opinion of the Management Board, because of a significant amount of cash on the balance sheet date, available credit, and good standing of the Company's financial result, the liquidity risk should be assessed as insignificant.

Price risk

Price of purchased goods is a component which has a major impact on the total profitability of Company. Changes in prices of purchasing goods can result from the international demand trends for the selected materials and from the exchange rates. In connection with big fluctuations of goods and packaging prices on the world markets and exchange rates, purchasing department makes comparative analysis of purchases from different sources, to measure profitability of domestic and foreign purchases. It is a one of main instruments of price risk minimization. The Company regularly monitors the profitability of individual products and on the basis of these data takes action related to the optimization of the purchase price or the sale of products.

22. Capital management

The main purpose of company capital management is retaining of a good credit rating and safe capital indexes, which will support operational activity of the Company and increase value for its shareholders. The Company manages the capital structure and as a result of the economic changes conditions it enters appropriate adjustments are made. For the purpose of retaining or correcting of capital structure, the company can regulate the dividend payment for shareholders, return the capital to shareholders or issue new shares.

23. Conditional liabilities

	Value on 31.12.2018	
Letters of credit opened in banks:	1.361.506.68	USD
Guarantee payment GR Sarantis SA liabilities granted to the following entities:		
UNICREDIT BANK - Romania	4.000.000	EUR indefinitely

WDP Development 300.000 EUR 31.03.2027

24. Tax settlements

Regulations regarding VAT, corporate and personal income tax, social insurance contributions are liable to frequent changes. As a result, there are often no references to recorded regulations or legal precedents. Regulations which are in force are ambiguous, causing differences in opinions about legal interpretations of tax regulations between bodies of state administration and companies. Tax settlements and other settlements (e.g. customs and currency) can be a subject of control conducted by bodies of state administration, which are able to impose significant fines, and additional liabilities may be charged with interest. These facts create tax risk in Romania which is higher than in countries with more developed tax systems. Tax settlements may be subject to inspection for a period of five years from the end of the year in which the tax was due. As a result of inspections, the existing tax settlements may be subject to additional tax liabilities.

25. Structure of employment

Employment structure in Company was as follows:

	31.12.2018	31.12.2017
Sales and marketing	149	142
Storage and production	40	40
Administration	23	29
	<u>212</u>	<u>211</u>

26. Salaries of personnel

Total value of salaries paid in 2018 for personnel was 16.889.458 RON. In 2016 total amount of salaries paid was 13.442.588 RON. There were no payments in form of company's shares and no long-term benefits for employees.

27. Salary of the statutory auditor or entity authorized to analysis of financial statements

The fee of the statutory auditor BDO AUDIT SRL for the audit of annual financial statement of Company is 14000 EURO..

28. Events after date of balance sheet day

As of 31.12.2018, the warehouse of the company will move to a new location, for a period of 87 month.

In December 2018, Sarantis Romania received a loan from GR. SARANTIS CYPRUS. in the amount of 2.500,000 EURO, loan restituted in full in January 2019, with an interest of 3.44%.

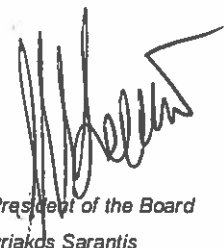
Bucharest, 9th of April 2019

The Management Board:



Grigorios Sarantis

President of the Board
Grigorios Sarantis



Kyriakos Sarantis

Vice President of the Board
Kyriakos Sarantis



Konstantinos Rozakeas

Member of the Board
Konstantinos Rozakeas



Meintanis Vasileios

Member of the Board
Meintanis Vasileios



Pantazis Sarantis

Member of the Board
Pantazis Sarantis



Grigorios Sarantis

Member of the Board
Grigorios Sarantis



Elpiniki Sarantis

Member of the Board
Elpiniki Sarantis

Nenad Marinkovic
Executive Manager



Nenad Marinkovic

