THRACE NONWOVENS & GEOSYNTHETICS S.A.

ANNUAL FINANCIAL REPORT

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1 January to 31 December 2016

(In accordance with the International Financial Reporting Standards – I.F.R.S.)

Company Reg. No. 44194/66/B/99/017
General Commerce Reg. No. 12531046000
Domicile: Magiko, Municipality of Avdira, Xanthi Prefecture - Greece
Offices: 20 Marinou Antypa Street, Alimos 17455, Athens Greece

The accompanying Financial Statements, have been approved by the Board of Directors of THRACE NON WOVENS & GEOSYNTHETICS A.B.E.E. on 31 May 2017 and have been posted on the internet at the website http://www.thraceplastics.gr/gr/el/companies/thrace-ng/

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The present Financial Report which refers to the period from 1.1.2016 to 31.12.2016 was prepared according to I.F.R.S., to meet the consolidation requirements of the parent company THRACE PLASTICS Co. S.A., which is listed on the Athens Exchange, and was approved by the Board of Directors on 31 May 2017.

REPORT BY THE BOARD OF DIRECTORS OF "THRACE NONWOVENS & GEOSYNTHETICS A.B.E.E." ON THE FINANCIAL STATEMENTS OF 31.12.2016

The Board of Directors of "THRACE NONWOVENS & GEOSYNTHETICS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY" presents its report for the annual financial statements for the financial year ended on 31/12/2016 according to article 136 of C.L. 2190/1920. The accompanying financial statements of the Company "THRACE NONWOVENS & GEOSYNTHETICS A.B.E.E." cover the period from 1 January to 31 December 2016, and are prepared in accordance with the International Financial Reporting Standards.

Significant events that took place during the fiscal year 2016

From the special tax audit that was carried out for the year 2015 from the legal auditors according to the article 65A, L. 4174/2013, a tax certificate was issued with the conclusion "without reservation".
On 19 February 2016, it was decided the purchase of agricultural land in the context of the Company's facility expansion of total area of 41,421 square meters for a total consideration of Euro 121.5.
During the present year, the level of financial leases concerning machinery equipment of the production units of the Company in Xanthi, Greece, increased by Euro 16,668, of which Euro 4,156 concerned sale and leaseback, whereas a new loan agreement was signed with a banking institution for an amount of Euro 2,000.
According to the Joint Ministerial Decision no. 13311/273 published in the Government Gazette no. 997/11-4-2016, the regulatory authorities terminated the article 21 of Law 1767/1988 which allowed for a 12% subsidy on the personnel employment cost of manufacturing and tourist companies located in the country's borderlines, including the county of Xanthi.

Evolution and Performance of the Company

Following, the basic items of the results for the year 2016 in comparison to the year 2015 are presented:

(amounts in euro thousand)	2016	2015	*% Change*
Turnover	**89,347**	**83,101**	***7.52%***
Gross Profit	**17,999**	**14,331**	***25.59%***
Gross Profit Margin	***20.14%***	***17.25%***	
Other Operating Income	**398**	**1,869**	***(78.72%)***
As % of Turnover	***0.45%***	***2.25%***	
Distribution Expenses	**(10,010)**	**(7,583)**	***32.00%***
As % of Turnover	***11.20%***	***9.13%***	
Administrative Expenses	**(3,701)**	**(3,880)**	***(4.61%)***
As % of Turnover	***4.14%***	***4.67%***	
Research and Development Expenses	**(275)**	-	-
As % of Turnover	***0.31%***	-	
Other Operating Expenses	**(421)**	**(238)**	***76.72%***
As % of Turnover	***0.47%***	***0.29%***	
Expenses / (Income) due to Foreign Exchange Differences	**191**	**858**	***(77.75%)***
EBIT	**4,181**	**5,359**	***(21.98%)***
EBIT Margin	***4.68%***	***6.45%***	
EBITDA	**8,165**	**7,652**	***6.70%***
EBITDA Margin	***9.14%***	***9.21%***	
Financial Income	**2**	**2**	***(25.00%)***
Financial Expenses	**(1,666)**	**(1,178)**	***41.46%***
Other Financial Income / (Expenses)	**(1,574)**	**(1,830)**	***(13.98%)***
EBT	**942**	**2,353**	***(59.96%)***

EBT Margin	***1.05%***	***2.83%***	
Income Tax	**(1,055)**	**(1,241)**	***(14.96%)***
Earnings/(Loss) after Taxes	**(113)**	**1,111**	***(110.19%)***
EATAM Margin	***(0.13%)***	***1.34%***	

Turnover in 2016 amounted to Euro 89,347 versus Euro 83,101 in 2015 posting an increase of 7.5%. In 2016, gross profit amounted to Euro 17,999 versus Euro 14,331, increased by 25.6% on annual basis. EBITDA settled at Euro 8,165 higher by 6.7% compared to the previous year. Earnings before Taxes amounted to Euro 942 versus 2,353 in 2015. Losses after taxes accounted for Euro -113 versus Earnings of Euro 1,111 in 2015.

Below the major accounts of the Statement of Financial Position as of 31.12.2016 vis-à-vis 31.12.2015 are presented:

(amounts in euro thousand)	**31.12.2016**	**31.12.2015**	***% Change***
Tangible Fixed Assets	37,804	22,916	***64.97%***
Investment Property	103	103	***0.00%***
Intangible Fixed Assets	95	129	***(26.43%)***
Interests in Subsidiaries	505	506	***(0.20%)***
Other Long-Term Receivables	4,645	5,677	***(18.19%)***
Total Fixed Assets	**43,151**	**29,332**	***47.11%***
Inventories	18,634	14,753	***26.30%***
Income Tax Prepaid	1,411	652	***116.46%***
Trade Receivables	22,621	21,680	***4.34%***
Other Receivables	2,415	2,334	***3.47%***
Cash & Cash Equivalents	2,430	2,183	***11.30%***
Total Current Assets	**47,510**	**41,604**	***14.20%***
TOTAL ASSETS	**90,662**	**70,936**	***27.81%***
TOTAL EQUITY	**27,075**	**27,283**	***(0.76%)***
Long-Term Liabilities			
Long-Term Bank Loans	15,601	5,207	***199.62%***
Provisions for Employee Benefits	1,264	1,132	***11.65%***
Other Long-Term Liabilities	1,933	2,152	***(10.17%)***
Total Long-Term Liabilities	**18,798**	**8,491**	***121.39%***
Short-Term Liabilities			
Short-Term Bank Loans	14,755	9,438	***56.34%***
Suppliers	12,271	12,086	***1.53%***
Other Short-Term Liabilities	17,762	13,638	***30.24%***
Total Short-Term Liabilities	**44,788**	**35,161**	***27.38%***
TOTAL LIABILITIES	**63,586**	**43,652**	***45.67%***
TOTAL EQUITY & LIABILITIES	**90,662**	**70,936**	***27.81%***
Net Bank Debt	**27,927**	**12,462**	***124.09%***
Net Bank Debt / Equity	**1.0**	**0.5**	

Total Assets amounted to Euro 90,662 on 31.12.2016 compared to 70,936 on 31.12.2015.
The Share Capital of the Company "THRACE NONWOVENS & GEOSYNTHETICS A.B.E.E." amounts to Euro 5,989 and is divided into 203,030 common bearer shares, with a nominal value of Euro 29.50 each.
The Company's Net Bank Debt amounted to 27,927 on 31.12.2016 compared to 12,462 on 31.12.2015.

Amounts in EUR thousand, unless stated otherwise

The Net Bank Debt/Equity ratio settled at 1.03 on 31.12.2016 (0.46 on 31.12.2015).
There are no liens or guarantees written on the Company's property (land fields and buildings).

Financial Risk Management

The financial assets mainly consist of bank deposits, bank overdrafts, receivable and payable accounts and loans.

In general, the Company'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.

Risk from fluctuation of prices of raw materials

The Company is exposed to fluctuations in the price of polypropylene, which is faced with a corresponding change in the sale price of the final product. The possibility that the increase in polypropylene prices will not be fully transferred to the sale price induces pressure on profit margins.

Credit risk

The Company is exposed to credit risk, and in order to manage such consistently, it applies a clearly defined credit policy that is continuously monitored and reviewed, in order to assure that the provided credit does not exceed the credit limit per customer. Also, insurance contracts are made to cover sales per customer, while collateral is not required on the assets of customers. During the preparation date of the financial statements, provisions were made for doubtful debts and the Management considers that there is no other substantial credit risk that is not covered by insurance coverage or provisions.
The following table presents an analysis of the maturity of trade and other receivables:

	2016	2015
01 – 30 days	**5,147**	3,201
31 – 90 days	**7,816**	8,631
91 – 180 days	**2,954**	3,472
Over 180 days	**6,991**	6,640
Provisions for doubtful debtors	**(241)**	(264)
Total	**22,668**	21,680

The above amounts are presented on the basis of the days of delay in the following table:

	2016	2015
Receivables within the payment deadline	**14,308**	10,602
Overdue receivables	**8,360**	11,078
Overdue receivables with impairment provision	**241**	264
Subtotal	**22,909**	21,944
Provision for impairment	**(241)**	(264)
Total	**22,668**	21,680

With regard to amounts in delay for over 90 days and have been classified from the Company as doubtful, there are adequate provisions.

Liquidity risk

The monitoring of liquidity risk is focused on managing cash inflows and outflows on a constant basis, in order for the Company 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. Short-term liabilities are renewed at their maturity, as they are part of the approved bank credits.

Amounts in EUR thousand, unless stated otherwise

The following table presents the liabilities –loans - derivatives according to their maturity dates.

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	1,504	11,556	-	-	13,060
Other liabilities	3,490	12,239	1,250	-	16,979
Short-term debt	228	8,850	5,677	-	14,755
Long-term debt	-	-	-	15,601	15,601
Total 31/12/2016	**5,222**	**32,646**	**6,927**	**15,601**	**60,395**

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	8,940	3,167	-	-	12,107
Other liabilities	5,578	6,922	1,125	-	13,625
Short-term debt	32	5,113	4,293	-	9,438
Long-term debt				5,207	5,207
Total 31/12/2015	**14,550**	**15,202**	**5,418**	**5,207**	**40,376**

Interest rate risk

Short-term loans have been provided by several banks, under Euribor 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:

Potential interest rate change	Effect on earnings before tax 2016	2015
Interest Rate Increase by 1%	304	146
Interest Rate Decrease by 1%	(304)	(146)

Capital Adequacy Risk

The Company controls capital adequacy using the Net Bank Debt to Operating Profit ratio and the ratio of Net Bank Debt to Equity. The Company's objective in relation to capital management is to ensure its smooth operation aiming at providing satisfactory returns for shareholders and benefits for other parties, as well as to maintain an ideal capital structure in order 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.

	2016	2015
Long-term debt	15,601	5,207
Short-term debt	14,755	9,438
Total debt	**30,356**	**14,645**
Minus cash & cash equivalents	2,430	2,183
Net debt	**27,927**	**12,462**
EBITDA	**8,165**	**7,652**
EBITDA/NET BANK DEBT	**3.42**	**1.63**
EQUITY	**27,284**	**27,284**

Amounts in EUR thousand, unless stated otherwise

NET BANK DEBT / EQUITY	**1.03**	**0.46**

Transactions with Related Parties

Following, the transactions with related parties according to I.A.S. 24 are presented.

Companies	Sales-Other Income	Purchases-Expenses	Receivables	Liabilities
THRACE POLYBULK AB	705	105	652	197
THRACE POLYBULK AS	23	125	-	129
THRACE IPOMA AD	1,241	561	265	-
DON & LOW LTD	2,043	640	-42	778
SYNTHETIC PACKAGING LTD	2,353	-11	434	-
LUMITE	1,676	-	204	-
THRACE PLASTICS & CO SA	538	4,211	-	9,733
THRACE GREENHOUSES SA	9	-	14	-
THRACE EUROBENT SA	609	-	573	-
THRACE SARANTIS SA	-	7	-	7
THRACE PLASTICS PACK SA	65	8	-	-
THRACE PLASTICS PACKAGING D.O.O.	157	22	11	11
SAEPE LTD	-	-	120	-
THRACE LINQ INC	8,529	208	10,019	125
Total	**17,948**	**5,877**	**12,249**	**10,980**

The remuneration of directors and members of the Management in 2016 amounted to Euro 1,273 compared to Euro 1,114 in 2015. Transactions between related parties are realized under normal market terms. No guarantee has been provided or received by related parties, apart from the guarantees provided by Thrace Plastics Co. SA for loans.

Financial Ratios

Capital Structure Ratios	2016	2015	Explanation
Total Liabilities/Equity	2.4	1.6	Relation between Liabilities and Equity
Net Bank Debt/Equity	1.0	0.5	Relation between Bank Debt and Equity
Net Bank Debt /EBITDA	3.4	1.6	Bank Debt over Operating Earnings before Interest, Tax, Depreciation and Amortization
Net Tangible Fixed Assets/Total Assets	0.4	0.3	The allocation of Assets into Non-Current and Current Assets
Equity/Net Tangible Fixed Assets	0.7	1.2	The level of financing of the Tangible Assets from Equity
Leverage Ratios			
Equity/Total Assets	0.3	0.4	Relation between Equity and Total Assets
Interest Coverage	2.5	4.5	Ratio of Interest Coverage from Operating Earnings (EBIT)
Liquidity Ratios			
Current Ratio	1.1	1.2	Total Current Assets / Total Short-term Liabilities
Quick Ratio	0.6	0.8	(Total Current Assets minus Inventories) / Total Short-term Liabilities

Macroeconomic Developments and their effect on the Company

Risk due to capital controls imposed in the Greek banking system

The Greek banks entered into a bank holiday period on 28.06.2015 via an Act of Legislative Content which imposed capital controls in accordance with the respective decision of the Ministry of Finance. The bank holiday was terminated on 20.07.2015 whereas capital controls still remain intact until the date of the present Report despite the constant improvements made in the relevant legislative framework towards the relaxation of initial capital control measures.
During the entire period from the beginning of the bank holiday and the subsequent capital controls (28.06.2015) until today, the Company demonstrated that is fully prepared and possesses the appropriate operating and organizational structures in order to manage tough and extreme situations with calmness, systematic actions and effectiveness.
However the Management by realizing the especially tough domestic business environment in which the Company activates takes all the necessary measures in order to ensure its smooth operations and sustainable development as well as to minimize any negative effect.
Moreover taking into consideration the nature of the activities of the Group in Greece and abroad, any negative developments are not expected to materially affect its smooth operations. The Management continues to monitor and evaluate the situation and its potential effect, in order to ensure that all necessary actions and measures are taken for the minimization of the negative effect on the operations, financial performance, cash flows and financial position of the Company in general.

Company Outlook

The development strategy as regards the two separate segments where the Group operates is presented below:

Nonwovens Segment
With the completion of the new needle punch and spunbond lines the following are achieved:

- Increase of production capacity
- Penetration into new markets (Central Asia, Latin America, etc.) and further expansion in existing markets
- Development of new innovative products with high profit margins
- Economies of scale for the reduction of processing cost
- Penetration of new applications (roofing, automotive, medicals)

Wovens - Geosynthetics Segment
With the completion of the investment for the modernization of the weaving equipment and the addition of the new geogrid line, the following are accomplished:

- Increase of production capacity
- Sales growth of geosynthetics products in the markets of Europe and North America
- Development of products and applications of added value
- Promotion of the geogrid product to the markets of Canada, USA and North Africa where there is need and demand for products with specified characteristics
- Further dispersion of the customer base
- Penetration of industrial applications

Through the above technologies, the Company grows further in the markets of:

-Geosynthetics: Through the enrichment of the product spectrum offered and via its access to the area of environmental applications (mining, landfield).

-Agricultural: Through the development of new products for agricultural applications.

-Constructions: With the development of products through laminate processing, the Company penetrates the market of roofing membranes.

-Industrial applications: Via the penetration of markets characterized by high added value.

Events after the end of the reporting period

The Company, after 31st December 2016 and until the release date of the Financial Statements, has signed new loan agreements with banking institutions of Euro 3,500.

There are no other events occurring after 31st December 2016 which could materially affect the financial position or the results of the Company for the year ended on the above date or events which should have been disclosed in the financial statements.

Xanthi, 31 May 2017
The Board of Directors

Independent Auditor's Report

To the Shareholders of "THRACE NON-WOVENS & GEOSYNTHETICS S.A."

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of "THRACE NON-WOVENS & GEOSYNTHETICS S.A." which comprise the statement of financial position as of 31 December 2016 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing which have been transposed into Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of "THRACE NON-WOVENS & GEOSYNTHETICS S.A." as of December 31, 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration, that management is responsible for the preparation of the Board of Directors' report according to provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we note the following:

a) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31/12/2016.

b) Based on the knowledge we obtained from our audit for the Company "THRACE NON-WOVENS & GEOSYNTHETICS S.A." and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, June 01, 2017

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

The Certified Auditor
Dimitrios Sourbis
SOEL Reg.No 16891

Amounts in EUR thousand, unless stated otherwise

STATEMENT OF COMPREHENSIVE INCOME

	Note	1/1-31/12/2016	1/1-31/12/2015
Turnover		**89,347**	**83,101**
Cost of Sales	4	**(71,348)**	**(68,770)**
Gross Profit/(loss)		**17,999**	**14,331**
Other Operating Income	3	**398**	**1,869**
Distribution Expenses	4	**(10,010)**	**(7,583)**
Administrative Expenses	4	**(3,701)**	**(3,880)**
Research and Development Expenses	4	**(275)**	**-**
Other Operating Expenses	7	**(421)**	**(238)**
Income/(Expenses) from foreign exchange differences		**191**	**858**
Earnings /(loss) before interest and tax (EBIT)		**4,181**	**5,359**
Interest and similar expenses	8	**(1,665)**	**(1,176)**
Other financial expenses	8	**(1,574)**	**(1,830)**
Earnings /(loss) before Tax (EBT)		**942**	**2,353**
Income Tax	9	**(1,055)**	**(1,241)**
Earnings after tax (A)		**(113)**	**1,111**
Other comprehensive income			
Items not transferrable to the results			
Actuarial profit/(loss)		**(54)**	**7**
Other income / (expenses)		**(41)**	**(65)**
Other comprehensive income after taxes (B)		**(95)**	**(58)**
Total comprehensive income after taxes (A) + (B)		**(208)**	**1,053**
Earnings / (loss) before interest, tax, depreciation & amortization (EBITDA)		**8,165**	**7,652**

The accompanying notes that are presented in pages 16-38 form an integral part of the present financial statements.

Amounts in EUR thousand, unless stated otherwise

STATEMENT OF FINANCIAL POSITION

	Note	31/12/2016	31/12/2015
ASSETS			
Non-Current Assets			
Tangible fixed assets	10.1	37,804	22,916
Investment Property		103	103
Intangible Assets	10.2	95	129
Participation in subsidiaries and affiliated companies		505	506
Other long term receivables	11	4,645	5,677
Total non-Current Assets		43,151	29,332
Current Assets			
Inventories	12	18,634	14,753
Income tax prepaid		1,411	652
Short-term receivables from affiliated companies	13	12,105	9,720
Trade receivables	13	10,516	11,960
Debtors and other accounts	13	2,415	2,334
Cash and Cash Equivalents	14	2,430	2,183
Total Current Assets		47,510	41,604
TOTAL ASSETS		90,662	70,936
EQUITY AND LIABILITIES			
Equity			
Share Capital	15	5,989	5,989
Share premium	15	(42)	(42)
Other reserves	16	14,787	14,703
Retained earnings		6,341	6,633
Total Equity		27,075	27,283
Long Term Liabilities			
Long Term loans	17	15,601	5,207
Provisions for Employee Benefits	19	1,264	1,132
Deferred Tax Liabilities	20	1,585	1,801
Provisions		343	343
Other long-term items		6	8
Total Long Term Liabilities		18,798	8,491
Short Term Liabilities			
Short Term loans	17	14,755	9,437
Income Tax		1,250	1,350
Short-term liabilities towards related parties	21	10,980	8,081
Suppliers	21	12,271	12,086
Other short-term liabilities	21	5,532	4,207
Total Short Term Liabilities		44,788	35,161
TOTAL LIABILITIES		63,586	43,652
TOTAL LIABILITIES AND EQUITY		90,662	70,936

The accompanying notes that are presented in pages 16-38 form an integral part of the present financial statements.

Amounts in EUR thousand, unless stated otherwise

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Other Reserves	Retained earnings	Total
Balance as at 01/01/2015	**5,989**	**(42)**	**14,638**	**5,645**	**26,230**
Profit for the period	-	-	-	1,111	**1,111**
Other comprehensive expenses	-	-	-	(58)	**(58)**
Distribution of earnings	-	-	-	-	**-**
Statutory reserve			66	(66)	-
Changes during the period	-	-	66	987	1,053
Balance as at 31/12/2015	**5,989**	**(42)**	**14,704**	**6,632**	**27,283**
Balance as at 01/01/2016	**5,989**	**(42)**	**14,704**	**6,632**	**27,283**
Profit for the period	-	-	-	(113)	**(113)**
Other comprehensive expenses	-	-	-	(95)	**(95)**
Distribution of earnings	-	-	-	-	**-**
Statutory reserve			84	(84)	-
Changes during the period	-	-	84	(292)	(208)
Balance as at 31/12/2016	**5,989**	**(42)**	**14,787**	**6,341**	**27,075**

The accompanying notes that are presented in pages 16-38 form an integral part of the present financial statements.

Amounts in EUR thousand, unless stated otherwise

STATEMENT OF CASH FLOWS

Indirect method

	Note	1/1 - 31/12/2016	1/1 - 31/12/2015
Cash flows from Operating Activities			
Earnings before Taxes		942	2,353
Plus / (minus) adjustments for:			
Depreciation/Amortization	6	3,984	2,293
Provisions		311	(858)
FX differences		(191)	(858)
(Profit)/loss from sale of fixed assets		(1)	-
Debit interests & related (income) / expenses	8	3,239	2,982
Other non cash movements		(161)	(516)
Operating Profit before movements in working capital		8,124	5,395
(Increase)/decrease in receivables		(1,952)	(1,158)
(Increase)/decrease in Inventories		(3,880)	(1,006)
Increase/(decrease) in liabilities (apart from banks)		4,806	6,809
Cash generated from operating activities		7,098	10,040
Interest Paid		(1,868)	(736)
Taxes paid		(1,862)	(849)
Cash flows from operating activities (a)		3,368	8,456
Investing Activities			
Proceeds from sales of tangible and Intangible assets		2	1
Interest received		2	2
Purchase of tangible fixed assets (apart from sale & leaseback)		(6,325)	(12,169)
Purchase of intangible fixed assets and other investments		-	(155)
Cash flow from investing activities (b)		(6,322)	(12,322)
Financing Activities			
Increase of participations in subsidiaries		-	(145)
Proceeds from loans		2,000	3,594
Proceeds from financial leases		2,129	2,098
Repayment of Loans		(928)	(4,194)
Cash flow from financing activities (c)		3,200	1,354
Net increase /(decrease) in Cash and Cash Equivalents		246	(2,512)
Cash and Cash Equivalents at beginning of period	14	2,183	4,696
Cash and Cash Equivalents at end of period	14	2,430	2,183

The accompanying notes that are presented in pages 16-38 form an integral part of the present financial statements.

Amounts in EUR thousand, unless stated otherwise

NOTES ON THE FINANCIAL STATEMENTS

1. Foundation and Activities of the Company

THRACE NONWOVENS & GEOSYNTHETICS A.B.E.E, former DON & LOW HELLAS A.B.E.E (hereinafter “The Company”) was established in 1999, with Company Reg. No. 44194/66/B/99/017 and General Commerce Reg. No. 12531046000 and is registered in the Magiko area of the Municipality of Avdira in Xanthi Greece. The Company’s business objective is the production of plastic and synthetic fabrics of several types as well as any kind of plastic packaging items. The company THRACE PLASTICS Co. S.A. participates in the Company’s share capital by 100%.

The Company’s Board of Directors consists of the following members:

Name	Position
Chalioris Konstantinos	Chairman
Braimis Georgios	Vice-Chairman
Karageorgiou Christos	CEO
Dimiou Athanasios	CEO
Damianos Dimitrios	Member
Malamos Dimitrios	Member
Chrountas Dimitrios	Member
Mantzavinos Georgios	Member
Relakis Ioannis	Member

The Financial Statements of the Company, are included in the Consolidated Financial Statements of THRACE PLASTICS Co. S.A., which is registered in the Magiko area of the Municipality of Avdira in Xanthi Greece with Company Reg. No. 11188/06/B/86/31 and General Commerce Reg. No. 12512246000, with the full consolidation method.

The Company participates by 100% in the share capital of the subsidiary company SAEPE, which is consolidated with the Plastics Group.

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

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

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

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

Despite the above, the Management constantly assesses the conditions and their potential effect in order to ensure that all the necessary and possible measures and actions are taken for the minimization of any negative effect on the Company’s activities.

2. Basis for the preparation of the Financial Statements

2.1 Basis for Presentation

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 2016. The basic accounting principles are the same as those applied for the preparation of the financial statements for the year ended on 31 December 2015 and are described in such.

Wherever it was deemed necessary, the comparative accounts have been reclassified for reconciliation purposes with the respective accounts of the current financial 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.

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

The Financial Statements of the Company THRACE NONWOVENS & GEOSYNTHETICS A.B.E.E. were approved by the Board of Directors on 31/5/2017, are subject to approval from the General Meeting of shareholders and are posted on the internet on the website of the parent company www.thracegroup.gr.

2.2 New standards, amendments of standards and interpretations

Specific new standards, amendments of standards and interpretations have been issued, which are mandatory for accounting periods beginning during the present period or after. The effect from the application of these new standards, amendments and interpretations on the Company is not deemed as significant.

Standards and Interpretations mandatory for the present financial year

IAS 19 Revised (Amendment) "Employee Benefits"
The amendment is of limited scope and applies to the contributions made by employees or third parties to defined benefit plans. It simplifies the accounting of contributions when they are not dependent of the employee's years of service, for example, employees' contributions are calculated as a fixed percentage of payrolls.
IFRS 11 (Amendment) «Joint Arrangements»
This amendment requires from an investor to apply the purchase method when the investor acquires an interest in a joint arrangement which constitutes a "company".
IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortization"
The amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset and that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
IAS 27 (Amendment) "Separate Financial Statements"
This amendment allows economic entities to utilize the Equity method in accounting for investments in subsidiaries, joint ventures and related companies when compiling their separate financial statements, and also clarifies the definition of the separate financial statements.
IAS 1 (Amendments) "Disclosures"
The amendments clarify the guidance of IAS 1 with regard to the concept of materiality, presentation of subtotals, the structure of the financial statements and the disclosures of the accounting policies.

Annual Improvements in IFRS of 2012

The following amendments describe the major changes that have been made in certain IFRS as result of the Circle 2010-2012 of the annual improvement program of IASB.
IFRS 13 "Fair Value Measurement"
The amendment clarifies that the standard does not exclude the option of calculating the short-term assets and liabilities based on the amounts of invoices in cases the discounting effect is not significant.
IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"
Both standards have been amended in order to clarify the approach by which the underappreciated value of an asset and the accumulated depreciation are treated in a company which applies the adjustment method.
IAS 24 "Related Party Disclosures"
The standard was amended to include as related party a company providing services equivalent with ones of a major managerial official in the economic entity or the parent company of the economic entity.

Annual Improvements in IFRS of 2014

The following amendments describe the main changes in four IFRS.
IFRS 7 "Financial Instruments: Disclosures"
The amendment adds certain guidance in order to assist the management to define whether the terms of an agreement for the servicing of a financial instrument that has been transferred constitute continuous engagement and clarifies that the additional disclosures that are provided with the amendment of IFRS 7 "Disclosure–Offsetting Financial Assets and Financial Liabilities" are not required for interim periods, unless otherwise stated by the IFRS 34.
IAS 19 "Employee Benefits"
The amendment clarifies that when the discount rate concerning the employee benefits on a post service basis is defined, the important is the currency at which the liabilities are denominated and not the country from which these liabilities originate.

Standards and Interpretations mandatory for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments in IFRS 9 and IFRS 7 (applied for annual periods beginning on or after 1st January 2018)
IFRS 9 replaces the requirement of IAS 39 and deals with the classification and measurement of financial assets and financial liabilities, and it also includes a model of anticipated credit losses that replaces the model of the realized credit losses currently in effect. The IFRS 9 Hedging Accounting establishes an approach for hedging accounting based on principles and deals with inconsistencies and weaknesses of the current model of IAS 39. The Group is currently assessing the impact of IFRS 9 on its financial statements.

IFRS 15 «Revenues from Contracts with Customers» (effective for annual accounting periods beginning on or after 1 January 2018)
IFRS 15 was issued in May 2014. The objective of the standard is to provide a single and clear model for the recognition of revenues from all customer contracts so that it improves the comparability among companies of the same sector, different sectors and different capital markets. It includes the principles that an entity shall apply in order to define the measurement of revenues and the time of their recognition. The basic principle is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is in the phase of assessing the effect of the IFRS 15 on its financial statements.

IFRS 16 «Leases» (effective for annual accounting periods beginning on or after 1 January 2019)
IFRS 16 was issued in January 2016 and replaces IAS 17. The aim of the standard is to ensure that lessors and lessees provided useful information which fairly depicts the substance of transactions with regard to leases. IFRS 16 introduces a unified model providing for the accounting treatment from the side of the lessee, which requires that the lessee recognizes assets and liabilities for all leasing contracts with term longer than 12 months, unless the underlying asset is of no substance value. With regard to the accounting treatment from the side of the lessor, IFRS 16 incorporates practically the requirements of IAS 17. Therefore the lessor continues to classify the leasing contracts as operating and financial leases, and to follow different accounting treatment for each type of contract. The Group is in the phase of assessing the effect of the IFRS 16 on its financial statements. The standard has not been adopted by the European Union.

IAS 12 (Amendments) "Recognition of deferred tax assets for unrealized losses" (effective for annual accounting periods beginning on or after 1st January 2017)
The amendments clarify the accounting treatment with regard to the recognition of deferred tax assets for unrealized losses which have resulted from loans measured at fair value. The amendments have not been adopted yet by the European Union.

IAS 7 (Amendments) "Disclosures" (applied for accounting periods beginning on or after 1st January 2017)
The amendments introduce mandatory disclosures which provide the ability to users of the financial statements to evaluate the changes of liabilities that derive from financing activities. The amendments have not been adopted yet by the European Union.

IAS 40 (Amendments) "Transfers of investment property" (effective for annual accounting periods beginning on or after 1st January 2018)
The amendments clarify that in order for a property to be classified or not as investment property, a change in the use of the asset must have occurred. A change in the use of asset can be taken into account only in the case it can be assessed that such change has actually occurred and is documented. The amendments have not been adopted by the European Union.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual accounting periods beginning on or after 1st January 2018)
The Interpretation offers guidance regarding the determination of the transaction date when the standard IAS 21 which refers to foreign currency transactions is applied. The Interpretation is applicable when an entity either pays or receives in advance an amount for contracts denominated in foreign currency. The Interpretation has not been adopted by the European Union.

Annual improvements in IFRS 2014 (Cycle 2014 – 2016) (effective for annual accounting periods beginning on or after 1st January 2017)
The amendments presented below describe the basic changes in two IFRS. The amendments have not been adopted by the European Union.

IFRS 12 "Disclosure of interests in other entities"
The amendment provides clarifications with regard to the obligation for disclosures related to IFRS 12 and is applicable for interests in entities classified as held for sale, apart from the obligation for the provision of condensed financial information.
IAS *28 "Investments in associates and joint ventures"*
The amendments provide clarifications concerning the fact that when the collective investment organizations, the mutual funds and entities with similar activities apply the option to measure their interests in associates or joint ventures at fair value through the results, the particular option must be made separately for each associate or joint venture at the time of the initial recognition.

2.3 Management Estimations

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 Doubtful debts

The Company calculates impairment on the value of trade receivables when there is data or evidence that indicates that the collection of the receivable overall or part of the receivable is not likely. The Management periodically reviews the adequacy of the created provision for doubtful debts together with its credit policy, taking into account data from the Legal Service as well, which result from processing historic data and recent developments on cases it handles.

2.3.2 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. In order to define the Company's provision for income tax, an essential understanding of the above is required. The finalization of income tax may differ from the relevant amounts booked in the Company's financial statements and such differences will affect income tax and the provisions for deferred taxes.

2.3.3 Provisions for employee benefits

The liability for employee benefits is defined according to a study by independent actuaries. The final liability may differ from the actuarial calculation due to different real data as regards to the discount rate, inflation, wage increases, demographics and other data.
The liabilities with regard to the contributions in the defined benefit plans are recorded as expense in the Results, at the time of their occurrence, via the exhaustion of the obligation.

2.3.4 Depreciation/amortization of tangible and intangible assets

The Company calculates 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.

2.3.5 Legal cases

The Company recognizes a provision for pending legal cases according to information from its Legal Service.

Amounts in EUR thousand, unless stated otherwise

2.3.6 Provisions for contractual obligations

The Company recognizes provisions for contractual obligations towards third parties, which are calculated based on historic and statistical data from the solution of respective cases in the past.

2.4 Tangible Fixed Assets

Tangible assets are stated at book cost, net of any grants received, less accumulated depreciation and any impairment in value. Any adjustments that might have taken place (on land or buildings) based on Greek legislation are reversed. 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 Company 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	Economic 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 amount. The remaining value, if not negligible, is re-estimated on an annual basis.

2.5 Intangible Assets

Intangible assets mainly refer to rights for use of brand names and software. Their values are stated at acquisition cost, less accumulated amortization. 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	Economic life
Rights for use of brand names	20%	5 years
Software	20%	5 years

Subsequent expenses on 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.
All other expenses are recorded as expenses at the time of their occurrence. In each balance sheet date the useful economic life of the assets is monitored and adjusted accordingly.

2.6 Impairment of Assets

With the exception of intangible assets with an indefinite life, which are reviewed for impairment at least on an annual basis, the book values of other long-term 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, assets are grouped at the lowest level for which cash flows can be recognized separately.

2.7 Inventories

Inventories are stated at the lower of cost (acquisition or production) and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business, less any selling cost. Cost includes all cost of purchase, cost of materials, costs of production and other cost incurred in bringing the inventories to their present condition. The cost of inventories is calculated using the weighted average method.

2.8 Accounts Receivable – Provisions from Doubtful Debts

Accounts receivable are initially recognized at fair value and subsequently measured at net book cost using the effective interest rate, less any provisions for impairment. Impairment provisions are recognized when there is objective indication that the Company is not in a position to collect all the amounts due according to the contractual terms.

Accounts receivable include open balances, checks and notes receivable from customers and other debtors. Serious financial problems of the customers, the possibility or default or financial reorganization and the inability to regularly perform payments are considered indications that the receivable is impaired. The amount of the impairment provision is the difference between the book value of the receivables and the present value of estimated future cash flows, discounted with the effective interest rate. The amount of impairment loss is registered as an expense in the results and included in “Other Operating Expenses”.

2.9 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 less than three months from the preparation date of the Financial Statements.

2.10 Foreign exchange translations

2.10.1 Operating currency and presentation currency

The data in the financial statements of the Company are registered in the currency of the primary economic environment, in which the Company operates (“operating currency”). The financial statements are presented in Euro, which is the Company’s operating valuation currency and presentation currency.

2.10.2 Transactions and balances in foreign currency

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

2.11 Dividends

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

2.12 Income

2.12.1 Income from Sales of Goods and Services

Income from the sale of goods, after the deduction of turnover discounts, sales incentives and the corresponding VAT, is recognized when all significant risks and awards emanating from ownership of the goods are transferred to the buyer, the income and expenses related to the sale can be measured reliably, it is likely that economic benefits relating to the transaction will result for the Company, the Company does not maintain management and does not exercise significant influence on the sold goods.

Income from the provision of services is registered in the Results according to the completion stage of the transaction, during the Balance Sheet date.

2.12.2 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”.

2.12.3 Interest Income

Interest income is recognized on an accrual basis.

2.13 Expenses

Expenses are recognized in the Statement of Comprehensive Income on an accrual basis.

2.14 Leases

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

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

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

2.15 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 Company offsets deferred tax receivables with deferred tax liabilities, only if:

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

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

2.16 Employee benefits

2.16.1 Defined contribution plans

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

The defined contributions plans basically include the liability which depicts the present value of 40% or 50% of the indemnity that would be granted to the employee, according to the Greek legislation, if the employee was employed by the Company until retirement.

The actuarial gains and losses arising from the adjustment of the employment years, as well as the changes in the actuarial estimates are recognized in the equity via the other comprehensive income during the period they arise.

All the above calculations are made via an actuarial study whereas there are estimates for the interim periods. The discount rate utilized is the one of the long-term bonds with credit rating AA and with maturity similar to the one of the plan. The utilized method is called as projected unit credit method.

2.16.2 Defined benefit plans

The net liability, related 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 on a straight-line basis 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.

2.17 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.

2.18 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.

2.19 Share Premium

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.

2.20 Financial instruments

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

2.20.1 Investments held until maturity

This category includes non-derivative financial assets, with fixed or predefined payments and specific maturity and which the Company intends to hold to maturity and has the ability to do so.

2.20.2 Financial assets available for sale

Such include non-derivative financial assets that are either defined in this category or cannot be included in any of the above categories. Financial assets available for sale are included in non-current assets given that Management does not intend to liquidate such within 12 months from the Balance Sheet date.
The purchases and sales of investments are recognized during the transaction date, which is also the date on which the Company commits to purchasing or selling the assets. Investments available for sale are initially recognized at fair value, plus any transaction costs.
Subsequently, financial assets available for sale are valued at fair value and the relevant profit or losses are registered in an equity reserve until such are sold or suffer impairment. During sale or impairment, the profit or losses are transferred to the results. Impairment losses that have been recognized in the results cannot be reversed through the results.
The fair values of financial assets traded on active markets are defined by the current market prices. For assets not traded on active markets, the fair values are estimated by using valuation techniques such as analysis of recent transactions, comparable assets traded on active markets and discounted cash flows.
On each balance sheet date the Company assesses whether there is objective indication that leads to the conclusion that the financial assets have suffered impairment. For company shares classified as financial assets available for sale, such an indication is the significant or continuous reduction of fair value compared to the acquisition cost. If impairment is evidenced, the

Amounts in EUR thousand, unless stated otherwise

cumulative loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results. Impairment losses on shares that are registered in the results, are not reversed through the results.

2.20.3 Financial Derivatives

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

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

2.20.4 Loans and receivables

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

2.21 Interest Bearing Loans

Loans are initially recognized at fair value, less any possible expenses directly linked to the relevant transaction. Subsequently loans are valued at net book cost. Any difference between the received amount, net of relevant expenses, and the repayment value is recognized in the results during the borrowing period based on the effective interest rate method. Loans are characterized as short-term liabilities except if the Company 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.

3. Other Operating Income

	2016	2015
Grants *	**107**	1.722
Gains on sale of fixed assets	**2**	-
Income from unutilized provisions	**48**	-
Income from provision of services	**13**	26
Other operating income	**229**	122
Total	**398**	1.869

According to the Joint Ministerial Decision no. 13311/273 published in the Government Gazette no. 997/11-4-2016, the regulatory authorities terminated the article 21 of Law 1767/1988 which allowed for a 12% subsidy on the personnel employment cost of manufacturing and tourist companies located in the country's borderlines, including the county of Xanthi.
Following the above, the subsidies appear reduced for the year 2016 since the Company did not form any provision for income. The amount of €107 refers to the subsidies on the hiring of young graduates for the Company's personnel.

4. Analysis of Expenses (Production – Administrative – Distribution)

	2016	2015
Payroll expenses (note 5)	**15,629**	14,600
Third party fees – expenses	**2,257**	1,372
Administrative support expenses	**1,320**	1,680
Energy	**4,732**	4,537
Other third party benefits	**1,795**	1,628
Transfer expenses	**5,675**	4,522
Consumables	**2,098**	1,438
Depreciation / Amortization (note 6)	**3,966**	2,232
Sundry expenses	**2,125**	1,413
Subtotal	**39,598**	33,422
Cost of consumed inventories recognized as an expense	**45,736**	46,810
Total	**85,334**	80,232

Amounts in EUR thousand, unless stated otherwise

The analysis of expenses per operating category is as follows:

2016					2015				
Cost of sales	Research and Development	Administrative	Distribution	Total	Cost of sales	Research and Development	Administrative	Distribution	Total
71,348	**275**	**3,701**	**10,010**	**85,334**	68,770	-	3,880	7,583	80,232

5. Payroll Expenses

Payroll expenses are as follows:

	2016	2015
Wages	**4,400**	4,121
Employer contributions	**991**	852
Subtotal	**5,391**	4,973
Day-wages	**8,081**	7,618
Employer contribution	**2,105**	1,964
Subtotal	**10,186**	9,582
Total payroll expenses	**15,577**	14,554
Other employee expenses	**52**	46
Total	**15,629**	14,600

The number of employed staff at the Company at the end of the present financial year was as follows:

	2016	2015
Regular employees	**125**	118
Day-wage employees	**437**	420
Total	**562**	538

The total staff is primarily insured with the Social Insurance Organization (I.K.A.), both as regards to medical care and as regards to primary pension.

6. Analysis of Depreciations

The analysis of depreciation expenses, per operating category, is as follows:

	2016	2015
Production	**3,898**	2,165
Administrative	**10**	8
Distribution	**59**	58
Subtotal	**3,967**	2,232
Other Operating Expenses	**17**	61
Total	**3,984**	2,293

7. Other Operating Expenses

	2016	2015
Provision for doubtful receivables	**7**	19
Losses from sale of fixed assets	**2**	-

Amounts in EUR thousand, unless stated otherwise

Depreciation of fixed assets	**17**	61
Employee indemnities	**8**	10
Previous years' expenses	**143**	32
Extraordinary Medicare / healthcare expenses	**103**	-
Other operating expenses	**140**	115
Total	**421**	238

8. Interest and Other Financial income / (expenses)

	2016	2015
Interest and interest related income	**1**	2
Interest charges and related costs	**(1,666)**	(1,178)
Total financial (expenses)/income	**(1,665)**	(1,176)
Financial cost due to valuation of receivables into present value	**(1,137)**	(1,344)
Other financial income/(expenses)	**(437)**	(486)
Total other financial income/(expenses)	**(1,574)**	(1,830)
Total	**(3,239)**	(3,006)

9. Income Tax

The analysis of tax charged in the year's Results, is as follows:

	2016	2015
Income tax	**(1,250)**	(1,350)
Deferred tax (expense)/income	**195**	109
Total	**(1,055)**	(1,241)

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

	2016	2015
(Earnings)/losses before tax	**942**	2,353
Income tax rate	**29%**	29%
Corresponding income tax	**(273)**	(682)
Difference due to tax rate	**-**	88
Non tax-deductible expenses	**(782)**	(647)
Income tax	**(1,055)**	(1,241)

In Greece, the results reported to tax authorities are deemed temporary and are subject to audit by the tax authorities up until the year 2010. Therefore, for the non-audited fiscal years (2005 – 2010) there is the possibility that additional tax may be imposed on such when they are audited by the tax authorities.

The Company has made a provision of euro 330 thousand, which is considered adequate to cover possible liabilities that may arise from a tax audit.

From fiscal year 2011 to 2015, Greek Société Anonyme Companies and Limited Liability Companies, whose annual financial statements must by audited by Legal Certified Auditors that are registered in the public Registry of Law 3693/2008, are obliged to receive an "Annual Certificate", as stipulated by par. 5 of article 82 of L.2238/1994. The relevant certificate is issued after tax audit conducted by the same Legal Certified Auditor or audit firm that audits the annual financial statements. Following the completion of the tax audit, the Legal Auditor or audit firm issues a "Tax Compliance Report" for the Company which is accompanied by the Notes on Detailed Information. The latest within ten days from the final approval date of the Company's financial statements by the General Meeting of Shareholders, the aforementioned Report and the relevant Notes are submitted electronically to the Ministry of Economics by the Legal Auditor or the audit firm. The Ministry of Economics will subsequently select a sample of companies corresponding to at least 9% for a tax review by the relevant tax audit services of the Ministry.

Amounts in EUR thousand, unless stated otherwise

The tax audit for financial year 2015 that was carried out according to the provisions of article 65a of Law 4172/2013 (ITC), was completed by the audit firm “PricewaterhouseCoopers” S.A., whereas no significant tax liabilities emerged from the audit apart from those recorded and presented in the Financial Statements.

Within the previous year, the tax authorities presented a mandate for tax audit concerning the fiscal years 2005 – 2011. The tax audit is under progress.

For the year 2016, there is a tax audit conducted by PricewaterhouseCoopers according to the provisions of article 65a of L. 4172/2013. This audit is underway and the relevant tax certificate is expected to be issued following the release of the 2016 financial statements. If until the completion of the tax audit additional tax liabilities arise, we assess that such will not have a substantial effect on the financial statements.

10. Tangible Assets and Intangible Assets

10.1 Tangible Fixed Assets

	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	Total
ACQUISITION COST							
Acquisition cost 1.1.2016	170	9,397	50,831	398	538	3,628	64,963
Additions	124	359	17,437	11	40	854	18,825
Sales / transfers	-	206	3,255	-	-	(3,561)	(100)
Acquisition cost 31.12.2016	**294**	**9,962**	**71,524**	**408**	**578**	**921**	**83,687**
DEPRECIATIONS							
Cumulative depreciations 1.1.2016	-	(3,951)	(37,608)	(231)	(257)	-	(42,047)
Depreciations for the period	-	(270)	(3,559)	(38)	(71)	-	(3,937)
Depreciation of sales/transfers	-	-	100	-	-	-	100
Cumulative depreciations 31.12.2016	**-**	**(4,221)**	**(41,066)**	**(269)**	**(328)**	**-**	**(45,884)**
NET BOOK VALUE							
31.12.2015	170	5,446	13,223	166	281	3,628	22,916
31.12.2016	**294**	**5,741**	**30,458**	**139**	**250**	**921**	**37,804**

Amounts in EUR thousand, unless stated otherwise

	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	Total
ACQUISITION COST							
Acquisition cost 1.1.2015	110	8,273	42,806	266	343	996	52,794
Additions	60	1,124	7,180	131	144	3,530	12,169
Sales / transfers	-		845		51	(897)	(1)
Acquisition cost 31.12.2015	**170**	**9,397**	**50,831**	**398**	**538**	**3,628**	**64,963**
DEPRECIATIONS							
Cumulative depreciations 1.1.2015	-	(3,720)	(35,673)	(200)	(199)	-	(39,792)
Depreciations for the period	-	(231)	(1,935)	(31)	(58)	-	(2,254)
Depreciation of sales/transfers	-	-	-	-	-	-	-
Cumulative depreciations 31.12.2015	**-**	**(3,951)**	**(37,608)**	**(231)**	**(257)**	**-**	**(42,047)**
NET BOOK VALUE							
31.12.2014	110	4,553	7,133	66	144	996	13,002
31.12.2015	**170**	**5,446**	**13,223**	**166**	**281**	**3,628**	**22,916**

The Company's tangible assets include assets acquired through financial leasing (machinery equipment) with acquisition cost of Euro 18,857 on 31/12/2016 (2015: Euro 2,163) and accumulated depreciation of 1,296 (Euro 31 on 31/12/2015).

There are no liens and guarantees on the Company's tangible fixed assets.

10.2 Intangible Assets

	Computer Software & Industrial Property Rights
ACQUISITION COST	
Acquisition cost 1.1.2016	**244**
Additions/sales	12
Acquisition cost 31.12.2016	**256**
AMORTIZATION	
Cumulative amortization 1.1.2016	(115)
Amortization for the period	(47)
Cumulative amortization 31.12.2016	**(161)**
NET BOOK VALUE	
31.12.2015	129
31.12.2016	**95**

Amounts in EUR thousand, unless stated otherwise

	Computer Software & Industrial Property Rights
ACQUISITION COST	
Acquisition cost 1.1.2015	**192**
Additions/sales	52
Acquisition cost 31.12.2015	**244**
AMORTIZATION	
Cumulative amortization 1.1.2015	(76)
Amortization for the period	(39)
Cumulative amortization 31.12.2015	**(115)**
NET BOOK VALUE	
31.12.2014	116
31.12.2015	**129**

11. Other Long Term Receivables

The Management due to delays that emerged over the past few years in the collection of grants from the Greek State decided to reclassify part of the respective claim from the short-term to the long-term receivables proceeding at the same time to a provision for impairment of the claim based on present value. The claim has been formed due to a grant covering by 12% the payroll cost and is collected from OAED (Manpower Employment Organization).

	2016	2015
Grant receivables	**4,194**	5,411
Guarantees provided	**324**	267
Other receivables	**127**	-
Total	**4,645**	5,677

12. Inventories

	2016	2015
Merchandise	**163**	198
Finished and semi-finished products	**12,102**	8,241
Raw & auxiliary materials	**6,195**	6,117
Scrap	**174**	198
Provision for inventory (impairment) / reverse entry	**-**	-
Total	**18,634**	14,753

The movement of provisions for inventories for the years ending on 31 December 2016 and 2015 respectively, is analyzed as follows:

Amounts in EUR thousand, unless stated otherwise

	2016	2015
Opening balance	-	125
Utilized provision	-	-125
Closing Balance	-	-

13. Trade and other receivables

	2016	2015
Customers	**9,751**	11,358
Notes- checks post-dated	**988**	849
Checks – notes overdue	**17**	17
Provisions for doubtful debts	**(241)**	(264)
Total	**10,516**	11,960
Trade receivables (related companies)	**12,105**	9,720
Total trade receivables	**22,621**	21,680

	2016	2015
Other receivables	**2,206**	1,664
MEO (OAED) grants receivable	**72**	552
Accrued income	-	118
Prepaid expenses	**136**	-
Total other receivables	**2,415**	2,334

The fair value of the receivables approaches the book values.

The dispersion of the Company's sales is considered as satisfactory. Sales are not concentrated to a limited number of customers and therefore there is neither increased risk with regard to any loss of income nor increased credit risk.

The movement of provisions for doubtful debts for the period ended on 31 December 2016 and 2015 respectively is analyzed as follows:

	2016	2015
Opening balance	**264**	244
Additional provision	-	20
Utilization of provision	**(23)**	-
Balance 31 December	**241**	264

14. Cash & Cash Equivalents

	2016	2015
Cash in hand	**4**	3
Sight and term deposits	**2,426**	2,180
Total	**2,430**	2,183

Credit rating of cash & cash equivalents (Fitch)

Approximately 25% of the Company's cash and cash equivalents are deposited in various Greek systemic banks. The Management of the Company deems that at this period there are no risks with regard to the safety of the above deposits. The remaining balance is deposited in foreign banks with credit rating higher than BBB-. Below, the cash and cash equivalents are classified according to the credit ratings of the banks at which the respective deposits have been made.

Amounts in EUR thousand, unless stated otherwise

	2016	2015
BBB+	**1,801**	465
RD	**624**	1,715
Total	**2,426**	2,180

15. Share Capital and Share Premium Reserve

The Company's share capital consists of 203,030 common bearer shares, with a nominal value of Euro 29.50 (in absolute terms) each. The debit balance of the "Share premium" account amounting to Euro 41,897.26 concerns expenses for the last Share Capital increase.

16. Reserves

	2016	2015
Statutory Reserve	**509**	426
Tax-exempt Reserves – Other reserves	**14,278**	14,278
Total	**14,787**	14,703

16.1 Statutory Reserve

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 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.

16.2 Tax-exempt and Other Reserves

These reserves were formed by the application of special provisions of laws for development. In case of their distribution will be taxed with the tax rate prevailing at the time of their distribution.

17. Debt

The Company's long-term loan has been granted by the Hellenic Bank based on Euribor plus a spread.
The Company's short term loans have been granted from various banks with interest rates of Euribor plus a margin of 4.5% to 5.5%. The book value of loans approaches their fair value during 31/12/2016.
The net debt includes long-term and short-term liabilities from financial leasing, as analyzed below:

Specifically, net debt at the end of the years 2016 and 2015 is analyzed as follows:

	2016	2015
Long-term loans	2,000	3,500
Financial Leases	13,601	1,707
Total Long-term Loans	**15,601**	**5,207**
Short-term loans	11,617	9,046
Financial Leases	3,138	392
Total Short-term Loans	**14,755**	**9,438**

Amounts in EUR thousand, unless stated otherwise

Minus cash equivalents (note 14)	**(2,430)**	**(2,183)**
Net Debt	**27,927**	**12,462**

The maturity of loans is as follows:

	2016	2015
Up to 1 year	**14,755**	9,438
From 1 – 5 years	**14,349**	5,207
Over 5 years	**1,253**	-

Liabilities due to Financial Leases:

	2016	2015
Up to 1 year	**3,877**	488
From 1 – 2 years	**3,942**	488
From 2 – 5 years	**10,035**	1,392
Over 5 years	**1,288**	-
Total	**19,143**	2,367

Future financial burden due to liabilities from financial leasing accounted for Euro 2,403 (2015: Euro 269). Present value of liabilities from financial leasing settled at Euro 16,739 (2015: Euro 2,098).

	2016	2015
Up to 1 year	**3,138**	392
From 1 – 2 years	**3,363**	412
From 2 – 5 years	**8,986**	1,295
Over 5 years	**1,253**	-
Total	**16,739**	2,098

The total debt is denominated in Euro. The financial leasing agreement provides for the ownership right of the machinery by paying the amount of Euro 5.00 or Euro 10.00 per annex to the lessor at the end of the contract (total of Euro 55.00).

18. Operating leases

The Company has signed operating leasing contracts, for use of vehicles and mechanical equipment. The liabilities that emanate from such contracts are analyzed as follows:

	2016	2015
Liability up to 1 year	281	612
Liability up to 5 years	526	591
Liability over 5 years	-	-

The amounts of leases charged during the year amounted to euro 663 thousand (2015: 609 thousand).

Amounts in EUR thousand, unless stated otherwise

19. Employee benefits

The liabilities of the Company towards its employees in providing them with certain future benefits, depending on the length of service is calculated by an actuarial study and is reported 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, as presented in the Balance Sheet, is analyzed as follows:

Accounting Disclosures according to IAS 19

	31/12/2016	31/12/2015
Present Value of Liabilities		
Present value of non-financed liabilities	1,264	1,132
Net Liability in the Balance Sheet	**1,264**	**1,132**
Items charged in the Income Statement		
Cost of Service	39	42
Interest Cost	23	18
Normal charge on the results	**61**	**59**
Cost for termination of service	3	4
Other expenses / (income)	-	72
Total charge on the results	**64**	**136**
Movements on Net Liabilities / (Receivables) in the Balance Sheet		
Net Liability in the beginning of the period	1,132	1,016
Benefits paid directly from the company	(8)	(10)
Total cost recognized in the statement of total comprehensive income	64	136
Net Liability of Balance Sheet before the adjustments	**1,188**	**1,142**
Recognition of actuarial loss/(profit) on total comprehensive income	76	(10)
Net Liability of Balance Sheet	**1,264**	**1,132**
Movements of Liabilities for Staff Indemnities		
Liability in the beginning of the period	1,132	1,016
Cost of service	39	42
Interest cost	23	18
Benefits paid directly from the company	(8)	(10)
Service Termination Cost	3	4
Other expenses / (income)	-	72
Actuarial Loss / (Profit)	76	(10)
Liability for staff indemnities at the end of the period	**1,264**	**1,132**
Basic assumptions		
Discount rate	1.50%	2.00%
Pension cost growth rate	1.75%	1.75%
Inflation	1.75%	1.75%

Amounts in EUR thousand, unless stated otherwise

	31/12/2016	31/12/2015
Net liability at the beginning of period	**1,132**	**1,016**
Real benefits paid by the company	(8)	(10)
Expenses recognized in the statement of comprehensive income	64	136
Expenses recognized in other comprehensive income	76	(10)
Net liability at end of period	**1,264**	**1,132**

20. Deferred Taxes

A. Change of deferred tax in the results

	2016	2015
As at 1 January	**(1,801)**	(1,907)
Change in the results	**194**	109
Change in other comprehensive income	**22**	(3)
As at 31 December	**(1,584)**	(1,801)

B. Deferred tax liabilities

	Depreciation	Other	Total
As at 31 December 2014	(2,008)	(212)	(2,221)
Change in the results	(185)	212	27
As at 31 December 2015	(2,193)	-	(2,193)
Change in the results	**(181)**	-	**(181)**
As at 31 December 2016	**(2,013)**	-	**(2,013)**

C. Deferred tax assets

	Liabilities for employee benefits	Provisions	Total
As at 31 December 2014	264	49	314
Change in the results	67	15	82
Change in other comprehensive income	(3)	-	(3)
As at 31 December 2015	328	64	392
Change in the results	**16**	**(2)**	**14**
Change in other comprehensive income	**22**	**-**	**22**
As at 31 December 2016	**367**	**62**	**428**

21. Other Short-term Liabilities – Accrued Expenses

	2016	2015
Suppliers	**12,271**	12,086
Subtotal	**12,271**	12,086
Sundry creditors	**2,492**	1,681
Liabilities from tax and pensions	**1,354**	1,141
Other accounts payable	**837**	752
Accrued expenses	**848**	633
Total other short-term liabilities	**5,532**	4,207
Liabilities towards related companies	**10,980**	8,081
Total short-term liabilities	**28,783**	24,374

Amounts in EUR thousand, unless stated otherwise

The fair value of liabilities approaches the book values.

22. Transactions with Related Parties

Following, the transactions with related companies are presented.

	2016	2015
Income – Sales	17,948	16,403
Expenses – Purchases	5,877	4,947
Receivables	12,249	9,750
Liabilities	10,980	8,081

	2016	2015
Remuneration of Board Members and Senior Executives	1,273	1,114

23. Commitments and Contingent Liabilities

On 31 December 2016 there are no significant legal issues pending that may have a material effect on the financial position of the Companies.

The Company has issued letters of guarantee concerning the Greek State, suppliers and customers amounting to euro 7,336 thousand (2015: 7,138 thousand).

24. Reclassifications of accounts

The present Financial Statements include comparative data of the previous financial year that have been amended to a small extent, for comparability purposes.

25. Financial Risk Management

The financial assets mainly consist of bank deposits, bank overdrafts, receivable and payable accounts and loans.

In general, the Company'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.

25.1 Risk from fluctuation of prices of raw materials

The Company is exposed to fluctuations in the price of polypropylene, which is faced with a corresponding change in the sale price of the final product. The possibility that the increase in polypropylene prices will not be fully transferred to the sale price induces pressure on profit margins.

25.2 Credit risk

The Company is exposed to credit risk, and in order to manage such consistently, it applies a clearly defined credit policy that is continuously monitored and reviewed, in order to assure that the provided credit does not exceed the credit limit per customer. Also, insurance contracts are made to cover sales per customer, while collateral is not required on the assets of customers. During the preparation date of the financial statements, provisions were made for doubtful debts and the Management considers that there is no other substantial credit risk that is not covered by insurance coverage or provisions.

Amounts in EUR thousand, unless stated otherwise

The following table presents an analysis of the maturity of trade and other receivables:

	2016	2015
01 – 30 days	**5,147**	3,201
31 – 90 days	**7,816**	8,631
91 – 180 days	**2,954**	3,472
Over 180 days	**6,991**	6,640
Provisions for doubtful debts	**(241)**	(264)
Total	**22,668**	21,680

The above amounts are presented on the basis of the days of delay in the following table:

	2016	2015
Receivables within the payment deadline	**14,308**	10,602
Overdue receivables	**8,360**	11,078
Overdue receivables with impairment provision	**241**	264
Subtotal	**22,909**	21,944
Provision for impairment	**(241)**	(264)
Total	**22,668**	21,680

With regard to amounts in delay for over 90 days and have been classified from the Company as doubtful, there are adequate provisions.

25.3 Liquidity risk

The monitoring of liquidity risk is focused on managing cash inflows and outflows on a constant basis, in order for the Company 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. Short-term liabilities are renewed at their maturity, as they are part of the approved bank credits.

The short-term liabilities are renewed at their maturity since they comprise part of the authorized banking credits.

The following table presents the liabilities –loans - derivatives according to their maturity dates.

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	1,504	11,556	-	-	13,060
Other liabilities	3,490	12,239	1,250	-	16,979
Short-term debt	228	8,850	5,677	-	14,755
Long-term debt	-	-	-	15,601	15,601
Total 31/12/2016	**5,222**	**32,646**	**6,927**	**15,601**	**60,395**

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	8,940	3,167			12,107
Other liabilities	5,578	6,922	1,125		13,625
Short-term debt	32	5,113	4,293		9,438
Long-term debt				5,207	5,207
Total 31/12/2015	**14,550**	**15,202**	**5,418**	**5,207**	**40,376**

Amounts in EUR thousand, unless stated otherwise

A) Interest rate risk

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:

Potential interest rate change	Effect on earnings before tax	
	2016	2015
Interest Rate Increase by 1%	304	146
Interest Rate Decrease by 1%	(304)	(146)

B) Capital Adequacy Risk

The Company controls capital adequacy using the Net Bank Debt to Operating Profit ratio and the ratio of Net Bank Debt to Equity. The Company's objective in relation to capital management is to ensure its smooth operation aiming at providing satisfactory returns for shareholders and benefits for other parties, as well as to maintain an ideal capital structure in order 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.

	2016	2015
Long-term debt	15,601	5,207
Short-term debt	14,755	9,438
Total debt	**30,356**	14,645
Minus cash & cash equivalents	2,430	2,183
Net debt	**27,927**	12,462
EBITDA	**8,165**	7,652
EBITDA/NET BANK DEBT	**3.42**	1.63
EQUITY	**27,284**	27,284
NET BANK DEBT / EQUITY	**1.03**	0.46

26. Events after the end of the reporting period

The Company, after 31st December 2016 and until the release date of the Financial Statements, has signed new loan agreements with banking institutions of Euro 3,500.

There are no other events after 31 December 2016 that could substantially affect the financial position or results of the Company for the financial year then ended, or events that must be disclosed in the financial statements.

The Financial Statements, that are presented in pages 12 through 38, were prepared according to the provisions of C.L. 2190/20 as amended and currently in effect and according to the International Financial Reporting Standards, as such have been adopted by the European Union, and were approved by the Board of Directors on 31 May 2017 and are signed on behalf of such by the following:

The Chairman of BoD	The Chief Executive Officers		The Head Accountant
KONSTANTINOS ST. CHALIORIS	DIMOU ATHANASIOS	KARAGEORGIOU CHRISTOS	ALEXIOS MASTROGIANNIS
ID No. AM 919476	ID No. AB 913642	ID No. AE 411797	ID No. AI 748879 O.E.E. License Number 0105637 CLASS A'

DATA & INFORMATION AS AT 31st DECEMBER 2016

THRACE NON WOVENS & GEOSYNTHETICS A.B.E.E.

Company Reg. No.: 44194/66/B/99/017, General Commerce Reg. No.: 12531046000

Domicile: MAGIKO, MUNICIPALITY OF AVDIRA, XANTHI PREFECTURE, GREECE

Data and information for the period from 1 January to 31 December 2016

(Published according to C.L. 2190/20, article 135 for companies that prepare annual financial statements, consolidated and non-consolidated, according to IFRS)

The following data and information that are derived from the financial statements aim at providing general information on the financial position and results of THRACE NON WOVENS & GEOSYNTHETICS A.B.E.E. Therefore, before proceeding with any kind of investment choice or other transaction with the Company, readers should refer to the website of the parent company where the financial statements are available together with the audit report by the certified Public Accountant, when applicable.

Responsible Authority: Division of Development, Regional Section of Xanthi Prefecture

Board of Directors' Composition: Chalioris Konstantinos (Chairman)
Braimis Georgios (Vice Chairman)
Karageorgiou Christos (CEO)
Dimiou Athanasios (CEO)
Chrountas Dimitrios (Member)
Damianos Dimitrios (Member)
Malamos Dimitrios (Member)
Mantzavionos Georgios (Member)
Relakis Ioannis (Member)

Approval date of the annual financial statements by the Board: Tuesday, 31/05/2017

Certified Public Accountant - Auditor: Sourbis Dimitrios (SOEL License Reg. No. 16891

Auditing Firm: PRICEWATERHOUSECOOPERS SA

Type of audit report: Opinion in agreement

Company Website: http://www.thraceplastics.gr/gr/el/companies/thrace-ng/

STATEMENT OF FINANCIAL POSITION

(amounts in EUR thousand)

ASSETS	31/12/2016	31/12/2015
Self used tangible fixed assets	**37,804**	22,916
Investment property	**103**	103
Intangible assets	**95**	129
Total non-Current Assets	**505**	506
Other non-current assets	**4,645**	5,677
Inventories	**18,634**	14,753
Trade receivables	**22,621**	21,680
Other current assets	**3,826**	2,987
Cash & cash equivalents	**2,430**	2,183
TOTAL ASSETS	**90,662**	70,936
EQUITY & LIABILITIES		
Share capital	**5,989**	5,989
Other equity	**21,086**	21,294
Total Shareholders' Equity	**27,075**	27,283
Long-term debt	**15,601**	5,207
Provisions/Other-long-term liabilities	**3,197**	3,284
Short-term bank debt	**14,755**	9,437
Other-short-term liabilities	**30,033**	25,724
Total liabilities	**63,586**	43,652
TOTAL EQUITY & LIABILITIES	**90,662**	70,936

STATEMENT OF CHANGES IN EQUITY

(amounts in EUR thousand)

	1/1-31/12/2016	1/1-31/12/2015
Total equity at beginning of period (01/01/2016 and 01/01/2015 respectively)	**27,283**	26,230
Earnings / (losses) for the period after taxes (continued and discontinued activities)	**(113)**	**1,111**
Other comprehensive income after taxes	**(95)**	(58)
Total equity at end of period (31/12/2016 and 31/12/2015 respectively)	**27,075**	27,283

STATEMENT OF CASH FLOWS

(amounts in EUR thousand)

	1/1 - 31/12/2016	1/1 - 31/12/2015
Operating activities		
Earnings /(losses) before tax	**942**	2,353
Plus/Minus adjustments for:		
Depreciations	**3,984**	2,293
Provisions	**311**	(858)
FX differences	**(191)**	(858)
(Profit)/loss from sale of fixed assets	**(1)**	-
Debit interest and similar (income) / expenses	**3,239**	2,982
Other non cash movements	**(161)**	(516)
Operating Profit before adjustments in working capital	**8,124**	5,395
Plus/Minus adjustments for changes in working capital accounts or those related to operating activities:		
(Increase)/ Decrease of receivables	**(1,952)**	(1,158)
(Increase)/ Decrease of inventories	**(3,880)**	(1,006)
(Decrease)/ Increase of liabilities (apart from banks)	**4,806**	6,809
Cash equivalents from operations	**7,098**	10,040
Minus:		
Interest expenses and related expenses paid	**(1,868)**	(736)
Paid taxes	**(1,862)**	(849)
Total inflows/(outflows) from operating activities (a)	**3,368**	8,456
Investments activities		
Proceeds from sales of tangible and intangible assets	**2**	1
Interest received	**2**	2
Purchases of tangible fixed assets	**(6,325)**	(12,169)
Purchase of intangible assets and other investments	**-**	(155)
Total inflows / (outflows) from investment activities (b)	**(6,322)**	(12,322)
Financing activities		
Collection from other non-current lending	**2,000**	3,594
Collection from financial leases	**2,129**	2,098
Repayments of loans	**(928)**	(4,194)
Increase of participations in subsidiaries	**-**	(145)
Total inflows/(outflows) from financing activities (c)	**3,200**	1,354
Net increase / (decrease) in cash & cash equivalents for the period (a) + (b) + (c)	**246**	(2,512)
Cash & cash equivalents at the beginning of the period	**2,183**	4,696
Cash & cash equivalents at the end of the period	**2,430**	2,183

STATEMENT OF COMPREHENSIVE INCOME

(amounts in EUR thousand)

	1/1-31/12/2016	1/1-31/12/2015
Turnover	**89,347**	83,101
Gross profit/(losses)	**17,999**	14,331
Earnings/(losses) before Interest and Taxes (EBIT)	**4,181**	5,359
Earnings / (losses) before Taxes	**942**	2,353
Earnings / (losses) after Taxes (A)	**(113)**	1,111
Other comprehensive income after taxes (B)	**(95)**	(58)
Total comprehensive income after taxes (A) + (B)	**(208)**	1,053
Earnings/ (losses) before Interest, Taxes, Depreciation & Amortization (EBITDA)	**8,165**	7,652

ADDITIONAL DATA AND INFORMATION

(amounts in EUR thousand)

1. There are no judicial or under arbitration differences of judicial or arbitration bodies, that may have a significant effect on the financial position of the Company.

2. No liens or collateral have been written on fixed assets.

3. The number of employed staff at the end of each period, is as follows:

	31.12.2016	31.12.2015
	562	538

4. The transactions between related parties, according to I.A.S. 24, are as follows:

	1.1 - 31.12.2016	1.1 - 31.12.2015
i) Income	**17,948**	16,403
ii) Expenses	**5,877**	4,947
iii) Receivables	**12,249**	9,720
iv) Liabilities	**10,980**	8,081
v) Transactions & Remuneration of Board members and senior executives	**1,273**	1,114

5. Income tax in the income statement is analyzed as follows:

	1.1 - 31.12.2016	1.1 - 31.12.2015
Income Tax	**(1,250)**	(1,350)
Deferred Tax	**195**	109
Provision for tax of tax un-audited fiscal years	**-**	-
	(1,055)	(1,241)

6. The cumulative provisions created at the end of the period amount to:

	31.12.2016	31.12.2015
Provision for doubtful debt	**241**	264
Provision for staff indemnities	**1,264**	1,132
Provisions for tax differences form unaudited fiscal years	**331**	331
	1,836	1,727

7. Other comprehensive income at the end of the period concern the following:

	31.12.2016	31.12.2015
Actuarial Profit / (loss)	**(54)**	7
Other income / (expenses)	**(41)**	(65)
	(95)	(58)

8. The financial statements of the Company are consolidated with the full consolidation method in the consolidated financial statements of the company THRACE PLASTICS Co. S.A., which is listed on the Athens Exchange and is based in the Municipality of Avdira in Xanthi Prefecture Greece with Company Reg. No. 11188/06/B/86/31 & General Commerce Reg. No. 12512246000. THRACE PLASTICS Co. S.A. participates in the share capital of THRACE NONWOVENS & GEOSYNTHETICS ABEE by 100%.
9. Information regarding the company is presented in note No. 1 of the Annual Financial Report.
10. The Company has not been audited by the tax authorities for the financial years 2005 - 2010. The tax un-audited financial years are reported in note No. 9 of the Annual Financial Report.
11. The basic accounting principles of the Balance Sheet of 31/12/2015 have been followed.

Xanthi, 31 May 2017

The Chairman	The Chief Executive Officers		The Head Accountant
KONSTANTINOS ST. CHALIORIS ID No. AM 919476	DIMIOU ATHANASIOS ID No. AB 913642	KARAGEORGIOU CHRISTOS ID NO. AE 411797	ALEXIOS MASTROGIANNIS ID No. AI 748879 O.E.E. License Number 0105637 CLASS A'