THRACE EUROBENT S.A.

ANNUAL FINANCIAL REPORT

1st January to 31st December 2016

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

General Electronic Commercial Registry No. 133531446000

Domicile: Magiko, Municipality of Avdira, Xanthi Prefecture - Greece

The accompanying Financial Statements have been approved by the Board of Directors of Thrace Eurobent S.A. on 31st May 2017 and have been posted on the internet at the website

www.thracegroup.com/gr/el/companies/thrace-eurobent-sa

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The present Financial Report refers to the period 01.01.2016 to 31.12.2016 was prepared according to I.F.R.S. and was approved by the Board of Directors on 31 May 2017.

REPORT BY THE BOARD OF DIRECTORS OF
«THRACE EUROBENT S.A.»
ON THE FINANCIAL STATEMENTS OF 31.12.2016

The Board of Directors of "THRACE EUROBENT S.A." 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 EUROBENT S.A." cover the period from 01 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 01-31.12.2016

A tax certificate was issued based on conclusion "without reservation" from the special tax audit carried out for the fiscal year 2015 from the legal auditors according to the article 65A, Law 4174/2013.

Evolution and Performance of the Company

Below the major results for the fiscal year 2016 compared to the fiscal year 2015 are presented.

(amounts in euro thousand)	2016	2015	*% Change*
Turnover	**1,686**	**1,511**	**11.54%**
Gross Profit	**102**	**212**	**-51.94%**
Gross Profit Margin	***6.05%***	***14.03%***	
Other Operating Income	**1**	**12**	**-93.83%**
As % of Turnover	***0.04%***	***0.79%***	
Distribution Expenses	**-231**	**-138**	**67.76%**
As % of Turnover	***13.70%***	***9.13%***	
Administrative Expenses	**-59**	**-59**	**-0.47%**
As % of Turnover	***3.49%***	***3.90%***	
Other Operating Expenses	**-18**	**-23**	**-21.50%**
As % of Turnover	***1.36***	***1.52%***	
EBIT	**-205**	**4**	**-4,781.91%**
EBIT Margin	***-12.15%***	***0.26%***	
EBITDA	**-187**	**12**	**-1,655.94%**
EBITDA Margin	***-11.08%***	***0.79%***	
Interest and related (expenses) / income	**-5**	**-2**	**137.48%**
EBT	**-209**	**2**	**-8,688.37%**
EBT Margin	***-12.43%***	***0.17%***	
Income Tax	**3**	**-2**	**-247.13%**

Earnings/(Loss) after Taxes	**-206**	**-**
EAT Margin	***-12.22%***	***0.00%***

In 2016, turnover settled at Euro 1,686 thousand compared to Euro 1,511 thousand in 2015, posting an increase of 11.5%. In year 2016, gross profit amounted to Euro 102 thousand versus Euro 212 thousand in 2015, decreased by 51.9%. EBITDA settled at Euro -187 thousand posting a decline of 1,655.9% compared to the previous year. Losses before taxes amounted to Euro 209 thousand compared to zero profitability in 2015. Losses after taxes accounted for Euro 206 thousand compared to Euro 0 in 2015.

Below, the major items of the Statement of Financial Position as of 31.12.2016 compared to 31.12.2015 are presented:

(amounts in euro thousand)	**31.12.2016**	**31.12.2015**	***% Change***
Tangible Fixed Assets	105	114	-7.89%
Deferred Tax Receivables	5	2	150.00%
Other Long-Term Receivables	6	10	-40.00%
Total Non-Current Assets	**116**	**125**	**-7.20%**
Inventories	262	307	-14.66%
Trade Receivables	429	541	-20.70%
Income tax prepaid	2	-	
Other Receivables	85	226	-62.39%
Cash & Cash Equivalents	212	211	0.47%
Total Current Assets	**991**	**1,285**	**-22.88%**
TOTAL ASSETS	**1,107**	**1,410**	**-21.49%**
TOTAL EQUITY	**191**	**398**	**-52.01%**
Long-Term Liabilities			
Long-Term Bank Loans	-	10	-100.00%
Provisions for Employee Benefits	4	3	33.33%
Total Long-Term Liabilities	**4**	**13**	**-69.23%**
Short-Term Liabilities			
Short-Term Bank Loans	10	17	-41.18%
Suppliers	670	936	-28.42%
Other Short-Term Liabilities	232	46	404.35%
Total Short-Term Liabilities	**912**	**999**	**-8.71%**
TOTAL LIABILITIES	**917**	**1,012**	**-9.39%**
TOTAL EQUITY & LIABILITIES	**1,107**	**1,410**	**-21.49%**
Net Bank Debt	**-202**	**-184**	**9.78%**
Net Bank Debt / Equity	**-1.06**	**-0.46**	**130.43%**

On 31.12.2016 Total Assets amounted to Euro 1,107 thousand compared to Euro 1,410 thousand on 31.12.2015.

The Share Capital of the Company «THRACE EUROBENT S.A.» amounts to Euro 400 thousand and is divided into 4,000 common registered shares, with a nominal value of Euro 100 each.

The Company's Net Bank Debt amounts to Euro -202 thousand on 31.12.2016 compared to Euro -184 thousand on 31.12.2015.

Amounts in EUR thousand, unless stated otherwise

The Net Bank Debt/Equity ratio settles at -1.06x on 31.12.2016 compared to -0.46x on 31.12.2015.

The "Net Bank Debt / Operating Profit" ratio settled at 1x on 31.12.2016 (-46 on 31.12.2015).

There are no liens or guarantees written on the Company's property.

Financial Risk Management

The financial instruments 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 in 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. 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	**124**	58
31 – 90 days	**145**	189
91 – 180 days	**134**	267
Over 180 days	**31**	26
Provisions for impairment	**(5)**	-
Total	**429**	**541**

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

	2016	2015
Receivables within the payment deadline	**259**	330
Overdue receivables	**170**	211
Overdue receivables with impairment provision	**5**	-
Subtotal	**434**	**541**
Provision for impairment	**(5)**	-
Total	**429**	**541**

The Company has formed provisions, which are deemed as adequate, for amounts in delay classified as doubtful.

Liquidity risk

Amounts in EUR thousand, unless stated otherwise

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.

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

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	180	490	-	-	670
Other liabilities	39	192	-	-	232
Long-term debt payable in the following year	1	7	2	-	10
Long-term debt	-	-	-	-	-
Total 31/12/2016	**220**	**689**	**2**	**-**	**912**

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	745	191	-	-	936
Other liabilities	19	27	-	-	46
Long-term debt payable in the following year	2	7	8	-	17
Long-term debt	-	-	-	10	10
Total 31/12/2015	**766**	**225**	**8**	**10**	**1,009**

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	-	10
Long-term debt payable in the following year	10	17
Total debt	10	27
Minus cash & cash equivalents	212	211
Net debt	-202	-184
EBITDA	**-187**	**12**
NET BANK DEBT / EBITDA	**1**	**-15**
EQUITY	**191**	**398**
NET BANK DEBT / EQUITY	**-1.05**	**-0.46**

Amounts in EUR thousand, unless stated otherwise

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.

In this context and 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.

Transactions with Related Parties

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

Companies	Sales-Other Income	Purchases-Expenses	Receivables	Liabilities
THRACE PLASTICS CO. SA	-	108	-	162
THRACE NG SA	-	609	-	573
THRACE GREENHOUSES SA	-	-	2	-
SYNTHETIC PACKAGING LTD	19	-	9	-
EUROBENT Sp.z.o.o.	9	95	9	27
Total	**28**	**812**	**20**	**762**

Transactions between related parties are realized under normal market terms. No guarantee has been granted to or collected from the related parties.

Financial Ratios

Capital Structure Ratios	2016	2015	Explanation
Total Liabilities/Equity	4.8	2.5	Relation between Liabilities and Equity
Net Bank Debt/Equity	-1.1	-0.5	Relation between Bank Debt and Equity
Net Bank Debt /EBITDA	1	-15	Bank Debt over Operating Earnings before Interest, Tax, Depreciation and Amortization
Net Tangible Fixed Assets/Total Assets	0.1	0.1	The allocation of Assets into Non-Current and Current Assets

Amounts in EUR thousand, unless stated otherwise

Equity/Net Tangible Fixed Assets	1.8	3.5	The level of financing of the Tangible Assets from Equity
Leverage Ratios			
Equity/Total Assets	0.2	0.3	Relation between Equity and Total Assets
Interest Coverage	-41	2	Ratio of Interest Coverage from Operating Earnings (EBIT)
Liquidity Ratios			
Current Ratio	1.1	1.3	Total Current Assets / Total Short-term Liabilities
Quick Ratio	0.8	1	(Total Current Assets minus Inventories) / Total Short-term Liabilities

Company Outlook

The strategic development of the company is presented below:

- Development of GCL products
- Expansion of sales network into new markets

Xanthi, 31 May 2017

The Board of Directors

Independent Auditor's Report

To the Shareholders of "THRACE EUROBENTS.A.".

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of "THRACE EUROBENTS.A." which comprise the statement of financial position as of 31 December 2016and 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 EUROBENTS.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 EUROBENTS.A." and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, June 22, 2017

pwc

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The Certified Auditor
Dimitrios Sourbis
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Amounts in EUR thousand, unless stated otherwise

STATEMENT OF COMPREHENSIVE INCOME

	Note	1/1-31/12/2016	20/02-31/12/2015
Turnover		1,686	1,511
Cost of Sales	4	(1,584)	(1,299)
Gross Profit/(loss)		102	212
Other Operating Income	3	1	12
Distribution Expenses	4	(231)	(138)
Administrative Expenses	4	(59)	(59)
Other Operating Expenses	7	(20)	(23)
Income/(Expenses) from foreign exchange differences		3	
Earnings /(loss) before interest and tax (EBIT)		(204)	4
Financial income / (expenses)	8	(1)	0
Other financial expenses	8	(4)	(2)
Earnings before taxes		(209)	2
Income tax	9	3	(2)
Earnings, after taxes (A)		(206)	0
Other comprehensive income			
Items not subsequently transferrable to the results			
Actuarial loss		0	(2)
Other comprehensive income		(2)	
Other comprehensive income after taxes (B)		(2)	(2)
Total comprehensive income after taxes (A) + (B)		(208)	(2)
Earnings / (loss) before interest, tax, depreciation & amortization (EBITDA)		(187)	12

The accompanying notes that are presented in pages 15-34 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	105	114
Deferred tax receivables	16	5	2
Other long term receivables		6	10
Total non-Current Assets		116	125
Current Assets			
Inventories	11	262	307
Income tax prepaid		2	0
Short-term receivables from affiliated companies	12	20	81
Trade receivables	12	411	460
Debtors and other accounts	12	82	226
Cash and Cash Equivalents	13	212	211
Total Current Assets		991	1,285
TOTAL ASSETS		1,107	1,410
EQUITY AND LIABILITIES			
Equity			
Share Capital	14	400	400
Retained earnings		(209)	(2)
Total Equity		191	398
Long Term Liabilities			
Long Term loans	15	0	10
Provisions for Employee Benefits		4	4
Total Long Term Liabilities		4	14
Short Term Liabilities			
Short Term loans	15	10	16
Short-term liabilities towards related parties	17	762	843
Suppliers	17	50	92
Other short-term liabilities	17	90	46
Total Short Term Liabilities		912	997
TOTAL LIABILITIES		916	1,011
TOTAL LIABILITIES AND EQUITY		1,107	1,410

The accompanying notes that are presented in pages 15-34 form an integral part of the present financial statements

Amounts in EUR thousand, unless stated otherwise

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained earnings	Total
Balance as at 20/2/2015	**-**	**-**	**-**
Earnings/(losses) for the period	-	-	**-**
Share Capital Increase	400	-	**400**
Other Comprehensive Income		(2)	**(2)**
Changes during the period	400	(2)	398
Balance as at 31/12/2015	**400**	**(2)**	**398**
Balance as at 1/1/2016	**400**	**(2)**	**400**
Earnings/(losses) for the period	-	(206)	**(206)**
Share Capital Increase	-	-	**-**
Other Comprehensive Income	-	(2)	**(2)**
Changes during the period	**-**	**(208)**	**(208)**
Balance as at 31/12/2016	**400**	**(210)**	**191**

The accompanying notes that are presented in pages 15-34 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	20/02-31/12/2015
Cash flows from Operating Activities			
Earnings before Taxes		**(209)**	**2**
Plus / (minus) adjustments for:			
Depreciation/Amortization	6	**18**	**7**
Provisions		**9**	**3**
Income from grants		**-**	**(12)**
Foreign exchange differences		**(3)**	**-**
Debit interests & related (income) / expenses		**5**	**4**
Operating Profit before movements in working capital		**(180)**	**4**
(Increase)/decrease in receivables		**247**	**(769)**
(Increase)/decrease in Inventories		**45**	**(307)**
Increase/(decrease) in liabilities (apart from banks)		**(79)**	**979**
Cash generated from operating activities		**33**	**(93)**
Interest Paid		**(1)**	**(2)**
Taxes Paid		**(6)**	**-**
Cash flows from operating activities (a)		**27**	**(95)**
Investing Activities			
Purchase of tangible fixed assets		**(10)**	**(121)**
Cash flow from investing activities (b)		**(10)**	**(121)**
Financing Activities			
Proceeds from share capital increase		**-**	**400**
Proceeds from / (payments of) loans		**(17)**	**27**
Cash flow from financing activities (c)		**(17)**	**427**
Net increase in Cash and Cash Equivalents		**1**	**211**
Cash and Cash Equivalents at beginning of period		**211**	**-**
Cash and Cash Equivalents at end of period	13	**212**	**211**

The accompanying notes that are presented in pages 15-34 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 EUROBENT SA (hereinafter "The Company") was established on 20.02.2015, with GEMI (General Electronic Commercial Registry) Number 133531446000 and is domiciled in Magiko of Municipality of Avdira, County of Xanthi. The business objective of the Company is the production and trade of geosynthetics water proofing products. The company THRACE PLASTICS Co. S.A. participates in the Company's share capital by 51%.

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

Name	Position
Terlinden Christoph	Chairman
Dimiou Athanasios	Vice-Chairman
Malamos Dimitrios	Member
Zairopoulos Vasileios	Member
Lindovsky Rudolf	Member
Larski Janusz	Member

The Financial Statements of the Company, are included via the equity method 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 Electronic Commercial Registry No. 12512246000.

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.

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 and the group.

The Financial Statements of the Company THRACE EUROBENT S.A. 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

Certain 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 on the Company from the application of these new standards, amendments and interpretations 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 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.

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.

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 Statement of Total Comprehensive Income, 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, whenever such need exists, according to information from its Legal Service.

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.

Amounts in EUR thousand, unless stated otherwise

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 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 affect the Statement of Total Comprehensive Income, 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 Statement of Total Comprehensive Income.

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

Category	Depreciation rate	Useful life
Buildings and technical works	2.5% - 5%	20 - 40 years
Machinery and technical installations	7% - 10%	10 - 14 years
Specialized mechanical equipment	12% - 15%	7 - 8 years
Vehicles	10% - 20%	5 - 10 years
Furniture and fixture	10% - 30%	3 - 10 years

Land and plots are not depreciated however they are reviewed for impairment. Residual values and economic life of fixed assets might be adjusted if necessary at the time financial statements are prepared. Fixed assets, that have been impaired, are adjusted to reflect their recoverable 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 Statement of Total Comprehensive Income, 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 Rates	Useful 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 for 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 Statement of Total Comprehensive Income 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

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.

2.11 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 Statement of Comprehensive Income according to the completion stage of the transaction, during the Balance Sheet date.

2.12.2 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

2.17.1 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 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.

2.17.2 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 Statement of Comprehensive Income 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 Statement of Comprehensive Income.

2.18 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.

2.19 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.

2.20 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 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.

Amounts in EUR thousand, unless stated otherwise

3. Other Operating Income

	2016	2015
Income from subsidized employee contributions	-	12
Other	1	-
Total	**1**	**12**

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

	2016	2015
Payroll expenses (note 5)	133	91
Third party fees – expenses	38	27
Administrative support expenses	36	30
Electricity	9	8
Other third party benefits	154	149
Transfer expenses	200	111
Consumables	19	19
Depreciation / Amortization (note 6)	18	7
Sundry expenses	31	30
Subtotal	**638**	**473**
Cost of consumed inventories recognized as an expense	**1,235**	**1,023**
Total	**1,873**	**1,496**

The analysis of expenses per operating category is as follows:

2016				2015			
Cost of sales	Administrative	Distribution	Total	Cost of sales	Administrative	Distribution	Total
1,584	**59**	**231**	**1,873**	1,299	59	138	**1,496**

5. Payroll Expenses

Payroll expenses are as follows:

	2016	2015
Wages	67	42
Employer contributions	17	10
Subtotal	**84**	**52**
Day-wages	37	30
Employer contribution	10	8
Subtotal	**47**	**38**
Total payroll expenses	**131**	**90**
Other employee expenses	2	1
Total	**133**	**91**

Amounts in EUR thousand, unless stated otherwise

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

	2016	2015
Regular employees	2	2
Day-wage employees	3	5
Total	**5**	**7**

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	18	7
Total	**18**	**7**

7. Other Operating Expenses

	2016	2015
Expenses due to inert status	-	21
Tax penalties	1	
Provision for doubtful receivables	5	-
Expenses of previous years	8	-
Other operating expenses	6	2
Total	**20**	**23**

8. Interest and Other Financial income / (expenses)

	2016	2015
Expense from discounting long-term receivable from Manpower Employment Organization (OAED)	**(4)**	(2)
Total other financial income/(expenses)	**(1)**	(2)
Total	**(5)**	**(2)**

9. Income Tax

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

	2016	2015
Income tax	-	-3
Deferred tax (expense)/income	**3**	1

Amounts in EUR thousand, unless stated otherwise

Total	**3**	**-2**

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

	2016	2015
Earnings/(losses) before tax	-209	2
Income tax rate	29%	29%
Corresponding income tax	61	-1
Effect from tax losses for which no deferred tax asset has been recognized	-62	-
Difference due to tax rate		
Non tax-deductible expenses	5	-2
Income tax	**-2**	**-2**

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.

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.

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.

For the fiscal 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.

Amounts in EUR thousand, unless stated otherwise

10. Tangible 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	-	7	57	54	4	-	121
Additions	-	9	-	-	-	-	9
Sales / transfers	-	-	-	-	-	-	-
Acquisition cost 31.12.2016	**-**	**16**	**57**	**54**	**4**	**-**	**130**
DEPRECIATIONS							
Cumulative depreciations 1.1.2016	-	-	(2)	(4)	-	-	-
Depreciations for the period	-	(1)	(6)	(11)	(1)	-	(7)
Depreciation of sales/transfers	-	-	-	-	-	-	-
Cumulative depreciations 31.12.2016	**-**	**(1)**	**(8)**	**(15)**	**(1)**	**-**	**(7)**
NET BOOK VALUE							
31.12.2015	**-**	**7**	**55**	**49**	**4**	**-**	**114**
31.12.2016	**-**	**15**	**49**	**38**	**3**	**-**	**105**

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 20.2.2015	-	-	-	-	-	-	-
Additions	-	7	57	54	4	-	121
Sales / transfers	-	-	-	-	-	-	-
Acquisition cost 31.12.2015	**-**	**7**	**57**	**54**	**4**	**-**	**121**
DEPRECIATIONS							
Cumulative depreciations 20.2.2015	-	-	-	-	-	-	-
Depreciations for the period	-	-	(2)	(4)	-	-	(7)
Depreciation of sales/transfers	-	-	-	-	-	-	-
Cumulative depreciations 31.12.2015	**-**	**-**	**(2)**	**(4)**	**-**	**-**	**(7)**
NET BOOK VALUE							
31.12.2015	**-**	**7**	**55**	**49**	**4**	**-**	**114**

The Company's tangible assets include transportation means with net book value of Euro 49 which was acquired with financial leasing.

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

11. Inventories

	2016	2015
Finished and semi-finished products	90	149
Merchandise	1	-
Raw & auxiliary materials	152	124
Consumables	9	15
Packaging Materials	10	19
Total	**262**	**307**

12. Trade and other receivables

	2016	2015
Customers	416	460
Provisions for doubtful receivables	(5)	-
Total	**411**	**460**
Trade receivables (related companies)	18	81
Total trade receivables	**429**	**541**

Amounts in EUR thousand, unless stated otherwise

	2016	2015
Other receivables	76	224
Other receivables (Affiliated)	2	-
Prepayments to personnel	4	-
Prepaid expenses	2	2
Total other receivables	**85**	**226**

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 the provisions for doubtful receivables for the fiscal year ended on 31st December 2016 and 2015 respectively is analyzed as following:

	2016	2015
Beginning balance	**-**	-
Additional provision	**5**	-
Balance as at 31st December	**5**	-

13. Cash & Cash Equivalents

	2016	2015
Cash in hand	**1**	-
Sight and term deposits	**211**	211
Total	**212**	**211**

Credit rating of cash & cash equivalents (Fitch)

The Company's cash and cash equivalents are deposited in Greek banks and their subsidiaries in Cyprus. The Management of the Company deems that at this period there are no risks with regard to the safety of the above deposits. Below, the cash and cash equivalents are classified according to the credit ratings of the banks at which the respective deposits have been made.

	2016	2015
RD	**211**	211
Total	**211**	**211**

14. Share Capital and Share Premium Reserve

The Company's share capital consists of 4,000 common registered shares, with a nominal value of Euro 100 (in absolute terms) each.

15. Debt

The net debt at the end of the years 2016 and 2015 settled as following:

Amounts in EUR thousand, unless stated otherwise

	2016	2015
Long-term financial leases	-	10
Short-term financial leases	10	17
Minus: Cash equivalents (note 13)	(212)	(211)
Net Debt	**(202)**	**(184)**

The maturity of financial leases is as follows:

	2016	2015
Up to 1 year	**11**	17
From 1 – 2 years	**-**	11
Total	**11**	28

Future financial burden due to liabilities from financial leasing of Euro 1.

Present value of liabilities from financial leasing of Euro 10.

	2016	2015
Up to 1 year	**10**	17
From 1 – 2 years	**-**	10
Total	**10**	27

The total debt is denominated in Euro.

16. Deferred Taxes

A. Change of deferred tax in the results

	2016	2015
As at 1 January	**(2)**	-
Change in the results	**(3)**	(1)
Change in other comprehensive income	**-**	(1)
As at 31 December	**(5)**	**(2)**

B. Deferred tax liabilities

	Depreciation	Other	Total
As at 20 February 2015	-	-	-
Change in the result	**(1)**	**-**	**(1)**
As at 31 December 2015	**(1)**	**-**	**(1)**
Change in the result	**(2)**	**-**	**(2)**
As at 31 December 2016	**(2)**	**-**	**(2)**

Amounts in EUR thousand, unless stated otherwise

C. Deferred tax asset

	Liabilities from personnel benefits	Provisions	Total
As at 20 February 2015	-	-	-
Change in the result	-	-	-
Change in other comprehensive income	(1)	-	(1)
As at 31 December 2015	-	-	(1)
Change in the result	-	(1)	(1)
As at 31 December 2016	(1)	(1)	(3)

In the Statement of Financial Position, the deferred taxes of the Assets and Liabilities are offset, whereas in the above table there is a relevant analytical presentation. Therefore any reconciliation is performed in the change between Assets and Liabilities.

17. Other Short-term Liabilities – Accrued Expenses

	2016	2015
Suppliers	**50**	**93**
Sundry creditors	**59**	23
Liabilities from tax and pensions	**16**	8
Accrued & other expenses	**15**	13
Total other short-term liabilities	**90**	**43**
Liabilities towards related companies	**762**	**843**
Total	**902**	**979**

The fair value of liabilities approaches the book values.

18. Transactions with Related Parties

Following, the transactions with related companies are presented.

	2016	2015
Income – Sales	**28**	2
Expenses – Purchases	**812**	901
Receivables	**20**	81
Liabilities	**762**	843

Amounts in EUR thousand, unless stated otherwise

19. Commitments and Contingent Liabilities

On 31 December 2016 there are no significant legal issues pending that may have a material effect in the financial position of the Company, when these cases are finally resolved.

20. 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.

20.1 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	**124**	58
31 – 90 days	**145**	189
91 – 180 days	**134**	267
Over 180 days	**31**	26
Provision for impairment	**(5)**	-
Total	**429**	**541**

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

	2016	2015
Receivables within the payment deadline	**259**	330
Overdue receivables	**170**	211
Overdue receivables with impairment provision	**5**	-
Subtotal	**434**	**541**
Provision for impairment	**(5)**	-
Total	**429**	**541**

The Company has formed provisions, which are deemed as adequate, for amounts in delay classified as doubtful.

20.2 Liquidity risk

Amounts in EUR thousand, unless stated otherwise

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	180	490	-	-	670
Other liabilities	39	192	-	-	232
Long-term debt payable in the following year	1	7	2	-	10
Long-term debt	-	-	-	-	-
Total 31/12/2016	**220**	**689**	**2**	**-**	**912**

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	745	191	-	-	936
Other liabilities	19	27	-	-	46
Long-term debt payable in the following year	2	7	8	-	17
Long-term debt	-	-	-	10	10
Total 31/12/2015	**766**	**225**	**8**	**10**	**1,009**

A) 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	-	10
Long-term debt payable in the following year	10	17
Total debt	10	27
Minus cash & cash equivalents	212	211
Net debt	-202	-184
EBITDA	**-187**	**12**
NET BANK DEBT / EBIDTA	**1**	**-15**
EQUITY	**191**	**398**
NET BANK DEBT / EQUITY	**-1.05**	**-0.46**

Amounts in EUR thousand, unless stated otherwise

B) 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.

In this context and 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.

21. Events after the end of the reporting period

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 10 through 32, 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
CHRISTOFF TERLINDEN	ATHANASIOS DIMOU	ALEXIOS MASTROGIANNIS
PASSPORT NO.: CGK66L55H	ID NO.: AB 913642	ID No. AI 748879 O.E.E. License Number 0105637 CLASS A'

DATA & INFORMATION AS AT 31st DECEMBER 2016

THRACE EUROBENT S.A.

General Commerce Reg. No. (GEMI): 133531446000

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

Data and information for the period from 01 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 EUROBENT 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:	Terlinden Christoph (Chairman)
	Dimiou Athanasios (Vice Chairman)
	Malamos Dimitrios (Member)
	Zairopoulos Vasileios (Member)
	Lindovsky Rudolf (Member)
	Larski Janusz (Member)
Approval date of the annual financial statements by the Board:	Wednesday, 31 May 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:	www.thracegroup.com/gr/el/companies/thrace-eurobent-sa

STATEMENT OF FINANCIAL POSITION

(amounts in EUR thousand)

ASSETS	31/12/2016	31/12/2015
Self used tangible fixed assets	105	114
Deferred tax receivables	5	2
Inventory	262	307
Trade receivables	432	541
Other current assets	91	236
Cash & cash equivalents	212	211
TOTAL ASSETS	**1,107**	**1,410**
EQUITY & LIABILITIES		
Share capital	400	400
Other equity	-209	-2
Total Shareholders' Equity	**191**	**398**
Long-term debt	0	10
Provisions/Other-long-term liabilities	4	4
Short-term bank debt	10	16
Other-short-term liabilities	902	981
Total liabilities	916	1,011
TOTAL EQUITY & LIABILITIES	**1,107**	**1,410**

STATEMENT OF CHANGES IN EQUITY

(amounts in EUR thousand)

	1/1-31/12/2016	20/02-31/12/2015
Total equity at beginning of period (20/02/2015 and 01/01/2016 respectively)	398	-
Earnings for the period after taxes (continued and discontinued activities)	(206)	-
Other comprehensive income after taxes	(2)	(2)
Share capital increase	-	400
Total equity at end of period (31/12/2015 and 31/12/2016 respectively)	**191**	**398**

STATEMENT OF CASH FLOWS

(amounts in EUR thousand)

	1/1 - 31/12/2016	20/02-31/12/2015
Operating activities		
Earnings before tax	(209)	2
Plus/Minus adjustments for:		
Depreciations	18	7
Provisions	9	3
Debit interest and similar (income) / expenses	5	4
Foreign exchange differences	(3)	-
Income from grants	-	(12)
Operating Profit before changes in working capital	**(180)**	**4**
Plus/Minus adjustments for changes in working capital accounts or those related to operating activities:		
(Increase)/ Decrease of receivables	247	(769)
(Increase)/ Decrease of inventories	45	(307)
(Decrease)/ Increase of liabilities (apart from banks)	(79)	979
Cash equivalents from operations	**33**	**(93)**
Minus:		
Interest expenses and related expenses paid	(1)	(2)
Taxes paid	(6)	-
Total inflows/(outflows) from operating activities (a)	**27**	**(95)**
Investments activities		
Purchases of tangible fixed assets	(10)	(121)
Total inflows / (outflows) from investment activities (b)	**(10)**	**(121)**
Financing activities		
Collection from other non-current lending	(17)	27
Proceeds from loans	-	400
Total inflows/(outflows) from financing activities (c)	**(17)**	**427**
Net increase / (decrease) in cash & cash equivalents for the period (a) + (b) + (c)	**1**	**211**
Cash & cash equivalents at the beginning of the period	211	-
Cash & cash equivalents at the end of the period	**212**	**211**

STATEMENT OF COMPREHENSIVE INCOME

(amounts in EUR thousand)

	1/1-31/12/2016	20/02-31/12/2015
Turnover	1,686	1,511
Gross profit/(losses)	102	212
Earnings/(losses) before Interest and Taxes (EBIT)	(204)	4
Earnings / (losses) before Taxes	(209)	2
Earnings / (losses) after Taxes (A)	(206)	-
Other comprehensive income after taxes (B)	-	-
Total comprehensive income after taxes (A) + (B)	**-**	**(2)**
Earnings/ (losses) before Interest, Taxes, Depreciation & Amortization (EBITDA)	**(187)**	**12**

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 period, is as follows:

	31.12.2016	31.12.2015
	5	7

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

	01.01 - 31.12.2016	20.02 - 31.12.2015
i) Income	**28**	2
ii) Expenses	**812**	901
iii) Receivables	**20**	81
iv) Liabilities	**762**	843
v) Transactions & Remuneration of Board members and senior executives	-	-

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

	01.01 - 31.12.2016	20.02 - 31.12.2015
Income Tax	-	(3)
Deferred Tax	**3**	1
Provision for tax of tax un-audited fiscal years	-	-
	3	**(2)**

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

	31.12.2016	31.12.2015
Provision for doubtful debt	**5**	-
Provision for staff indemnities	**4**	4
Provisions for tax differences from unaudited fiscal years	-	-
	9	**4**

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

	31.12.2016	31.12.2015
Actuarial Profit / (loss)	-	**(2)**
Other income / (expenses)	**(2)**	-
	(2)	**(2)**

8. The financial statements of the Company are consolidated with the equity 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. (GEMI) 12512246000. THRACE PLASTICS Co. S.A. participates in the share capital of THRACE EUROBEND ABEE by 51%.

9. Information regarding the company is presented in note No. 1 of the Annual Financial Report.

Xanthi, 31 May 2017

The Chairman of the BOD	The Vice Chairman	The Head Accountant
CHRISTOFF TERLINDEN **PASSPORT NO. CGK66L55H**	**ATHANASIOS DIMIOU** **ID NO. AB913642**	**ALEXIOS MASTROGIANNIS ID No. AI 748879 O.E.E. License Number 0105637 CLASS A'**