"STELIOS KANAKIS INDUSTRIAL AND COMMERCIAL S.A., RAW MATERIALS FOR CONFECTIONARY, BAKERY AND ICE-CREAM"

Financial Statements

in accordance with IFRS

as endorsed by the European Union

for the year ended 31 December 2019

GENERAL COMMERCIAL REGISTRY: 1422601000

REGISTERED OFFICE: 4 ANEMONIS STR. ACHARNES, ATTICA

Table of Contents

Independent Auditor's Report

To the Shareholders of "STELIOS KANAKIS S.A."

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of STELIOS KANAKIS S.A. (the Company), which comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of STELIOS KANAKIS S.A. as at 31 December 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the statements in accordance with IFRSs, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as incorporated into the Greek Legislation, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 the provisions of paragraph 5 of article 2 of L. 4336/2015 (part B'), we note that:

a) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 150 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31/12/2019.

b) Based on the knowledge we obtained during our audit of STELIOS KANAKIS S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 10 March 2020

Serafeim D. Makris

Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 16311
SOL S.A.
Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

Statement of Financial Position

		As at	
ASSETS	**Note**	**31 December 2019**	**31 December 2018**
Non-current assets			
Property, plant and equipment	**5**	5.548.704	5.617.344
Rights to use fixed assets	**6**	104.648	0
Intangible assets		45.106	19.367
Loans, advances and long-term assets		16.425	17.985
		5.714.883	**5.654.696**
Current assets			
Inventories	**7**	2.916.143	3.209.664
Trade receivables	**8**	6.109.807	6.541.109
Other receivables	**9**	377.122	142.657
Cash and cash equivalents	**10**	10.205.326	8.230.388
		19.608.398	**18.123.819**
Total assets		**25.323.281**	**23.778.515**
EQUITY			
Share capital	**11**	2.475.000	2.475.000
Share premium	**11**	458.597	458.597
Reserves		1.509.214	1.509.214
Retained Earnings		17.704.074	15.841.133
Total equity		**22.146.885**	**20.283.944**
LIABILITIES			
Non-current liabilities			
Non-current leasing liabilities	**6**	58.082	0
Deferred income tax liabilities	**12**	158.217	142.022
Retirement benefit obligations	**13**	420.616	362.981
Other long term liabilities		0	6.793
Provisions		35.000	35.000
		671.914	**546.796**
Current liabilities			
Trade payables	**14**	1.961.322	2.423.645
Other payables		33.003	68.274
Current leasing liabilities	**6**	48.285	0
Other taxes payable and insurance liabilities	**15**	461.474	455.459
Dividends payable		398	398
Total liabilities		**2.504.482**	**2.947.775**
Total equity and liabilities		**25.323.281**	**23.778.515**

Statement of Comprehensive Income

		For the year ended	
	Note	**31 December 2019**	**31 December 2018**
Revenue from contracts with customers	**4**	19.561.263	20.182.368
Cost of sales	**4 , 17**	-12.885.627	-13.305.456
Gross profit	**4**	**6.675.636**	**6.876.912**
Selling and distribution expenses	**16**	-3.207.294	-3.264.822
Administrative expenses	**16**	-1.232.020	-840.131
Exploration and development expenses		0	0
Other operating (expenses) / income and other gains / (losses) - net	**17**	275.037	230.000
Operating profit		**2.511.359**	**3.001.959**
Finance income		19.941	19.601
Finance expense	**16**	-29.890	-21.539
Profit before income tax		**2.501.410**	**3.000.021**
Income tax expense	**18**	-608.810	-859.576
Profit for the year		**1.892.600**	**2.140.445**
Other comprehensive income/(loss):			
Other comprehensive income/(loss), that will not be reclassified to profit or loss (net of tax):			
Actuarial losses on defined benefit pension plans		-29.659	-115.517
Changes in the fair value of equity instruments		0	0
Total		**-29.659**	**-115.517**
Other comprehensive income/(loss), that may be reclassified subsequently to profit or loss (net of tax):			
Fair value gains / (losses) on cash flow hedges		0	0
Other Comprehensive (loss)/income for the year, net of tax		**-29.659**	**-115.517**
Total comprehensive income for the year		**1.862.941**	**2.024.927**
Basic and diluted earnings per share (expressed in Euro per share)	**19**	**0,248**	**0,270**

Statement of Changes in Equity

	Share capital	Share premium	Capital Reserves	Revaluation reserve	Retained earning	Total equity
Balance at 1 January 2019	**2.475.000**	**458.597**	**1.509.214**	**349.622**	**15.841.133**	**20.633.566**
Change in accounting policy	0	0	0	-349.622	0	**-349.622**
Adjusted balance 01.01.19	**2.475.000**	**458.597**	**1.509.214**	**0**	**15.841.133**	**20.283.944**
Actuarial losses on pension plans- net	0	0	0	0	-29.659	-29.659
Reduse of share capital	0	0	0	0	0	0
Dividends	0	0	0	0	0	0
Transfers to / from reserves	0	0	0	0	0	0
Profit for the year	0	0	0	0	1.892.600	1.892.600
Balance at 31 December 2019	**2.475.000**	**458.597**	**1.509.214**	**0**	**17.704.074**	**22.146.885**

	Share capital	Share premium	Capital Reserves	Revaluation reserve	Retained earning	Total equity
Balance at 1 January 2018	**4.575.000**	**458.597**	**1.397.214**	**249.074**	**13.928.206**	**20.608.091**
Change in accounting policy	0	0	0	-249.074	0	-249.074
Adjusted balance 01.01.18	**4.575.000**	**458.597**	**1.397.214**	**0**	**13.928.206**	**20.359.017**
Actuarial losses on pension plans	0	0	0	0	-115.517	-115.517
Reduse of share capital	-2.100.000	0	0	0	0	-2.100.000
Dividends	0	0	0	0	0	0
Transfers to / from reserves	0	0	112.000	0	-112.000	0
Profit for the year	0	0	0	0	2.140.445	2.140.445
Balance at 31 December 2018	**2.475.000**	**458.597**	**1.509.214**	**0**	**15.841.133**	**20.283.944**

Statement of Cash flows

	For the year ended	
	31 December 2019	**31 December 2018**
Profit before tax	**2.501.410**	**3.000.021**
Adjustments for:		
Depreciation and amortisation	151.005	107.650
Amortisation of grants	0	0
Financial expenses / (income) - net	29.890	21.539
Provisions for bad dept	80.000	112.546
Foreign exchange losses / (gains)	0	0
Dividend income	0	0
	2.762.306	**3.241.756**
Decrease / (increase) in inventories	293.521	-237.681
Decrease in trade and other receivables	98.455	1.296.287
Financial expenses / (income) - net	-29.890	-21.539
Decrease in payables	-288.868	-655.054
Income tax received / (paid)	-820.793	-914.957
Net cash generated from operating activities	**2.014.730**	**2.708.812**
Cash flows from investing activities		
Purchase of property, plant and equipment & intangible assets	-59.733	-58.502
Dividends received	0	0
Interest received	19.941	19.601
Net cash generated from / (used in) investing activities	**-39.792**	**-38.901**
Cash flows from financing activities		
Interest paid	0	0
Dividends paid	0	0
Repayments of borrowings	0	0
Reduse of share capital	0	-2.099.104
Net cash used in financing activities	**0**	**-2.099.104**
Net increase / (decrease) in cash and cash equivalents	1.974.938	570.807
Cash and cash equivalents at the beginning of the year	8.230.388	7.659.581
Cash and cash equivalents at the end of the year	**10.205.326**	**8.230.388**

Notes to the financial statements

1.General Information

"STELIOS KANAKIS" is a purely commercial company, active mainly in the area of marketing and promoting raw materials for pastry, bakery and ice-cream. The products represented, distributed and handled are mainly imported from countries of West Europe and especially from France, Belgium, Germany, Denmark and Italy.
The facilities and the registered headquarters of the Company are located in the Municipality of Acharnes, at 4 Anemonis Street, Postcode 136 78, and its branch is located in Sindos Industrial Area, Thessaloniki, Zone C', Building Block 38, Postcode 57022. The company is registered in Greece as a public company (Société Anonyme); its lawfully registered website in the General Commercial Registry is www.stelioskanakis.gr.

It is noted that on 09.10.2019 the shares of the Company were removed from the trading systems of the Athens Stock Exchange, in accordance with the provisions of article 17 par. 5 of law 3371/2005 (and consequently they were ceased to negotiate in an organized market), following the decision No. 4/854/08.10.2019 of the Board of Directors of the Hellenic Capital Market Commission, after submission on 29.03.2019 by the foreign (Norwegian) limited liability Company under the name "ORKLA FOOD INGREDIENTS AS" (hereinafter the "Bidder") of an optional tender pursuant to Law 3461/2006, for the acquisition of all the shares of the Company, ie 7,500,000 ordinary, registered, interstate after voting of shares of the Company, with a nominal value of € 0.33 each, and the successful completion of the exercise of the redemption of the Company's remaining shares that had not been acquired in the meantime by the Bidder.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation of Financial Statements

The financial statements. for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as endorsed by the European Union ("EU") and present the financial position, results of operations and cash flows on a going concern basis. Management has concluded that the going concern basis of preparation of the accounts is appropriate.
The financial statements have been prepared in accordance with the historical cost basis. The significant accounting estimates are set out in paragraph 3 herein.

2.1.1 New standards, amendments to standards and interpretations

Specific new standards, amendments to standards and interpretations have been issued, which are mandatory for accounting periods beginning on 01/01/2019 or later. The assessment of the Company with regards to the impact from the application of these new standards, amendments and interpretations is provided below:

Standards and Interpretations that are compulsory for the present fiscal year

IFRS 16 "Leases"

IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of this standard is to ensure that lessors and lessees provide useful information, presenting in a fair manner the essence of the transactions that refer to leases. IFRS 16 introduces a single model for accounting, from the lessee's part, which requires from the lessee to acknowledge assets and liabilities for all leases lasting for more than 12 months, unless the asset in question is of insignificant value. With regard to accounting from the lessor's part, IFRS 16 basically integrates the requirements of IAS 17.

To this end, the lessor continues classifying the lease agreements as operating or financing leases and applies different accounting operations for each type of agreement. The Company will first apply IFRS 16 on January 1, 2019 using the modified retrospective approach. Under this approach, the Company will (a) recognize a liability that will be measured at present value as a result of the discounted rents remaining payable with the additional borrowing rate applicable at the date of the initial application and (b) recognize a right to use the asset by measuring that right at an amount equal to the corresponding liability recognized. Following the initial recognition, the Company will a) measure the rights to use the assets and depreciate them consistently throughout the lease, and b) measure the corresponding liability, increasing and decreasing the open balance in a way that reflects interest and rent payments respectively. Any impact on the application of the standard will be recognized as an adjustment to the results on 1 January 2019, without any change in the comparative information.

The company will additionally use the exemption provided by the standard for lease determination. This practically means that the requirements of IFRS 16 will apply to all contracts that were effective on 1 January 2019 and were recognized as leases under IAS 17 and IFRIC 4. In addition, the Company will use the standard exemptions for leases with a residual duration of less than 12 months at the date of the initial application of the standard also for low value leases.

The impact of the standard at Company level is described in note 6.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"

The amendments allow companies, if they meet a particular condition, to measure financial assets with prepayment right and negative compensation undepreciated cost or at fair value through other comprehensive income instead of fair value through profit or loss.

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

The amendments clarify that entities should account for their long-term interests in an associate or joint venture - to which the equity method does not apply - based on IFRS 9.

IFRIC 23 “Uncertainty over income tax treatments”

This Interpretation provides explanations regarding the recognition and measurement of the current and of the deferred income tax when there is uncertainty regarding the tax treatment of certain assets. IFRIC 23 applies to all aspects of accounting for income tax, when there is such an uncertainty, including the taxable profit / loss, the tax base of assets and liability, the tax profits and the tax losses, and the tax rates.

IAS 19 (Amendments)

"Plan Amendment, Curtailment or Settlement" The amendments specify how entities should determine the retirement costs when changes are made to defined benefit pension plans.

Annual Improvements to the IFRS (2015 - 2017 Cycle)

The amendments listed below include changes to four IFRSs.

IFRS 3 "Business Combinations"

The amendments clarify how an entity remeasures its previously held share in a jointly controlled activity when it acquires control of that entity.

IFRS 11 "Joint Arrangements"

The amendments clarify how an entity does not remeasure its previously held share in a jointly controlled activity when it acquires joint control of that entity.

IAS 12 "Income taxes"

The amendments clarify that an entity accounts for all the effects on income tax on dividend payments in the same way.

IAS 23 "Borrowing Costs"

The amendments clarify how an entity treats as part of general borrowing any loan specifically committed to the development of an asset when that asset is ready for its intended use or sale.

Compulsory Standards and Interpretations for later periods

IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 01 January 2021)
IFRS 17 was issued in May 2017 and replaces IFRS 4. IFRS 17 establishes the principles for the recognition, measurement and presentation of insurance contracts within the scope of the standard as well as related disclosures. The purpose of the standard is to ensure that an entity provides relevant information that gives a fair view of these contracts. The new standard solves the comparability problems created by IFRS 4 as it requires all insurance contracts to be accounted for in a consistent manner. Insurance liabilities will be measured at fair value rather than historical cost. This standard has not been adopted yet by the European Union.

IFRS 3 (Amendments) "Definition of business combination" (effective for annual periods beginning on or after 1 January 2020).
The new definition focuses on the concept of performance of an enterprise in the form of providing goods and services to customers, as opposed to the previous definition that focused on returns in the form of dividends, lower costs or other economic benefits to investors and other parties. These amendments have not been adopted by the European Union yet.

IAS 1 and IAS 8 (Amendments) "Determination of the substance" (effective for annual periods beginning on or after 1 January 2020).
The amendments clarify the definition of the substance and how it should be used, supplementing the definition with instructions that have been provided so far in other parts of the IFRS. In addition, the clarifications accompanying the definition have been improved. Finally, the amendments ensure that the definition of the substance is consistently applied to all IFRSs. These amendments have not been adopted by the European Union yet.

2.1.2 Changes in accounting policies

Own-used tangible fixed assets.

It is noted that in the current period the Company has decided to change the accounting policy for the valuation of land and buildings from the fair value method to the historical cost method. Therefore, 2019 is the year of the first application (of the historical cost method) and the transition date was set on 1/1/2019 (31/12/2018). This decision was based on reasons of uniformity in the accounting policies with the Group to which the Company now belongs. More specifically, parent company "ORKLA FOOD INGREDIENTS AS", follows the historical cost model for monitoring the assets included in the Buildings - Land categories and for this reason it was decided to change the accounting policy.

More specifically, based on the Company's accounting policies, land and buildings were presented at the financial position at their adjusted value, which was the fair value at the adjustment date less any accumulated depreciation. It is noted that revaluations were carried out at regular intervals to ensure that the carrying amounts do not differ materially from those determined using the fair value at the end of each annual accounting period. Following the change in accounting policy, all asset classes included in the "Buildings and land" category are now stated at their historical cost less accumulated depreciation and impairment. The Company's accounting policy from January 1, 2019 onwards is described in note 2.3. Due to the change in the accounting policy for the valuation of land and buildings, the Company adjusted its "Own-used tangible fixed assets", its "Equity - adjustment differences", "Deferred tax liabilities" and "Other comprehensive income" of the previous years as follows:

Own-used tangible assets	**31/12/2018**	**01/01/2018**
Balance based on the fair value model accounting policy (published)	**6.083.507**	**6.026.136**
Adjustment of assets at fair value entered in the Income Statement	0	0
Adjustment of fixed assets at fair value that was registered in the Statement of Comprehensive Income (asset revaluation reserves)	-466.162	-350.808
Adjusted balance based on the acquisition cost history model accounting policy on 31/12/2018 and 1/1/2018 respectively	**5.617.344**	**5.675.328**

	31/12/2018		**01/01/2018**	
Equity:	**Differences of adjustment**	**Profits / Losses**	**Differences of adjustment**	**Profits / Losses**
Balance based on the fair value model accounting policy (published)	**349.622**	**15.841.133**	**249.074**	**13.944.962**
Revaluation of fixed assets at fair value that was registered in the Profit and Loss Statement	0	0	0	0
Adjustment fixed assets at fair value that was registered in the Comprehensive Income Statement (fair value reserve)	-466.162	0	-350.808	0
Deferred taxation on asset adjustments at fair value	116.541	0	101.734	0
Period depreciation adjustment	0	0	0	0
Adjusted balance based on the fixed assets accounting policy that is based on the historical acquisition cost model	**0**	**15.841.133**	**0**	**13.944.962**

Deferred tax liabilities	**31/12/2018**	**01/01/2018**
Adjusted balance based on the fair value model accounting policy (published)	**258.563**	**284.048**
Deferred taxation on asset adjustments at fair value	-116.541	-101.734
Deferred taxation on the adjustment of period depreciations	0	0
Adjusted balance based on the acquisition cost history model accounting policy	**142.022**	**182.313**

	31/12/2018	**31/12/2018**
Statement of Comprehensive Income	**Period result**	**Comprehensive income**
Balance based on the fair value model accounting policy (published)	**2.140.444**	**2.125.475**
Period depreciation adjustment	0	0
Other adjustments	0	-8.988
Valuation at fair value of assets	0	-122.079
Income tax over fair value of assets	0	30.520
Adjusted balance based on the acquisition cost history model	**2.140.444**	**2.024.927**

Finally, it is noted that the depreciation of previous year's buildings was not recalculated due to the insignificance of this amount.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the statement of comprehensive income.

2.3 Property, plant and equipment

Property, plant and equipment is comprised mainly of land, buildings, plant and machinery, motor vehicles and furniture and fixtures. Property, plant and equipment are shown at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful economic life, as shown on the table below for the main classes of assets:

Buildings	45-55 Years
Machinery	8-10 Years
Vehicles	8-10 Years
Other equipment	5-7 Years

2.4 Intangible assets

Computer software

Computer software includes primarily the costs of implementing the (ERP) computer software program. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (2 to 5 years).

2.5 Impairment of non-financial assets

The Company assesses, at each reporting date, whether an indication of impairment exists. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Assets that have an indefinite useful life are not subject to amortisation and, are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

2.6 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants related to Property, Plant and Equipment received by the Company are initially recorded as deferred government grants and included in "Trade and payables, non-current". Subsequently, they are credited to the statement of comprehensive income over the useful lives of the related assets in direct relationship to the depreciation charged on such assets.

2.7 Inventories

Inventories are evaluated at the lowest value between acquisition value and net realisable value. The acquisition cost is determined by the weighted average method. Borrowing cost is not included in the acquisition value of inventories. The net realisable value is estimated in accordance with the current sale prices of inventories in the context of usual business activity, after deducting any sales expenses.

2.8 Trade and other receivables

Trade receivables, which generally have 1-120 days terms, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables include bills of exchange and promissory notes from customers. For trade receivables, which are not in default, the Company applies the simplified approach, in accordance with IFRS 9 and calculates the expected credit losses throughout the life of the receivables.

The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. On the other hand, trade receivables in default are assessed on a case-by-case basis. The amount of the provision is recognised in the statement of comprehensive income.

2.9 Cash and cash equivalents.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less.

2.10 Share capital Reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income during the period of the borrowings using the effective interest rate method.

2.12 Trade payables and other liabilities

Trade payables and other liabilities are initially recognized at fair value. Subsequently they are measured at depreciated cost where the actual interest rate method is used. Liabilities are classified as short-term if the payment is due within a year or less. If not, they are presented at long-term obligations.

2.13 Current and deferred income tax

The tax expense or credit for the period comprises current and deferred tax. The income tax expense or credit for the period is the tax estimated on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, as well as additional taxes for prior years. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in Equity. In this case, the tax is also recognised in Equity. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

2.14 Employee benefits

Defined benefit pension plan

Under Greek labour laws, employees and workers are entitled to termination payments in the event of retirement with the amount of payment varying in relation to the employees or workers compensation and length of service. This program is considered as a defined benefit plan.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are expressed at the same currency and have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense (except where included in the cost of an asset), reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the statement of comprehensive income.

2.15 Provisions

Provisions for restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases related to the liability.

2.16 Revenue recognition

Revenue is recognised as follows:

(a) Sales of goods – wholesale

Revenue is recognised when a contractual promise to a customer (performance obligation) is fulfilled by transferring the promised goods (which is when the customer obtains control over the promised goods). If a contract contains more than one performance obligation, the total transaction price of the contract is allocated among the individual, separate performance obligations based on their relative standalone selling prices. The amount of revenue recognized is the amount allocated to the satisfied performance obligation based on the consideration that the Company expects to receive in accordance with the terms of the contracts with the customers.

Provision of services

For sales of services, revenue is recognised in the accounting period in which the services are rendered, as the customer obtains control over the promised services, by reference to stage of completion of each specific performance obligation and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Variable consideration

If the consideration in a contract includes a variable amount, the Company recognizes this amount as revenue only to the extent that it is highly probable that a significant reversal will not occur in the future.

Volume discounts

The Company provides volume discounts to customers based on thresholds specified in the respective contracts. Options for volume related discounts are assessed by the Company to determine whether they constitute a material right that the customer would not receive without entering into that contract. For all such options that are considered as material rights, the Company assesses the likelihood of its exercise and then the portion of the transaction price allocated to the option is deferred and recognized when it is either exercised or lapsed. Under the new requirements, the Company concluded that volume discounts constitute a material right which should be recognized over time up to the point it is either exercised or lapsed. The Company provides customers with discounts on sales volume based on the limits set out in their contracts. All such discounts are accrued within the financial year.

(b) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.17 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement

Company as a Lessee

Leases of property, plant and equipment, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in "Borrowings". The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

The Company does not presently have any leases that are classified as finance leases.

Leases where the lessor retains substantially a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

2.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared and appropriately authorised, or approved by the Company's Shareholders' General Meeting. Interim dividends proposed by the Board of Directors are recognized as liabilities upon proposal.

3. Critical accounting estimates and judgements

Estimates and judgements are continuously evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical accounting estimates and assumptions are

- Provision of the Income taxes.
- Provision for expected credit losses of receivables

4. Segment information

The Company is active in Greece, Cyprus and in the Balkans. The company allocates its commodities through its own distribution network for the district of Attica and Thessaloniki, and through dealers for the rest of Greece. The sales of the company, through its private network and wholesalers are as follows:

For the year ending 2019	**Sales**	**Cost of sales**	**Gross profit**	**Percentage**
Wholesalers	4.813.844	3.200.186	1.613.658	33,5%
Network	14.747.419	9.685.441	5.061.978	34,3%
Total	**19.561.263**	**12.885.627**	**6.675.636**	**34,1%**

For the year ending 2018	**Sales**	**Cost of sales**	**Gross profit**	**Percentage**
Wholesalers	5.226.933	3.472.501	1.754.432	33,6%
Network	14.955.435	9.832.955	5.122.480	34,3%
Total	**20.182.368**	**13.305.456**	**6.876.912**	**34,1%**

Sales per geographical territory are as follows:

	For the year ended	
	31 December 2019	**31 December 2018**
Export sales	1.078.831	1.149.880
Sales in Greece	18.482.432	19.032.488
Total	**19.561.263**	**20.182.368**

5. Property, plant and equipment

The changes in Property, plant and equipment are noted below

Assets	Land	Buildings	Plant Machinery	Motor vehicles	Furniture and fixtures	Under Construction	Total
As at 1 January 2018	**2.876.431**	**2.869.023**	**609.722**	**922.793**	**947.109**	**106.112**	**8.331.190**
Additions	0	0	6.500	25.982	5.520	2.500	40.502
Valuation at fair value	-23.780	145.859	0	0	0	0	122.079
Transfers and other movements	0	-139.179	0	0	0	0	-139.179
As at 31 December 2018	**2.852.651**	**2.875.703**	**616.222**	**948.775**	**952.629**	**108.612**	**8.354.592**
Accumulated Depreciation							
As at 1 January 2018	**0**	**119.539**	**590.003**	**675.612**	**919.901**	**0**	**2.305.055**
Charge for the year	0	43.314	5.426	45.367	11.103	0	105.210
Valuation at fair value	0	0	0	0	0	0	0
Transfers and other movements	0	-139.179	0	0	0	0	-139.179
As at 31 December 2018	**0**	**23.673**	**595.429**	**720.979**	**931.005**	**0**	**2.271.086**
Net Book Value at 31 December 2018	**2.852.651**	**2.852.030**	**20.793**	**227.796**	**21.625**	**108.612**	**6.083.507**
Change in accounting policy	-62.008	-404.154	0	0	0	0	-466.162
Adjusted balance 31.12.18	**2.790.643**	**2.447.876**	**20.793**	**227.796**	**21.625**	**108.612**	**5.617.344**
Assets							
As at 1 January 2019	**2.790.643**	**2.471.549**	**616.222**	**948.775**	**952.629**	**108.612**	**7.888.430**
Additions	12.026	0	0	0	17.132	0	29.158
Valuation at fair value	0	0	0	0	0	0	0
Reversal fair value reserve	0	0	0	0	0	0	0
Transfers and other movements	0	0	0	0	0	0	0
As at 31 December 2019	**2.802.669**	**2.471.549**	**616.222**	**948.775**	**969.761**	**108.612**	**7.917.588**
Accumulated Depreciation							
As at 1 January 2019	**0**	**23.673**	**595.429**	**720.979**	**931.005**	**0**	**2.271.086**
Charge for the year	0	37.312	5.029	43.778	11.679	0	97.798
Valuation at fair value	0	0	0	0	0	0	0
Reversal fair value reserve	0	0	0	0	0	0	0
Transfers and other movements	0	0	0	0	0	0	0
As at 31 December 2019	**0**	**60.986**	**600.459**	**764.756**	**942.684**	**0**	**2.368.884**
Net Book Value at 31 December 2019	**2.802.669**	**2.410.564**	**15.764**	**184.018**	**27.077**	**108.612**	**5.548.704**

It is noted that in the current period the Company has decided to change the accounting policy for the valuation of land and buildings from the fair value method to the historical cost method. Therefore, 2019 is the year of the first application (of the historical cost method) and the transition date was set on 1/1/2019 (31/12/2018). This decision was based on reasons of uniformity in the accounting policies with the Group to which the Company now belongs. More specifically, parent company "ORKLA FOOD INGREDIENTS AS", follows the historical cost model for monitoring the assets included in the Buildings - Land categories and for this reason it was decided to change the accounting policy. No tangible liens or commitments have been placed on the fixed assets of the company Concerning the valuation of land - buildings, see specifically note 2.3

6. Rights to use fixed assets

IFRS 16 introduces a single model for accounting, from the lessee's part, which requires from the lessee to acknowledge assets and liabilities for all leases lasting for more than 12 months, unless the asset in question is of insignificant value.

The Company applied, for the first time, IFRS 16 on January 1, 2019 using the modified retrospective approach. Based on this approach, the Company:

(a) recognizes a liability that is measured at present value as a result of the discounting of the rents remaining to be paid at the borrowing rate in force at the date of the initial application;

b) recognizes a right to use the asset by measuring that right at an amount equal to the corresponding liability to be recognized. Following the initial recognition, the Company will a) measure the rights to use the assets and depreciate them consistently throughout the lease, and b) measure the corresponding liability, increasing and decreasing the open balance in a way that reflects interest and rent payments respectively.

Accounting Operation

In adopting IFRS 16, the Company applied a single accounting framework for all leases.

- The Company has recognized the right to use fixed assets and liabilities for these leases previously classified as operating except for the low value leases.
- The lease liability is recognized as the present value of the outstanding payments, discounted at the cost of additional borrowing at the date of the initial application.
- The Company has implemented the facilitation practices as follows:
- It used a single discount rate on leases that was determined based on the 10-year Greek government bond rate increased with credit risk.
- Evaluated, based on past experience, the duration of the leases whose contract includes a term of extension or termination.

The Company's new accounting policies when adopting IFRS 16, effective from the date of the initial application are presented below:

Right to use fixed assets

The Company recognizes the right to use fixed assets at the commencement of the lease (the date the asset is available for use). The rights to use fixed assets are measured at cost less accumulated depreciation and impairment, adjusted when measuring the corresponding lease liabilities. The rights to use fixed assets are subject to impairment testing.

Lease liabilities

At the commencement of the lease, the Company recognizes lease liabilities equal to the present value of the leases over the entire term of the lease. Following the commencement of the lease, the amount of the lease liabilities is increased by interest expenses and it is reduced by the lease payments made.

The movement of rights to use assets and lease liabilities is as follows.

Rights to use fixed assets

Cost	**Plant Machinery**	**Motor vehicles**	**Total**
As at 1 January 2019	0	153.019	153.019
Additions	0	0	0
Modification	0	0	0
As at 31 December 2019	0	153.019	153.019
Accumulated Depreciation			
As at 1 January 2019	0	0	0
Charge for the period	0	48.371	48.371
As at 31 December 2019	0	48.371	48.371
Net Book Value at 31 December 2019	**0**	**104.648**	**104.648**

Lease liability	**Plant Machinery**	**Motor vehicles**	**Total**
Long-term lease liabilities			
Balance on 01/01/2019	0	58.082	58.082
Period payments	0	0	0
Balance on 31/12/2019	**0**	**58.082**	**58.082**
Short-term lease liabilities			
Balance on 01/01/2019	0	94.937	94.937
Period interest	0	5.356	5.356
Period payments	0	-52.008	-52.008
Balance on 31/12/2019	**0**	**48.285**	**48.285**

7. Inventories

The balances of inventories on 31/12/2019 and 31/12/2018 respectively are noted below:

	As at	
	31 December 2019	**31 December 2018**
Purchased stocks for resale	2.632.329	2.903.662
Stocks under received	283.814	306.002
Total	**2.916.143**	**3.209.664**

The cost of inventories recognised as an expense and included in "Cost of sales" amounted to € 12.834.182 (2018: €13.255.054)

8. Trade receivables

The balances from trade receivables are analysed below:

	As at	
	31 December 2019	**31 December 2018**
Trade receivables	7.402.354	7.753.655
- Less: Provision for impairment of receivables	-1.292.546	-1.212.546
Trade receivables net	**6.109.807**	**6.541.109**

The table below analyses total trade receivables based on their maturity.

	As at	
	31 December 2019	**31 December 2018**
Not past due	4.821.561	6.389.339
Past due	2.580.793	1.364.316
Total trade receivables	**7.402.354**	**7.753.655**

Past due trade receivables are analysed as follows:

	As at	
	31 December 2019	**31 December 2018**
Up to 30 days	624.621	96.192
30 - 90 days	462.789	73.341
Over 90 days	1.493.383	1.194.783
Total past due trade receivables	**2.580.793**	**1.364.316**

It is noted that the Company, from 1 January 2018, implements the simplified approach of IFRS 9 and calculates the expected credit losses throughout the life of its trade receivables. At each balance sheet date, the Company checks if there is a trade receivables impairment by using a table based on which the expected credit losses are calculated.

The movement in the provision for impairment of trade receivables is set out below:

	As at	
	31 December 2019	**31 December 2018**
Balance at 1 January	1.212.546	1.116.756
Charged / (credited) to the income statement:		
- Additional provisions	80.000	95.790
- Unused amounts reversed	0	0
Balance at 31 December	**1.292.546**	**1.212.546**

9. Other receivables

The balances from other receivables are analysed below:

	As at	
	31 December 2019	**31 December 2018**
Income tax - prepayment	252.475	10.573
Prepaid expenses and accrued income	124.648	96.770
Other receivables	0	35.314
Total other receivables	**377.122**	**142.657**

10. Cash and cash equivalents

The balances of cash and cash equivalents are analysed as follows:

	As at	
	31 December 2019	**31 December 2018**
Cash at bank	10.136.910	8.093.498
Cash in hand	68.415	136.890
Cash and cash equivalents	**10.205.326**	**8.230.388**

11. Share capital

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is € 0,33 (31 December 2018: € 0,33).

	Number of shares	**Share capital**	**Total**
As at 31 December 2018	7.500.000	2.475.000	2.475.000
As at 31 December 2019	7.500.000	2.475.000	2.475.000

12. Deferred income tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The gross movement on the deferred income tax liability is as follows:

	As at	
	31 December 2019	**31 December 2018**
Beginning of the year	142.022	284.048
Changes in accounting policies	0	-116.541
Income statement charge	25.560	-16.975
Charged / (released) to equity	-9.366	-8.510
End of year	**158.216**	**142.022**

Deferred tax relates to the following types of temporary differences:

	As at	
	31 December 2019	**31 December 2018**
Intangible and tangible fixed assets	331.525	319.357
Employee benefits provision	-100.517	-90.296
Provision for bad debts	-73.015	-87.039
Other temporary differences	223	0
	158.216	**142.022**

13. Retirement benefit obligations

The table below analyzes how the amounts related to the Company's pension benefits have been recorded in the financial statements.

	As at	
	31 December 2019	**31 December 2018**
Beginning of the year	362.981	188.676
Actuarial (gain)/ loss arising in the period	39.025	154.023
Current Service Cost	12.440	17.451
Net Interest on Defined Benefit Obligation	6.171	2.830
End of the year	**420.616**	**362.981**

The principal actuarial assumptions used were as follows:

	As at	
	31 December 2019	**31 December 2018**
Discount Rate	0,70%	1,70%
Future Salary Increases	2,00%	2,00%
Inflation	1,70%	1,75%

14. Trade payables

The balances of trade payables accounts are analysed below:

	As at	
	31 December 2019	**31 December 2018**
Suppliers	936.561	747.473
Payable checks – promissory notes	1.024.761	1.676.171
Other	0	0
End of the year	**1.961.322**	**2.423.645**

15. Other taxes payable and insurance liabilities

The balances of other payables and insurance liabilities are analysed below:

	As at	
	31 December 2019	**31 December 2018**
Other tax liabilities (excluding income tax)	345.706	341.858
Insurance organizations	115.768	113.601
Various creditors	0	0
Total	**461.474**	**455.459**

16. Expenses by nature.

The analysis of the Company's expenses and the allocation to the operations are as follows:

For the year ended 31.12.2019	Cost of sales	Administrative expenses	Selling and distribution expenses	Finance expense	Total
Personnel fees and expenses	0	863.998	2.174.702	0	**3.038.700**
Third party fees and expenses	34.666	113.012	9.966	0	**157.643**
Third party benefits	0	112.557	259.165	0	**371.723**
Fees - Taxes	0	3.016	52.211	0	**55.227**
Miscellaneous expenses	16.778	87.764	589.378	0	**693.920**
Interest and relevant expenses	0	0	0	29.890	**29.890**
Depreciations from assets	0	47.234	103.771	0	**151.005**
Provision	0	4.440	18.099	0	**22.539**
Cost of inventories	12.834.182	0	0	0	**12.834.182**
Total	**12.885.627**	**1.232.020**	**3.207.294**	**29.890**	**17.354.831**

For the year ended 31.12.2018	Cost of sales	Administrative expenses	Selling and distribution expenses	Finance expense	Total
Personnel fees and expenses	0	588.787	2.240.243	0	**2.829.030**
Third party fees and expenses	31.680	84.091	17.068	0	**132.839**
Third party benefits	0	76.803	326.012	0	**402.815**
Fees - Taxes	0	2.767	48.425	0	**51.193**
Miscellaneous expenses	18.722	84.276	528.830	0	**631.828**
Interest and relevant expenses	0	0	0	21.539	**21.539**
Depreciations from tangible assets	0	3.407	101.804	0	**105.210**
Depreciations of intangible assets	0	0	2.440	0	**2.440**
Cost of inventories	13.255.054	0	0	0	**13.255.054**
Total	**13.305.456**	**840.131**	**3.264.822**	**21.539**	**17.431.948**

17. Other operating income / (expenses)

The other operating income / (expenses) of the company are analysed below:

	31 December 2019	31 December 2018
Revenue from purchase discounts - commissions	122.854	160.159
Discounts due to one-time payment of foreign houses	125.744	131.482
Collection of expenses for organizing exhibition	61.041	0
Involvement of foreign companies in advertising costs	22.244	19.938
Involvement of foreign companies in the cost of samples	30.276	38.592
Miscellaneous income	20.696	19.496
Other operating income	**382.855**	**369.667**
Losses on accounts receivables	-80.000	-95.790
Losses from expired and destroyed inventories	-23.631	-39.077
Miscellaneous expenses	-4.187	-4.801
Other operating (expenses)	**-107.818**	**-139.669**
Other operating (expenses) / income - net	**275.037**	**230.000**

18 Income tax expense

The income tax relating to components of comprehensive income, is as follows:

	For the year ending	
	31 December 2019	**31 December 2018**
Current tax	583.250	868.086
Prior year tax	0	0
Deferred tax	25.560	-8.510
Total	**608.810**	**859.576**

The corporate income tax rate is 24% for 2019 and 29% for 2018. In accordance with the applicable tax provisions, tax audits are conducted as follows:

Audits by Certified Auditors – Tax Compliance Report.

Effective for fiscal years ending 31 December 2011 onwards, Greek companies meeting certain criteria can obtain an “Annual Tax Certificate” as provided for by par.5, article 82 of L.2238/1994 and article 65a of L.4174/2013 from their statutory auditor in respect of compliance with tax law.
The issuance of a Tax Compliance Report, under certain conditions, substitutes the full tax audit by the tax authorities; however, the tax authorities reserve the right of future tax audit. The Company has received unqualified Tax Compliance Reports, for fiscal years up to 2018 (inclusive). The tax

audit for the financial year 2019 is in progress, the issuance of Tax Compliance Report is expected to be issued within the fourth quarter of 2020 and management expects it to be unqualified. Numerical reconciliation of income tax expense to tax payable is as follows:

	For the year ending	
	31 December 2019	**31 December 2018**
Profit / (loss) before Tax	**2.501.410**	**3.000.021**
Tax rate	**24%**	**29%**
Tax calculated at tax rates applicable to profits	-600.338	-870.006
Tax on expenses not deductible for tax purposes	-18.815	-23.229
Adjustments to deferred tax due to changes in tax rate	10.342	30.190
Other movements		3.469
Tax (Charge) / Credit	**-608.810**	**-859.576**
Effective tax rate	**-24,3%**	**-28,7%**

19. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding the weighted average number of treasury shares.

	As at	
	31 December 2019	**31 December 2018**
Net income attributable to ordinary shares	1.892.599	2.024.927
Weighted average number of ordinary shares	7.500.000	7.500.000
Earnings per share attributable to the Company Shareholders	**0,2523**	**0,2700**

20. Dividends per share

The Board of Directors intends to propose the distribution of a dividend of € 8,200,000 at the next Annual Ordinary General Meeting of shareholders.

21. Contingencies and litigation

Information with regard to probable payables

There are no litigious or under arbitration differences among court and arbitration bodies or decisions by court or arbitration bodies that have or may have a significant impact on the financial standing or operation of the Company.

Information with regard to probable receivables

There are no probable demands requiring special reference in the financial statements of company.

22. Related party transactions

Proceeds, costs and expenses, which arise from transactions between the Company and related parties, are included in the statement of comprehensive income. Such transactions are mainly comprised of sales and purchases of goods and services in the ordinary course of business.

	For the year ended	
Sales of goods and services to related parties	**31 December 2019**	**31 December 2018**
To group entities	124.652	0
To other related parties	0	0
Total	**124.652**	**0**
Purchases of goods and services from related parties		
From group entities	2.403.457	0
From other related parties	0	0
Total	**2.403.457**	**0**

The statement of financial position includes balances, which derive from sales / purchases of goods and services in the ordinary course of business.

	As at	
Balances due to related parties	**31 December 2019**	**31 December 2018**
To group entities	922.808	0
To other related parties	0	0
Total	**922.808**	**0**
Balances due from related parties		
From group entities	19.545	0
From other related parties	0	0
Total	**19.545**	**0**

Key management includes directors and General Managers. The compensation paid or payable to the aforementioned key management amounted as follows:

	For the year ended	
Payments to management and Company executives	**31 December 2019**	**31 December 2018**
Transactions and fees for Directors	430.072	587.977
Receivables from Directors	0	0
Payables to Directors	0	11.342

No loans have been granted to members of the Board, or to any Management personnel (including their families).

23. Modification of comparative data for 2018

Some balances of the statement of financial position as at 31.12.2018 have been restated to make them comparable to those of the current fiscal year. This modification did not change the net position. These amendments are as follows.

	For the year ending 31.12.2018	
	Published	**Modified**
Other receivables	1.313.915	142.657
Income tax - prepayment	-819.891	0
Trade payables	-2.993.140	-2.423.645
Inventories	2.903.662	3.209.664
Other taxes payable and insurance liabilities	0	-455.459
Other payables	0	-68.274
Dividends payable	0	-398
Total	**404.546**	**404.546**

24. Events after the end of the reporting period

There were no material events after the end of the reporting period and up to the date of publication of the financial statements.

The persons responsible for the preparation of the annual Financial Report

Acharnes March 9, 2020

Stylianos Kanakis	**Eleftheria Kanaki**	**Athanasios Syrmos**
Vice-President & Managing Director	**Director and Alternate Managing Director**	**Chief Financial Officer**