

**Financial Statement of Sarantis Romania S.A.**  
**for period**  
**from 1 January 2019 to 31 December 2019**

## Sarantis Romania S.A.

Financial Statement for the period from 1 January 2019 to 31 December 2019 (in RON)

### INTRODUCTION TO THE FINANCIAL STATEMENT THE GENERAL INFORMATION

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

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

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

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

#### 2. Company's Address

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

Warehouse address:

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

#### 3. Management Board of the Company

On 31 December 2019 the Management Board members are :

Grigorios Sarantis – President of the Board

Kyriakos Sarantis – Vice-president of the Board

Konstantinos Rozakeas – Member of the Board

Vasileios Meintanis – Member of the Board

Pantazis Sarantis – Member of the Board

Elpiniki Sarantis – Member of the Board

Grigorios Sarantis – Member of the Board

To represent the Company to third parties are entitled:

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

#### 4. Statutory Auditor

BDO AUDIT SRL

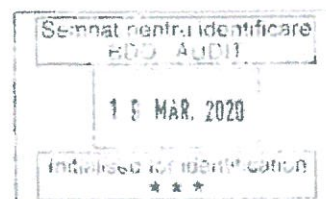
Invingatorilor St. No. 24, District 3, Bucharest, Romania

RO6546223

#### 5. Name of the parent company

GR Sarantis S.A. - Greece

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**6. Name of the ultimate parent company**

GR Sarantis SA, Greece

**7. Principles of presentation**

**Information on principles adopted for preparation of financial statement for 2019**

The financial statement has been prepared in accordance with accounting principles contained in the International Financial Reporting Standards adopted by the European Union. The financial statement covers the period from 1 January to 31 December 2019 and the comparative period from 1 January to 31 December 2018.

The financial statement is compliant with all IFRS requirements adopted by the EU and present a true and fair view of the Company's financial position as of 31 December 2019 and 31 December 2018, results of its activity and cash flows for the year ended 31 December 2019 and 31 December 2018.

**8. Statement of the Management Board**

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

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

**Bucharest, 19th of March 2020.**

The Management Board:

*President of the Board*  
Grigorios Sarantis

*Vice President of the Board*  
Kyriakos Sarantis

*Member of the Board*  
Konstantinos Rozakeas

*Member of the Board*  
Meintanis Vasileios

*Member of the Board*  
Pantazis Sarantis

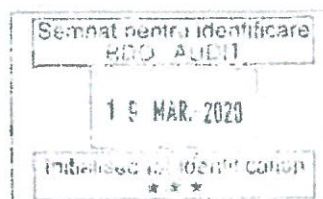
*Member of the Board*  
Grigorios Sarantis

*Member of the Board*  
Elpiniki Sarantis

Nenad Marinkovic  
Executive Manager



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**9. Significant accounting principles**

**Basic of the financial statement**

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

**Consolidated financial statement**

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

**Functional currency and presentation currency of financial statements**

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

**Judgments and evaluations**

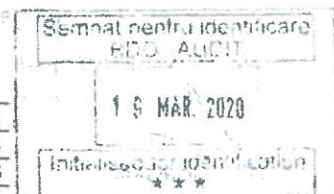
Judgments, evaluations and assumptions, which have significant influence on accounting principles, presenting value of assets, liabilities, costs and incomes are required by the Management Board. Evaluations and assumptions based on the historical experience and other factors rationally justified, their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

**Fixed assets**

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

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

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



If there have been events or changes, which indicate that the carrying amount of fixed assets may not be recoverable, the assets are analyzed. If there are indications of impairment, the company makes estimation



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of recoverable amounts of particular assets. Loss is included if accounting value of asset is higher than estimated recoverable value.

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

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

**Leasing (from 2019)**

For each contract concluded on or after January 1, 2019, the Company decides whether the contract is or includes leasing. Leasing is defined as a contract or part of a contract that delegates the right to control the use of an identified asset (underlying asset) for a given period in exchange for consideration. To this reason, three basic aspects are analyzed:

- whether the contract relates to an identified asset that is either clearly specified in the contract or implicitly when the asset is made available to the Group,
- whether the Company has the right to obtain substantially all economic benefits from the use of the asset over the entire useful life to the extent specified in the contract,
- whether the Company has the right to direct the use of the identified asset over the entire useful life.

At the commencement date, the Company recognizes an asset under the right of use and a liability under the lease. The right of use is initially measured at the purchase price consisting of the initial value of the lease liability, initial direct costs, an estimate of the costs expected in connection with the dismantling of the underlying asset and the lease payments paid on or before the start date, less leasing incentives.

The Company depreciates use rights on a straight-line basis from the start date until the end of the useful life period or the end of the lease term, depending on which of these dates is earlier. If there are indications, the rights to use are tested for impairment in accordance with IAS 36.

As at the commencement date, the Company measures the lease liability at the present value of the remaining lease payments using the interest rate of the lease, if it can be easily determined. Otherwise, the lessee's marginal interest rate applies.

Lease payments included in the value of the lease liability consist of fixed lease payments, variable lease payments dependent on the index or rate, amounts expected to be paid as a guaranteed residual value and payments for call options if they are reasonably certain.

In subsequent periods, the lease liability is reduced by repayments made and increased by accrued interest. The valuation of the lease liability is updated to reflect changes in the contract and the reassessment of the lease term, exercise of the call option, guaranteed residual value or lease payments dependent on the index or rate. In principle, the revaluation of the liability is recognized as an adjustment to the asset due to the right of use. The company uses practical standards approved for short-term leasing and leasing in which the underlying asset is of low value. For such contracts, lease payments are recognized in profit or loss on a straight-line basis over the lease term. The Company presents right of use in the same items of the statement of financial position as the underlying assets, i.e. in tangible fixed assets.

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**Intangible assets**

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

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

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

Acquired computer software 3 - 22 years

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

**Valuation of shares in subsidiary entities**

Not applicable.

**Financial instruments**

Not applicable.

*Financial instruments other than derivatives.*

Receivables and deposits are presented on date of origin.

*Financial instruments estimated by financial results at fair value*

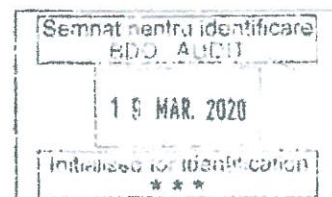
Not applicable.

*Investments retained until the maturity term*

Not applicable

*Receivables and loans*

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

*Derivative Financial assets not available for sale*

Not applicable

**Inventories**

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

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

**Receivables**

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

Trade receivables and other receivables in Ron are kept at historical value with consideration of allowances for bad debts. Trade receivables and other receivables in foreign currency are valued with National Bank of Romania exchange rate of the last day of the month each month, with consideration of allowances for bad debts. The Company establishes provisions only for certain debtors, when the collection is deemed uncertain. The value of the provision represents the difference between the book value and its recoverable value. The value of the provision is recognized in the profit and loss account.

**Cash and cash equivalent**

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

**Trade incomes**

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

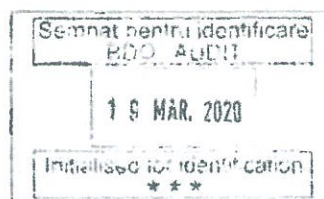
**Equity capital**

Equity capital is divided by types, in accordance with law obligations and resolutions of Company Statute.

Share capital is presented in the nominal value, in the amount according to the Company Statute and entry in the commercial register. Own funds of the Company are decreased by due contributions to the share capital.

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

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### Loan and credits

Loans and credits are presented at the fair value of received inflows decreased by the costs of transactions.

Loans and credits are valued at the amortized acquisition price in accordance with effective interest rate.

### Transactions in foreign currency

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

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

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

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

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

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

Exchange rate at the day	31.12.2019	31.12.2018
USD	4.2608	4.0736
EUR	4.7793	4.6639
CHF	4.4033	4.1404
GBP	5.6088	5.1931

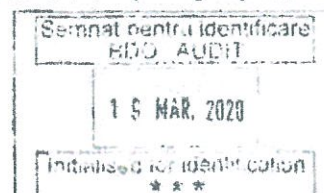
### Income tax

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

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

The rate of the corporate tax for 2018, respectively for 2019, was 16%.

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



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

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

### Fixed assets available to sale

Fixed assets available to sale satisfy following criteria:

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

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

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

### Provisions

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

### Liabilities

Trade and other liabilities are measured at the due amount.

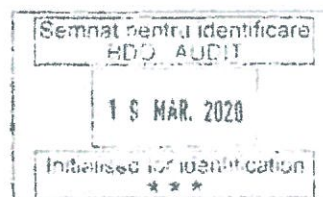
### Contingent liabilities

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

### Application of the accounting principles

The above principles are applicable for comparative data.

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

Changes in standards or interpretations in force and applied by the Company from 01.01.2019.

New or amended standards and interpretations that are effective from January 1, 2019 and their impact on the Company's financial statements:

▪ **New IFRS 16 Leasing**

The new standard replaces IAS 17 and several interpretations. In addition to changing the definition of leasing, it introduces significant changes in the accounting of lessees: the standard requires that the value of the "right of use" and an equivalent financial liability be included in the balance sheet for each leasing contract. The right of use is then depreciated, while the liability is measured at amortized cost. In certain situations specified in the standard, the lease liability is subject to revaluation, the effects of which are generally recognized as an adjustment to the value of the right of use.

Simplifications are foreseen for short-term contracts (up to 12 months) and contracts for the use of low-value assets, which the Company adopted in its accounting principles. This simplification consists in not including the lease liability in respect of these contracts.

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

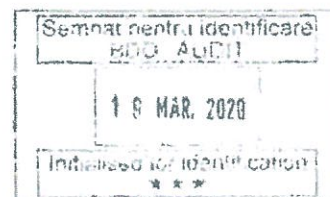
The new standard has a significant impact on the Company's financial statements. The Company implemented IFRS 16 using a modified retrospective method, i.e. without transforming comparative data, including the combined effect of the first application of the standard as an adjustment to the opening balance of retained earnings on the date of first application. In addition, the Company applied the following practical solutions approved by the standard:

- as at the date of first application of IFRS 16, the Company did not re-assess whether the contract is a lease or whether it includes a lease; The company applied the standard only to contracts that before that date were identified as leasing in accordance with IAS 17 and IFRIC 4,
- the value of the right of use under contracts previously classified by the Company as operating leases in accordance with IAS 17 as at the date of first application of IFRS 16 was determined in the amount of lease liabilities adjusted for fees and prepayments recognized in the statement of financial position immediately before the date of first application,
- contracts whose leasing period ends in 2019 and for which contracts were annexed in 2019 whose term of validity fell within a period of less than 12 months (car leasing contracts), the Company recognizes as costs using the straight-line method during the leasing period, instead of recognizing liabilities from this title.

Due to the use of simplifications, the Company used IAS 36 as at the date of the first application of IFRS 16 to assess the need to recognize impairment losses on assets under the right of use. The analysis did not indicate such necessity.

▪ **Amendment to IFRS 9 Financial Instruments.**

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The change consists in allowing qualification to the category of assets measured at amortized cost of such instruments, which in the event of early repayment result in the entity receiving less than the sum of capital and accrued interest (so-called negative remuneration).

The change in the standard did not affect the financial statement because there were no transactions covered by the changes.

▪ **New IFRIC 23 "Uncertainty about tax treatment of income"**

The interpretation to IAS 12 "Income Taxes" decides the approach to the situation when the interpretation of the provisions on income tax is not clear and it cannot be definitively assumed what solution will be accepted by tax authorities, including courts. Management should first assess whether it is likely that its interpretation will be accepted by tax authorities. If so, such an interpretation should be adopted for the preparation of the financial statements. If not, it should be taken into account the uncertainty of income tax amounts by the most probable or expected value method.

The new interpretation has no material impact on the financial statements, as the Company has not carried out transactions to which the changes relate.

▪ **Amendment to IAS 28 "Investments in associates and joint ventures".**

The amendment to the standard specifies that IFRS 9 should be applied to associates and joint ventures for financial instruments other than those accounted for using the equity method, even if these instruments are part of the net investment in such entity.

The change in the standard did not affect the financial statements because the Company does not have such financial instruments.

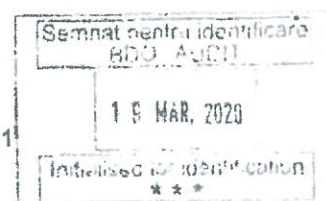
▪ **Amendments to IAS 12, Income Taxes, IAS 23, Borrowing Costs, IFRS 3, Business Combinations and IFRS 11, 'Joint Arrangements'.**

Smaller amendments to standards, introduced as part of annual changes to the standards (cycle 2015 - 2017):

- IAS 12: The IAS Board clarified the way income is recognized because of dividends. Tax is recognized when an obligation to pay dividends is recognized as a charge on the result or other comprehensive income or capital, depending on where the past transactions that generated the result are recognized.
- IAS 23: It was clarified that the debt originally intended to finance an asset that has already been completed is included in the total debt, the cost of which may later be capitalized in the value of other assets.
- IFRS 3: The IAS Board clarified that the rules regarding accounting for business combinations implemented in stages, including the need to value shares, also apply to previously held interests in joint operations.
- IFRS 11: the Supervisory Board clarified that a joint venturer, not exercising joint control, should he gain joint control over joint venture that is a venture, should not re-measure interests in that joint operation.

The changes did not affect the Company's financial statements because:

- The company is not a party to transactions subject to amendment to IAS 12,
- The Company does not conduct joint operations within the meaning of IFRS 11



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▪ **Amendment to IAS 19 'Employee benefits'**

According to the introduced change, if an asset or net liability under a defined benefit plan is re-measured as a result of changes, restrictions or settlement, an entity should:

- determine the current service cost and net interest for the period after re-valuation using the assumptions used for re-valuation, and
- determine net interest for the remaining period based on the discounted net asset or liability.

The change in the standard did not affect the financial statements, as the Company does not offer employees defined benefit post-employment programs.

Standards and interpretations in force in the version published by the IASB, but not approved by the European Union, are listed below in the section on standards and interpretations that have not entered into force.

Application of the standard or interpretation before the date of its entry into force

This financial statement does not make use of voluntary prior application of a standard or interpretation.

Published standards and interpretations that did not come into force for periods beginning on 1 January 2019 and their impact on the Company's report.

Until the date of preparation of these financial statements, new or amended standards and interpretations have been published, effective for annual periods after 2019. The list also includes changes, standards and interpretations published but not yet approved by the European Union.

▪ **New IFRS 17 "Insurance Contracts"**

A new standard regulating the recognition, valuation, presentation and disclosure of insurance and reinsurance contracts. The standard replaces the existing IFRS 4.

The Company estimates that the new standard will not affect its financial statements because it does not carry out insurance activity.

The standard applies to annual periods beginning on or after January 1, 2021.

▪ **Amendment to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies (Policy), Changes in Estimates and Correction of Errors"**

The change consists in the introduction of a new definition of the concept of "significant" (in relation to omission or misstatement in the financial statements). The current definition contained in IAS 1 and IAS 8 differed from the one contained in the Conceptual Framework for Financial Reporting, which could cause difficulties in making judgments by entities preparing financial statements. The change will harmonize the definitions in all applicable IAS and IFRS.

The Company estimates that the new standard will not affect its financial statements, as the materiality judgments made so far were consistent with those that would have been made using the new definition.

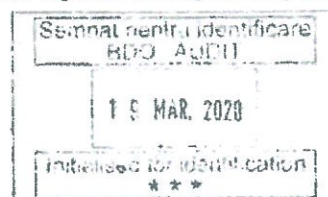
The changes apply to annual periods beginning on or after January 1, 2020.

▪ **Amendment to IFRS 3 "Business combinations"**

The change concerns the definition of the project and covers primarily the following issues:

- clarifies that the acquired set of assets and activities, in order to be treated as an enterprise, must also include input and significant processes that together will significantly participate in generating returns,

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- o narrows down the definition of reimbursement, and thus also the venture, focusing on goods and services provided to recipients, removing from the definition the reference to reimbursement in the form of cost reduction,
- o adds guidelines and illustrative examples to facilitate the assessment of whether a significant process has been acquired as part of a merger,
- o skipping the assessment of whether it is possible to replace the missing input or process and continue operating the venture to obtain a refund, and
- o adds the optional option of performing a simplified assessment to exclude that the acquired set of activities and assets is a business.

The change applies to business combinations for which the acquisition date falls during the first annual reporting period beginning on or after January 1, 2020, and for asset purchase transactions that occurred in that reporting period or later. Therefore, the change will not affect the data disclosed in the Company's current financial statements. At the moment, the Company is also unable to predict future acquisitions.

▪ Changes to references to conceptual assumptions in IFRS

The Board prepared a new version of the conceptual assumptions of financial reporting. For consistency, the references to conceptual assumptions in individual standards have been adapted accordingly.

The changes are effective for annual periods beginning on or after January 1, 2020, and in the Company's opinion, they will not affect its financial statements.

▪ Amendments to IFRS 9, IAS 39 and IFRS 7

The IAS Board introduced changes to hedge accounting in connection with the planned reform of reference interest rates (WIBOR, LIBOR, etc.). These rates are often a hedged item, for example when hedging with an IRS instrument. The planned replacement of existing rates with new reference rates raised doubts as to whether the planned transaction is still highly probable, whether future hedged flows are still expected or whether there is an economic link between the hedged and hedging items. The change to the standards specified that it should be assumed in the estimates that reference rates will not change. The changes apply to annual periods beginning on or after January 1, 2020. Due to the fact that the Company does not apply hedge accounting, the uncertainty associated with interest rate-based derivatives will not affect its financial statements.

Amendment to IAS 1 "Presentation of Financial Statements"

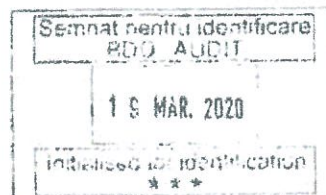
The IAS Board clarified the rules for classifying liabilities into long or short-term mainly in two aspects:

- it has been clarified that the classification depends on the rights the entity has at the balance sheet date,
- management intentions regarding the acceleration or delay of payment of the commitment are not taken into account.

The amendments apply to annual periods beginning on or after January 1, 2022.

Due to the fact that the Company, in the case of overdraft facilities granted for a period longer than one year, is guided by the intention of the management board regarding repayment, it is expected that the balances of such loans will be presented as long-term rather than short-term liabilities.

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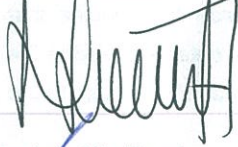
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The company intends to implement the above regulations within the deadlines provided for by standards or interpretations.

**Bucharest, 19th of March 2020**

The Management Board:

*President of the Board*  
*Grigorios Sarantis*



*Vice President of the Board*  
*Kyriakos Sarantis*



*Member of the Board*  
*Konstantinos Rozakeas*



*Member of the Board*  
*Meintanis Vasileios*



*Member of the Board*  
*Pantazis Sarantis*



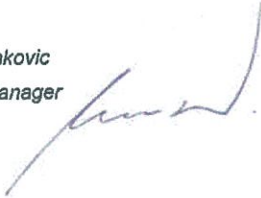
*Member of the Board*  
*Grigorios Sarantis*



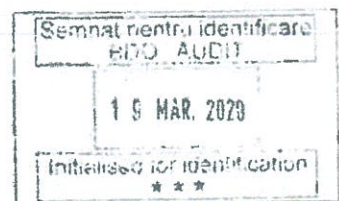
*Member of the Board*  
*Elpiniki Sarantis*



*Nenad Marinkovic*  
*Executive Manager*



Prepared by:  
Adina Handrea



Sarantis Romania S.A.

Financial Statement for the period from 1 January 2019 to 31 December 2019 (in RON)

STATEMENT OF FINANCIAL POSITION AS OF 31.12.2019

	31.12.2019	31.12.2018
Tangible Fixed Assets	7,027,732	6,920,767
ROU Tangible Fixed Assets	13,575,053	-
Intangible Fixed Assets	1,905,683	2,071,910
Deferred tax	159,138	347,250
Long-Term assets from associates	71,689,500	-
Other Long-Term assets	881,454	488,199
<b>TOTAL ASSETS</b>	<b>95,235,560</b>	<b>9,828,126</b>
Inventories	64,016,188	48,804,027
Trade receivables	67,252,687	71,169,736
Other receivables	457,804	326,123
Cash & cash equivalents	8,362,699	14,075,674
<b>TOTAL CURRENT ASSETS</b>	<b>140,089,377</b>	<b>134,375,560</b>
Assets Transitional Accounts	411,535	247,723
<b>TOTAL ASSETS</b>	<b>235,736,472</b>	<b>144,451,409</b>
Share capital	8,355,012	8,355,012
Share premium	1,877,517	1,877,517
Revaluations & Grants	899,802	899,802
Reserves	6,267,146	6,267,146
Carried forward Results	61,478,688	56,552,740
<b>TOTAL EQUITY</b>	<b>78,878,165</b>	<b>73,952,217</b>
Long Term Liabilities from Bank Loans	71,689,500	
Long Term Liabilities to Affiliates	11,948,250	
Long Term Liabilities	180,000	180,000
Long Term Lease Liabilities	12,003,844	
Suppliers	47,672,512	43,147,029
Loan Liabilities		23,332,687
Short Term Lease Liabilities	2,831,659	
Other liabilities	1,645,718	1,396,326
Dividends payables	4,591,065	
Tax Liabilities	2,906,637	2,107,201
Liabilities Transitional Accounts	1,389,122	335,950
<b>TOTAL LIABILITIES</b>	<b>235,736,472</b>	<b>144,451,409</b>

The Management Board:

President of the Board  
Grigorios Sarantis

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Kyriakos Sarantis

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Konstantinos Rozakeas

Member of the Board  
Meintanis Vasileios

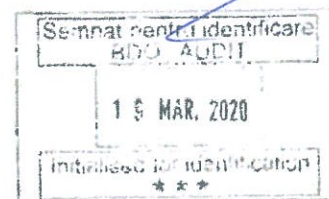
Member of the Board  
Nenad Marinkovic

Member of the Board  
Grigorios Sarantis

Member of the Board  
Elpiniki Sarantis

Executive Manager  
Adina Handrea

Prepared by:  
Adina Handrea



Sarantis Romania S.A.

Financial Statement for the period from 1 January 2019 to 31 December 2019 (in RON)

STATEMENT OF COMPREHENSIVE INCOME	31.12.2019	31.12.2018
Gross Sales	407,121,511	372,167,852
Less: Discounts and Allowances	-140,609,397	-127,678,983
<b>Net Sales</b>	<b>266,512,113</b>	<b>244,488,869</b>
Cost of Goods Sold	-181,326,072	-165,667,731
<b>Gross Profit</b>	<b>85,186,042</b>	<b>78,821,138</b>
<b>Operating expenses:</b>		
Marketing expenses	-13,454,242	-12,327,524
Commercial expenses	-14,930,516	-15,342,320
Logistic & Distribution expenses	-9,794,543	-9,072,634
Administrative expenses	-8,086,571	-7,821,218
Group overheads	-1,585,701	-1,985,548
<b>Net Operating Profit</b>	<b>37,334,469</b>	<b>32,271,894</b>
Gain/Loss from valuation of assets	486,897	2,719,362
Financial expenses	-4,023,177	-1,272,473
Financial income	1,055,589	296,445
<b>Net financial revenues and expenses</b>	<b>-2,480,691</b>	<b>1,743,333</b>
<b>Profit before Tax</b>	<b>34,853,778</b>	<b>34,015,227</b>
Income tax	-6,027,829	-5,465,489
<b>Net Profit</b>	<b>28,825,948</b>	<b>28,549,738</b>

The Management Board:

President of the Board  
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Pantazis Sarantis

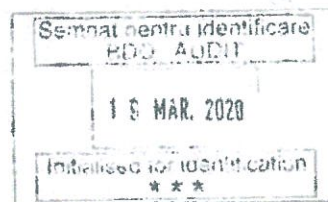
Member of the Board  
Grigorios Sarantis

Member of the Board  
Elpiniki Sarantis

Nenad Marinkovic  
Executive Manager



Prepared by:  
Adina Handrea





Sarantis Romania S.A.

Financial Statement for the period from 1 January 2019 to 31 December 2019 (in RON)

Cash Flow Statement as of 31.12.2019	31.12.2019 (RON)	31.12.2018 (RON)
<b>Cash flows from Operating Activities</b>		
Profit before Tax	34,853,778	34,015,227
<b>Adjustments:</b>		
Depreciation & amortization	3,882,248	450,062
Impairment of tangible & Intangible assets		-2,719,362
Foreign exchange differences	1,818,209	370,966
Interest expense and other related expenses	1,558,393	620,345
Gain/Loss from fixed assets sale	183,211	-3,303
Interest income and other related income	-409,014	-15,282
<b>Operational inflows before Working Capital</b>	<b>41,886,825</b>	<b>32,718,652</b>
<b>Plus/minus adjustments for changes in working capital accounts</b>		
Decrease / (increase) in Inventories	-16,954,467	-8,730,676
Decrease / (increase) in receivables	4,220,335	-23,485,172
(Decrease) / increase in liabilities (other than to banks)	3,121,814	30,657,806
Less :		
Interest and other related expenses, paid	-208,983	-616,199
Tax Paid	-6,480,904	-5,254,198
<b>Net inflows / (outflows) from operating activities (a)</b>	<b>25,584,620</b>	<b>25,290,212</b>
<b>Cash flows from Investment Activities</b>		
Acquisition/Disposal of subsidiaries, associates, joint ventures and other investments	0	9,404
Acquisition of tangible and intangible assets	-830,322	-1,918,066
Revenues from sale of tangible and intangible assets	278,197	31,872
Interest received	39,480	15,282
<b>Net inflows / (outflows) from investment activities (b)</b>	<b>-512,645</b>	<b>-1,861,508</b>
<b>Cash flows from Financial Activities</b>		
Inflows short term loans	28,549,000	0
(Outflows) short term loans	-40,266,650	0
Dividends paid	-19,067,300	-23,455,000
(Payment)/Proceeds from (purchase)/sale of own shares		
<b>Net inflows / (outflows) from financial activities (c)</b>	<b>-30,784,950</b>	<b>-23,455,000</b>
Effect of FX differences on cash		
Net increase / decrease in cash and cash equivalents for the period (a)+(b)+(c)	-5,712,975	-26,295
Cash and cash equivalents, beginning of the period	14,075,674	14,101,969
Cash and cash equivalents, end of the period	8,362,699	14,075,674

The Management Board:

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**Kyriakos Sarantis**  
 *Member of the Board*  
**Konstantinos Rozakeas**  
 *Member of the Board*  
**Meintanis Vasileios**  
 *Member of the Board*  
**Pantazis Sarantis**  
 *Member of the Board*  
**Grigorios Sarantis**  
 *Member of the Board*  
**Elpiniki Sarantis**  
 *Nenad Marinkovic*  
**Executive Manager**



Prepared by:  
Adina Handrea



Sarantis Romania S.A.

Financial Statement for the period from 1 January 2019 to 31 December 2019 (in RON)

STATEMENT OF CHANGES IN EQUITY

	Nominal share capital	Share premium	Revaluations & Grants	Reserves	Retained earnings	Total equity
<b>Equity as of 1 January 2018</b>	<b>8,355,012</b>	<b>1,877,517</b>	<b>899,802</b>	<b>6,267,146</b>	<b>52,202,360</b>	<b>69,601,837</b>
The dividends paid to shareholders 2018	-	-	-	-	23,455,000	23,455,000
IFRS 9 effect on prior years result					-744,358	-744,358
Net profit	-	-	-	-	28,549,738	28,549,738
<b>Equity as of 31 December 2018</b>	<b>8,355,012</b>	<b>1,877,517</b>	<b>899,802</b>	<b>6,267,146</b>	<b>56,552,740</b>	<b>73,952,217</b>
The dividends distributed to shareholders 2019	-	-	-	-	23,900,000	23,900,000
IFRS 9 effect on prior years result					0	0
Net profit current year	-	-	-	-	28,825,948	28,825,948
<b>Equity as of 31 December 2019</b>	<b>8,355,012</b>	<b>1,877,517</b>	<b>899,802</b>	<b>6,267,146</b>	<b>61,478,688</b>	<b>78,878,165</b>

The Management Board:

*President of the Board*  
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*Vice President of the Board*  
*Kyriakos Sarantis*  


*Member of the Board*  
*Konstantinos Rozakeas*  

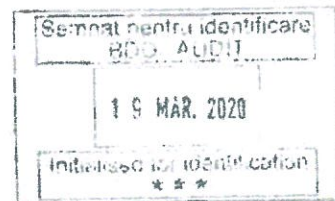

*Member of the Board*  
*Meintanis Vasileios*  


*Member of the Board*  
*Pantazis Sarantis*  


*Member of the Board*  
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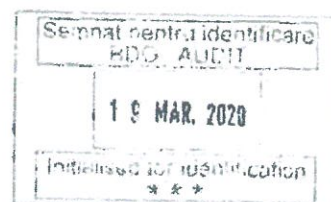
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## ADDITIONAL INFORMATION AND EXPLANATIONS

## 1. Tangible fixed assets and Right of use

## A. Tangible fixed assets

	31.12.2019	31.12.2018
Land	-	-
Buildings - Technical Works	1,098,529	1,115,958
Equipment & Other Equipment	618,934	605,207
Means of Transportation		
Furnitures	523,344	745,759
Fixed Assets under construction and prepayments	1,017	157,831
Investments in Property	4,782,908	4,296,012
<b>Tangible Fixed Assets</b>	<b>7,024,732</b>	<b>6,920,767</b>

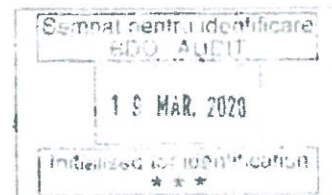
There are no tangible assets, which are a security for liabilities of the company as of 31st December 2019 and 31st December 2018.

As of December 31, 2019 and December 31, 2018, the Company did not have any liabilities due to finance leases.

At December 31, 2019 and December 31, 2018 the Company had no future investment commitments.

## Changes in tangible fixed assets according to the category criterion:

	Land - Investments in Property	Buildings - Technical Works	Equipment & Other Equipment	Means of Transportation	Furnitures	Assets under construction and prepayments	Total Tangible Assets
Asset Value-01.01.2018	1,576,649	255,367	2,032,338	289,091	1,128,305	1,017	5,282,767
Reevaluation	2,719,362						2,719,362
Acquisitions		1,164,478	394,875		316,767	156,814	2,032,934
Cost of Disposals			-280,717		-20,768		-301,485
Cost of write-offs			-116,892		-27,396		-144,288
Asset Value-31.12.2018	4,296,012	1,419,845	2,029,604	289,091	1,396,908	157,831	9,589,290
Reevaluation	486,897						486,897
Acquisitions in Period		204,914	191,363		266,317	-156,814	505,780
Cost of Disposals		-255,367	-6,095				-261,462
Cost of write-offs			-91,306		-732,916		-824,222
Asset Value-31.12.2019	4,782,908	1,369,393	2,123,566	289,091	930,309	1,017	9,496,283



Sarantis Romania S.A.

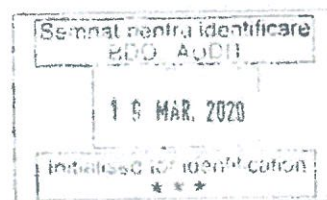
Financial Statement for the period from 1 January 2019 to 31 December 2019 (in RON)

	Land - Investments in Property	Buildings - Technical Works	Equipment & Other Equipment	Means of Transportation	Furnitures	Assets under construction and prepayments	Total Depreciation Tangible Assets
Accumulated Depreciation - 01.01.2018	0	234,440	1,673,916	289,091	619,646	0	2,817,093
Depreciation in Period		69,446	119,521		79,666		268,634
Depreciated value of Disposals			253,881		20,768		274,649
Depreciated value of write-offs			115,159		27,396		142,555
FX Difference							
Accumulated Depreciation - 31.12.2018	0	303,887	1,424,397	289,091	651,149	0	2,668,523
Depreciation in Period		222,344	170,597		78,781		471,723
Depreciated value of Disposals		255,367	90,363				345,729
Depreciated value of write-offs					322,965		322,965
FX Difference							0
Accumulated Depreciation - 31.12.2019	0	270,864	1,504,632	289,091	406,965	0	2,471,551

	Land - Investments in Property	Buildings - Technical Works	Equipment & Other Equipment	Means of Transportation	Furnitures	Assets under construction and prepayments	Total Net Value Tangible Assets
Net accounting value 01.01.2018	1,576,649	20,926	358,422	0	508,659	1,017	2,465,674
Net accounting value 31.12.2018	4,296,012	1,115,958	605,207	0	745,759	157,831	6,920,767
Net accounting value 31.12.2019	4,782,908	1,098,529	618,934	0	523,344	1,017	7,024,732

B. Right of Use

	31.12.2019	31.12.2018
ROU/Land-Fields	-	
ROU/Buildings - Technical Works	12,545,101	
ROU/Equipment & Other Equipment	-	
ROU/Means of Transportation	639,767	
ROU/Furnitures	390,185	
<b>ROU</b>	<b>13,575,053</b>	



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Financial Statement for the period from 1 January 2019 to 31 December 2019 (in RON)

Changes of ROU according to the category criterion:

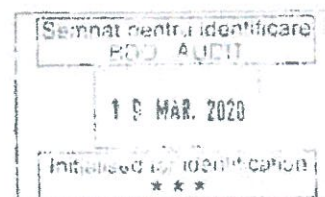
Total ROU	ROU/Land-Fields	ROU/Buildings - Technical Works	ROU/Equipment & Other Equipment	ROU/Mean of Transportation	ROU/Furniture	Total ROU
Acquisition Value- 31.12.2018	0	0	0	0	0	0
Acquisitions in Period		14,672,762		1,657,852	449,416	16,780,030
Acquisition Value- 31.12.2019	0	14,672,762	0	1,657,852	449,416	16,780,030

Total ROU	ROU/Land-Fields	ROU/Buildings - Technical Works	ROU/Equipment & Other Equipment	ROU/Mean of Transportation	ROU/Furniture	Total ROU
Accumulated Depreciation - 31.12.2018						0
Depreciation in Period		2,127,661		1,018,085	59,231	3,204,977
Accumulated Depreciation - 31.12.2019	0	2,127,661	0	1,018,085	59,231	3,204,977

Total ROU	ROU/Land-Fields	ROU/Buildings - Technical Works	ROU/Equipment & Other Equipment	ROU/Mean of Transportation	ROU/Furniture	Total ROU
Net accounting value 31.12.2018	0	0	0			0
Net accounting value 31.12.2019	0	12,545,101	0			13,575,053

2. Intangible fixed assets

	31.12.2019	31.12.2018
Property Rights	-	-
Research Expenses	-	-
Other formation expenses	-	-
Advances for Intangible Assets	-	-
Other Intangible Assets	1,905,683	2,071,910
Tangible Fixed Assets	1,905,683	2,071,910



Changes of intangible fixed assets according to the category criterion:

Total Intangible Assets	Other development expenses	Trademarks	Other intangible assets - computer software	Total Intangible Assets
Acquisition Value- 01.01.2018	23,866	42,542	4,856,332	4,922,740
Acquisitions in Period			63,477	63,477
Acquisition Value- 31.12.2018	23,866	42,542	4,919,809	4,986,217
Acquisitions in Period			39,321	39,321
Acquisition Value- 31.12.2019	23,866	42,542	4,959,131	5,025,538

Total Intangible Assets	Depreciation of other development expenses	Depreciation trademarks	Depreciation of other intangible assets - computer software	Total depreciation of Intangible Assets
Accumulated Depreciation - 01.01.2018	23,866	42,542	2,666,471	2,732,879
Depreciation in Period			181,428	181,428
Accumulated Depreciation - 31.12.2018	23,866	42,542	2,847,900	2,914,307
Depreciation in Period			205,548	205,548
Accumulated Depreciation - 31.12.2019	23,866	42,542	3,053,448	3,119,855

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**Sarantis Romania S.A.**

Financial Statement for the period from 1 January 2019 to 31 December 2019 (in RON)

Total Intangible Assets	Other development expenses	Trademarks	Other intangible assets - computer software	Total Intangible Assets
<b>Net accounting value 01.01.2018</b>	0	0	2,189,861	2,189,861
<b>Net accounting value 31.12.2018</b>	0	0	2,071,910	2,071,910
<b>Net accounting value 31.12.2019</b>	0	0	1,905,683	1,905,683

In 2019 and 2018, the Company did not make any changes to depreciation periods.

**3. Deferred tax**

Deferred tax as of 31 December 2019 results from:

Deferred tax asset	31.12.2019
Bad debt provision	1
POP stock	252,922
Accruals	563,184
<b>Total</b>	<b>816,107</b>

Deferred tax liability	31.12.2019
Bad debt provision	0
Land reevaluation	656,969
<b>Total</b>	<b>656,969</b>

**4. Inventories**

	31.12.2019	31.12.2018
<i>Finished Goods - Book Value</i>	61,265,924	44,768,877
<i>Raw Materials - Book Value</i>	-	122
<i>Packaging &amp; Other Auxiliary Materials - Book Value</i>	1,482,022	1,162,007
<i>Work in Process Semifinished Goods - Book Value</i>	-	-
<i>Advances to Third Party Suppliers</i>	369	-
<i>Advances to Affiliates</i>	-	-
<i>Goods in transit - Book Value</i>	3,010,179	2,873,022
<i>Stock(Finished, Raw mat)Alloc to Afill - Book Value</i>	-	-
<i>Impairment due to Obsolence</i>	(1,742,307)	-
	<b>64,016,188</b>	<b>48,804,027</b>

As of 31 December 2019 and 31 December 2018 has not been established any pledge on the inventories to secure the Company's liabilities.



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Sarantis Romania S.A.

Financial Statement for the period from 1 January 2019 to 31 December 2019 (in RON)

5. Trade receivables and other receivables

**Trade receivables**

	31.12.2019	31.12.2018
Trade receivables - Third Party	63,816,589	67,479,323
Trade receivables - Affiliates	-	209,646
Bad Debt Provision for Receivables from Customers	(270,727)	(192,204)
IFRS 9 Bad Debt Provision for Receivables from Customers	-	(652,946)
Notes Receivable In Portfolio	3,292,915	3,836,315
Notes Receivable In Banks to Collect	413,910	489,601
<b>Short-term receivables Total</b>	<b>67,252,687</b>	<b>71,169,736</b>

Trade receivables are interest-free and their term of payment is 30-120 days. As of 31 December 2019 receivables in amount of 270727 Ron were considered as difficult to recover and Company created provision for bad debts.

Movements regarding provision for bad debts were following:

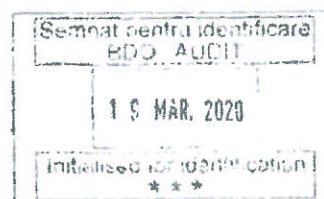
	01.01.2019- 31.12.2019	01.01.2018- 31.12.2018
<b>Beginning of a period</b>	<b>845,150</b>	<b>78,752</b>
Increases	120,000	120,000
Increases due to IFRS 9	0	886,141
Usage	-41,476	-6,549
Decreases – reversal	-652,946	-233,195
<b>At the end of a period</b>	<b>270,727</b>	<b>845,150</b>

**Currency structure of short-term trade receivables and other receivables**

	31.12.2019	31.12.2018
Receivables in the local currency	64,117,924	70,181,034
Receivables in the foreign currency	3,134,763	988,702
	<b>67,252,687</b>	<b>71,169,736</b>

	31.12.2019	31.12.2018
Receivables in EUR	3,134,763	988,702
Receivables in USD	-	-
	<b>3,134,763</b>	<b>988,702</b>

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



Prepared by:  
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**Sarantis Romania S.A.**

Financial Statement for the period from 1 January 2019 to 31 December 2019 (in RON)

**6. Transactions with affiliated entities**

**Receivables from affiliated entities:**

<b>Receivables from affiliated entities:</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Sarantis D.O.O. Serbia	-	41,616
Sarantis Skopje	-	-
Sarantis Bulgaria Ltd.	-	-
Sarantis Czech Republic s.r.o.	-	-
Sarantis Poland	-	146,853
Sarantis Hungary Kft.	-	21,177
<b>Total</b>	<b>0</b>	<b>209,646</b>

**Loan Receivables including interest :**

<b>Loan Receivables including interest (Euro value)</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Gr. Sarantis SA - Greece	15,029,391	-
	-	-
	<b>15,029,391</b>	<b>5,004,477</b>

**Loan Receivables including interest (Ron value)**

	<b>31.12.2019 (rate 4.7793)</b>	<b>31.12.2018 (rate 4.6639)</b>
Gr. Sarantis SA - Greece	71,829,967	-
	0	-
	<b>71,829,967</b>	<b>0</b>

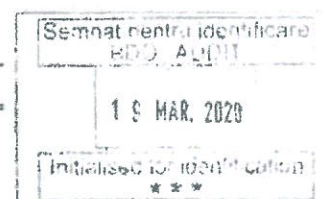
On 25.09.2019, Sarantis Romania granted GR.Sarantis a bond loan in value of 15.000.000 Euro, until 25.09.2023, with an interest of 2.475%.

**Liabilities to affiliated entities:**

<b>Liabilities to affiliated entities:</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Gr. Sarantis SA - Greece	1,874,670	3,799,380
Sarantis Poland	1,880,203	2,060,040
Polipak Sp. z o.o., Poland	285,514	968,701
<b>Total</b>	<b>4,040,386</b>	<b>6,828,121</b>

**Loan Liabilities Including interest:**

<b>Loan Liabilities including interest (Euro value)</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Sarantis D.O.O., Serbia	2,500,000	2,501,649
GR. Sarantis Cyprus	-	2,502,827
	<b>2,500,000</b>	<b>5,004,477</b>



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**Sarantis Romania S.A.**

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**Loan Liabilities including interest (Ron value)**

	<b>31.12.2019</b> <b>(rate 4.7793)</b>	<b>31.12.2018 (rate</b> <b>4.6639)</b>
Sarantis D.O.O., Serbia	11,948,250	11,667,442
GR. Sarantis Cyprus	-	11,672,937
	<u>11,948,250</u>	<u>23,340,379</u>

**Dividend payable**

	<b>31.12.2019</b>	<b>31.12.2018</b>
GR Sarantis S.A. - Greece	4,591,065	-
	<u>4,591,065</u>	<u>-</u>

**Income from the sales – affiliated entities**

	<b>31.12.2019</b>	<b>31.12.2018</b>
Sarantis Czech Republic s.r.o.	81,676	61,138
Gr. Sarantis SA Greece	109,739	369,992
Sarantis Skopje	2,890	-
Sarantis D.O.O. Serbia	214,602	78,727
Sarantis Bosnia	-	6,970
Sarantis Bulgaria Ltd.	59,892	14,610
Sarantis Hungary Kft.	1,969	65,371
Sarantis Poland	19,438	232,749
Polipak Sp. z o.o., Poland	-	-
	<u>490,206</u>	<u>829,557</u>

**Sales of fixed assets**

	<b>31.12.2019</b>	<b>31.12.2018</b>
Gr. Sarantis SA Greece	-	30,540
	<u>0</u>	<u>30,540</u>

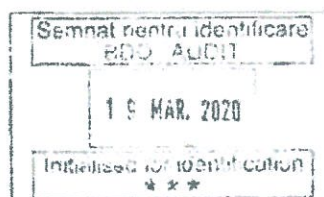
**Financial incomes - affiliated companies**

	<b>31.12.2019</b>	<b>31.12.2018</b>
Gr. Sarantis SA, Greece - interest	369,534	-
	<u>369,534</u>	<u>396,908</u>

**Goods purchased from affiliated entities**

	<b>31.12.2019</b>	<b>31.12.2018</b>
Sarantis Czech Republic s.r.o.	-	-
Gr. Sarantis SA, Greece	25,934,982	22,887,475
Sarantis D.O.O., Serbia	106,521	40,114
Sarantis Poland	13,932,811	12,783,673
Polipak Sp. z o.o., Poland	1,971,251	1,241,458
Ergopack LTD, Ukrain	63,829	-
Sarantis Bulgaria Ltd., Bulgaria	159,338	78,430
	<u>42,168,731</u>	<u>37,031,151</u>

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**Purchase of fixed assets**

	31.12.2019	31.12.2018
Gr. Sarantis S.A., Greece	-	-
	<u>0</u>	<u>0</u>

**Other purchase affiliated entities**

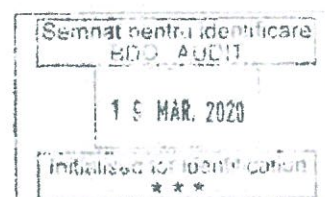
	31.12.2019	31.12.2018
Gr. Sarantis SA, Greece	359,257	371,104
Sarantis Poland	23,968	1,319
	<u>383,226</u>	<u>372,424</u>

**Financial expenses – affiliated companies**

	31.12.2019	31.12.2018
Sarantis Skopje Macedonia – interest	279,389	376,038
Sarantis D.O.O. Serbia– interest	407,029	7,683
GR. Sarantis Cyprus – interest	8,596	13,187
	<u>695,014</u>	<u>396,908</u>

**7. Accruals and deferrals**

	31.12.2019	31.12.2018
<b>ACCRUALS</b>		
Personnel Expenses	1,137	-
Third Party Expenses	54,273	80,436
Charges For Outside Services	60,069	46,097
Taxes & Rates	-	119,941
Overhead Expenses	7,062	-20,476
Media	-	367,599
Digital	186,455	46,537
Indirect Brand Support	112,607	41,883
Customer Marketing	20,000	-
Financial Revenues/Expenses	-22,702	-4,146
Extraordinary Expenses	-19,448	-
Revenues	-29,841	-
Accruals Shopper Disc/Exps.	-	-458,312
Cogs Accruals	-75,687	-12,277
<b>TOTAL ACCRUALS</b>	<b>293,925</b>	<b>207,281</b>
<b>Accruals Trade Expenses</b>	<b>2,908,084</b>	<b>3,644,172</b>
Stock - Provision For Write Off	749,965	748,664
Provision For Write-Off Of Bad Debts	-532,946	120,000
<b>TOTAL PROVISIONS</b>	<b>217,019</b>	<b>868,664</b>
<b>TOTAL</b>	<b><u>3,419,028</u></b>	<b><u>4,720,117</u></b>



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

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**8. Cash and cash equivalents**

	<b>31.12.2019</b>	<b>31.12.2018</b>
Cash in hand	12,188	14,285
Cash in banks	2,485,942	14,061,389
Notice Accounts	5,864,569	
	<u><b>8,362,699</b></u>	<u><b>14,075,674</b></u>
	<b>31.12.2019</b>	<b>31.12.2018</b>
In local currency	5,885,817	13,972,414
In foreign currency	2,476,882	103,260
	<u><b>8,362,699</b></u>	<u><b>14,075,674</b></u>
	<b>31.12.2019</b>	<b>31.12.2018</b>
Cash in EUR	2,438,776	84,075
Cash in USD	32,708	14,595
Cash in GBP	891	352
Cash in CHF	4,507	4,238
	<u><b>2,476,882</b></u>	<u><b>103,260</b></u>

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

**9. Share capital**

Share capital of Sarantis Romania S.A. as of 31 of December 2019 is:

**SHAREHOLDINGS AND FINANCING SOURCES**

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

In 2019, the subscribed and paid share capital is of Ron 8,355,012, from which RON 1,410,265 and Euro 1,634,058. The share capital is divided into 8,355,012 shares.

**Shareholders:****GR SARANTIS S.A.**

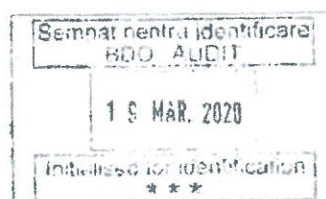
REGISTERED OFFICE: GREECE, Amarousiou-Halandriou 26, 15125 Maroussi

Capital contribution: Ron 8,353,704, representing RON 1,41045 and Euro 1,633,802

Shares: 8,353,704

Shareholding rate: 99.98434%

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**SARANTIS BULGARIA EOOD**

REGISTERED OFFICE: BULGARIA, Bd.Botevgradsko shose, no 247, Poduyane Sector, 1517 Sofia.

Capital contribution: Ron 1308, representing RON 221 and Euro 256

Shares: 1308

Shareholding rate: 0,01566%

**During 2019, the following changes in shareholdings took place:**

1. On **14.06.2019**, Shareholder Kyriakos Sarantis transferred 872 shares to SARANTIS BULGARIA EOOD;
2. On **14.06.2019**, Shareholder Grigorios Sarantis transferred 436 shares to SARANTIS BULGARIA EOOD;
3. On **30.12.2019**, GR.SARANTIS S.A. acquired a number of 8.353.704 shares from GR SARANTIS CYPRUS LIMITED, as result of the merger by which the company GR SARANTIS CYPRUS LIMITED has been absorbed by the company GR.SARANTIS S.A.

**10. Retained profits:**

	<b>31.12.2019</b>	<b>31.12.2018</b>
Profits retained from the previous years	30,239,074	28,747,360
Net profit in current period	28,614,107	25,391,714
<b>Total retained profits not distributed</b>	<b>58,853,180</b>	<b>54,139,074</b>

The dividend distributed amount in 2019 is **23.900.000 RON**, dividend paid amount in 2019 is **19.067.300 RON**. The dividend paid in 2018 accounted for **23.455.000 RON**.

Total retained profits not distributed amounting **58.853.180 RON** represent **Statutory** Retained Earnings, as Sarantis Romania, according to Romanian Law, applies Romanian Accounting Standards.

**11. Profit distribution for 2019**

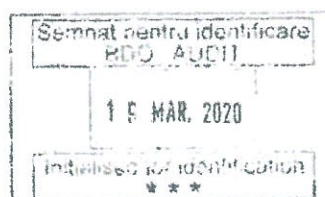
The net profit of 2018 in the amount of **28.614.107 RON** will remain undistributed until the approval of the balance sheet by the general Assembly of Shareholders.

**12. Credits, loans and other liabilities**

In December 2018, Sarantis Romania received a loan from SARANTIS D.O.O. - SERBIA. in the amount of 2.500,000 EURO, loan to be restituted in full until 23.12.2019, with an interest of 3.44%. The loan agreement was extended until 23.12.2021. Starting with 08.11.2019, the interest decreased from 3.44% to 3.22%.

In 2019, Sarantis Romania received a loan from SARANTIS SKOPJE D.O.O. in the amount of 3,000,000 EURO, loan restituted in full until 31 December 2019, with an interest of 2.31%. The loan was repaid in full on 03.12.2019, together with 90% of the interest calculated up to that date, in value of 52.630,03 EURO, 10% interest in value of 5.847,78 EURO representing withholding tax paid according to the law to Romanian fiscal office.

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## Sarantis Romania S.A.

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On 25.09.2019, Sarantis Romania contracted a loan from Credit Suisse Bank – Switzerland for 15.000.000 Euro, interest rate 2.075% until 25.09.2023.

### Credit Lines

The company has established a 6.000.000 Euro credit line with the UNICREDIT Bank for working capital, for the issuance of bank guarantee letters, credit cards, for which it warrants with a mortgage on receivables and guarantee on the current accounts opened with the UNICREDIT Bank. The amount used from the line of credit is 711.736,33 EURO on December 31, 2019, representing letters of credit issued for the following suppliers:

Company	Amount USD	
WEIFANG XINAO PLASTIC PRODUCTS	138,167.65	Letter of Credit
WEIFANG XINAO PLASTIC PRODUCTS	108,991.60	Letter of Credit
WEIFANG XINAO PLASTIC PRODUCTS	100,030.73	Letter of Credit
WEIFANG XINAO PLASTIC PRODUCTS	108,991.60	Letter of Credit
WEIFANG XINAO PLASTIC PRODUCTS	82,329.20	Letter of Credit
WEIFANG XINAO PLASTIC PRODUCTS	20,371.85	Letter of Credit
WEIFANG XINAO PLASTIC PRODUCTS	36,008.65	Letter of Credit
WEIFANG XINAO PLASTIC PRODUCTS	42,293.45	Letter of Credit
WEIFANG FENGDE PLASTIC PRODUCTS	161,163.35	Letter of Credit
<b>Total USD (1 USD = 4.2608 RON)</b>	<b>798,348.07</b>	
<b>Total EURO amount (1 EURO = 4.7793 RON)</b>	<b>711,736.33</b>	Letter of Credit

### Financial leasing

As of 31 December 2019 and 31 December 2019, the Company had no liabilities under finance lease.

### Operational leasing

#### Leases and sub-leases under IFRS16

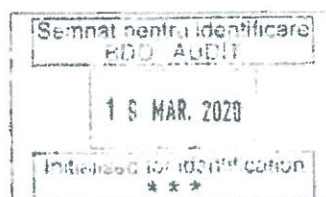
Company uses the leased property located in Bucharest, Sos. Bucuresti-Ploiesti no 172-176, District 1, Romania, as office space of headquarter of the company with a total area of 1035 m2. The agreement contains a clause price indexation based on current market conditions.

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

Part of this space is sub-leased to company Sarkkrom Trading SRL.

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

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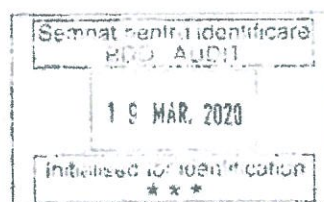
**Sarantis Romania S.A.**

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As part of an operating lease agreement, the Company uses leased cars.

	EUR	RON
<b>Building leases under IFRS16</b>		
Obligations of next year	458,587	2,191,726
Obligations for more than one year and less than five years	2,430,782	11,617,434
	<u>2,889,369</u>	<u>13,809,160</u>
<b>Building sub-leases under IFRS16</b>	EUR	RON
Obligations of next year	-27,800	-132,867
Obligations for more than one year and less than five years	-82,283	-393,255
	<u>-110,083</u>	<u>-526,122</u>
<b>Means of transportation leases under IFRS16</b>	EUR	RON
Obligations of next year	114,070	545,174
Obligations for more than one year and less than five years	24,568	117,416
	<u>138,638</u>	<u>662,591</u>
<b>Furniture leases under IFRS16</b>	EUR	RON
Obligations of next year	19,827	94,758
Obligations for more than one year and less than five years	56,283	268,994
	<u>76,110</u>	<u>363,752</u>
<b>Total leases and subleases under IFRS16</b>	EUR	RON
Obligations of next year	564,683	2,698,792
Obligations for more than one year and less than five years	2,429,349	11,610,589
	<u>2,994,033</u>	<u>14,309,381</u>

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**13. Financial instruments**

Financial instruments in accordance with category:

	31.12.2019	31.12.2018
<b>Short-term granted loans and own receivables:</b>	<b>67,710,491</b>	<b>71,495,859</b>
Loans granted	-	-
Trade receivables	67,252,687	71,169,736
Other receivables	457,804	326,123
<b>Cash</b>	<b>8,362,699</b>	<b>14,075,674</b>
	<u><b>76,073,190</b></u>	<u><b>85,571,533</b></u>

	31.12.2019	31.12.2018
<b>Long-term granted loans and own receivables:</b>	<b>71,689,500</b>	<b>-</b>
Long-term Loans granted	71,689,500	-
Other long term asset	488,199	488,199
Long term lease receivable	393,255	-
	<u><b>72,570,954</b></u>	<u><b>488,199</b></u>

**14. Trade payables and other liabilities**

	31.12.2019	31.12.2018
<b>Short-term trade payables and other liabilities</b>	<b>4,040,386</b>	<b>6,835,813</b>
Trade payables to affiliated entities	4,040,386	6,835,813
Trade payables to other entities	43,632,126	36,311,216
Liabilities towards to the State Budget	3,739,120	2,758,756
Loans from Affiliates	-	23,332,687
Payroll (and assimilated) Payables	699,614	646,622
Other liabilities	113,621	98,149
Other liabilities - affiliated companies - Dividends	4,591,065	-
Short-term lease liabilities	2,831,659	-
<b>Total short-term liabilities</b>	<u><b>59,647,591</b></u>	<u><b>69,983,243</b></u>

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

	31.12.2019	31.12.2018
<b>Long-term trade payables and other liabilities</b>	<b>71,689,500</b>	<b>-</b>
Long Term Liabilities from Bank Loans	71,689,500	-
Long-term Loans from affiliates	11,948,250	-
Other Long Term Liabilities	180,000	180,000
Long-term lease liabilities	12,003,844	-
<b>Total short-term liabilities</b>	<u><b>95,821,594</b></u>	<u><b>180,000</b></u>

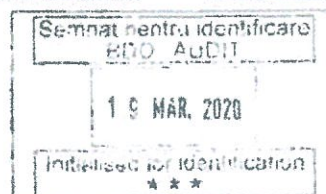
**Currency structure of short-term liabilities**

**Currency structure of short-term liabilities**

	31.12.2019	31.12.2018
Liabilities in local currency	16,322,796	37,441,134
Liabilities in foreign currency	43,324,795	32,542,109
	<u><b>59,647,591</b></u>	<u><b>69,983,243</b></u>

	31.12.2019	31.12.2018
Liabilities in EUR	41,316,118	30,027,315
Liabilities in USD	2,008,677	2,514,794
	<u><b>43,324,795</b></u>	<u><b>32,542,109</b></u>

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**15. Tax liabilities**

	31.12.2019	31.12.2018
Income tax liabilities	2,906,637	2,107,201
	<u>2,906,637</u>	<u>2,107,201</u>

**16. Sales revenue**

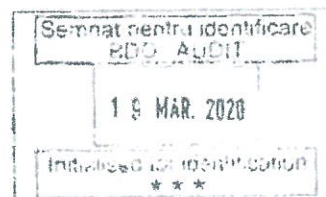
	31.12.2019	31.12.2018
Revenue from goods sales	372,227,415	334,892,700
Revenue from products sales	34,894,095	37,275,147
Revenue from sales - other	-	5
	<u>407,121,511</u>	<u>372,167,852</u>
	31.12.2019	31.12.2018
Revenue from Domestic Sales	400,768,309	369,060,244
Revenue from Direct Export	5,372,789	2,278,051
Revenue from Export to Affiliates	980,412	829,557
	<u>407,121,511</u>	<u>372,167,852</u>

**17. Other income**

	31.12.2019	31.12.2018
<b>Other Operating Income</b>		
Income from Services to Third Parties	452,198	192,465.31
Income from Services to Personnel	10,231	16,152
Other revenue accruals	29,841	-
	<u>492,270</u>	<u>208,617</u>

	31.12.2019	31.12.2018
<b>Other Third Party Expenses</b>		
Lawyers, public notaries, documents legalization	314,603	133,103
Accruals Third Party Expenses	54,273	80,436
Auditors, Consultants, etc.	74,283	73,680
	<u>443,159</u>	<u>287,219</u>

	31.12.2019	31.12.2018
<b>Other Overhead Expenses</b>		
Small Inventory Expenses	50,971	63,679
Mandatory Medical Check of Personnel	46,438	44,663
Recruitment Expenses	140,003	
Archiving services	-	56,781
Miscellaneous	66,218	92,723
	<u>303,629</u>	<u>257,847</u>



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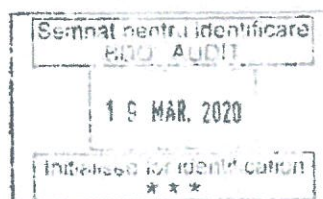
**18. Expenses by nature**

<b>Expenses by nature</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Payroll	-19,093,836	-16,889,458
Advertising&Promotion	-13,454,242	-12,327,524
Third Party Transportation Expenses	-3,295,008	-3,329,006
Vehicles Expenses	-831,089	-1,920,777
Rents (Warehouses,Offices)	-290,688	-1,919,030
Recycling Contribution	-313,941	-1,548,115
External Services	0	-1,272,768
Extraordinary Incomes/Expenses	-1,188,985	-1,166,258
Payroll Taxes And Benefits	-818,033	-773,924
Marketing Development/Research	-479,922	-754,420
Logistic Services	-686,968	-625,897
Maintenance Of Computer Hardware And Software	-628,086	-574,494
Travelling Expenses	-599,623	-532,963
Utilities & Postage	-576,776	-530,545
Maintenance Of Buildings, Equipm.	-540,712	-506,335
Depreciation	-3,856,362	-445,161
Packaging & Consumable Materials	-335,168	-341,316
Other Third Party Expenses	-443,159	-287,219
Other Overhead Expenses	-303,629	-257,847
Events & Hospitality	-199,588	-249,233
Other Operating Taxes	-58,677	-175,557
Security Expenses	-187,803	-175,110
Cleaning Services	-89,169	-86,188
Insurance (Inventory,Equipment)	-72,379	-68,717
<b>Total</b>	<b>-48,343,843</b>	<b>-46,757,862</b>

**19. Financial costs and revenues**

	<b>31.12.2019</b>	<b>31.12.2018</b>
Interest expense	-899,851	-410,745
Accruals interest expense	-117,765	-4,146
<b>Total interest expense</b>	<b>-1,017,615</b>	<b>-414,891</b>
Interest income	268,547	15,282
Accruals interest income	140,467	
<b>Total interest income</b>	<b>409,014</b>	<b>15,282</b>
<b>Bank charges</b>	<b>-156,946</b>	<b>-205,454</b>
FX expenses	-2,464,784	-652,128
FX income	646,575	281,162
<b>FX Income / Expenses</b>	<b>-1,818,209</b>	<b>-370,966</b>
Interest on leasing	-383,831	
<b>Financial result</b>	<b>-2,967,588</b>	<b>-976,029</b>

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	31.12.2019	31.12.2018
<b>Gain/Loss from valuation of subsidiaries and other investments</b>	<b>486,897</b>	<b>2,719,362</b>

**20. Income tax**

Major components of income tax for the years ended 31 December 2019 and 31 December 2018 are as follows:

	31.12.2019	31.12.2018
Current income tax	5,839,717	5,670,956
Creation/ reversal of deferred tax	188,112	-205,467
Corrections of income tax from the previous years		
<b>Income tax shown in the profit and loss account</b>	<b>6,027,829</b>	<b>5,465,489</b>

	31.12.2019	31.12.2018
Gross financial results	34,853,778	34,015,227
The amount of the tax according to the tax rate 16%	6,027,829	5,465,489
<b>Current income tax</b>	<b>6,027,829</b>	<b>5,465,489</b>

<b>Effective tax rate</b>	<b>17.29%</b>	<b>16.07%</b>
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**21. Credit risk management**

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

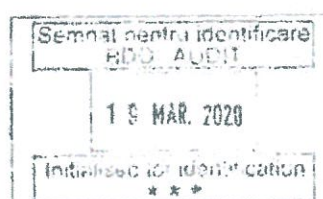
*Credit risk*

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

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

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

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The Management Board considers that there is not significant concentration of credit risk, because of the great number of customers, mainly from domestic market.. Allowances for bad debts was made for receivables difficult to collect.

Credit risk connected with cash in bank in amount of 8.350.511 RON is not significant because the Company engages in transactions with institutions with established financial position.

*Interest rate risk*

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

*Interest rate risk for Cash in bank – overnight deposits*

Financial statements item	Accounting value of financial instruments	Average interest rate in 2019	Influence on financial results ( Increase by100 pb)	Influence on equity capital ( Increase by 100 pb)	Influence on financial results (Decrease by100 pb)	Influence on equity capital (Decrease by100 pb)
<b>Variable rate of interest</b>						
Cash in bank	8.350.511	0.8%	66.804	66.804	-66.804	-66.804
Total			66.804	66.804	-66.804	-66.804

*Exchange rate risk*

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

*Liquidity risk*

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

*Price risk*

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

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**22. Capital management**

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

**23. Conditional liabilities**

**Value on 31.12.2019**

Letters of credit opened in banks: 711.736,33 EUR

Guarantee payment GR Sarantis SA liabilities granted to the following entities:

UNICREDIT BANK - Romania	4.000.000 EUR	On the credit line facility validity
WDP Development	300.000 EUR	31.03.2027

**24. Tax settlements**

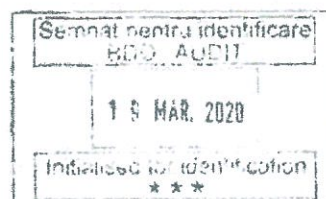
Regulations regarding VAT, corporate and personal income tax, social insurance contributions are liable to frequent changes. As a result, there are often no references to recorded regulations or legal precedents. Regulations which are in force are ambiguous, causing differences in opinions about legal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

**25. Structure of employment**

Employment structure in Company was as follows:

	31.12.2019	31.12.2018
Sales and marketing	152	149
Storage and production	48	40
Administration	23	23
	<b>223</b>	<b>212</b>

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**26.Salaries of personnel**

Total value of salaries paid in 2019 for personnel was 19.093.836 RON.

In 2018 total amount of salaries paid was 16.889.458 RON.

There were no payments in form of company's shares and no long-term benefits for employees.

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

The fee of the statutory auditor BDO AUDIT SRL for the 2019 audit of annual financial statement of Company is 12500 EURO.

**28.Events after date of balance sheet day**

No significant events after balance sheet day.

**Bucharest, 19th of March2020**

**The Management Board:**

<i>President of the Board</i> Grigorios Sarantis 	<i>Vice President of the Board</i> Kyriakos Sarantis 	<i>Member of the Board</i> Konstantinos Rozakeas 	<i>Member of the Board</i> Meintanis Vasileios 
<i>Member of the Board</i> Panfazis Sarantis 	<i>Member of the Board</i> Grigorios Sarantis 	<i>Member of the Board</i> Elpiniki Sarantis 	
<i>Nenad Marinkovic</i> Executive Manager 			

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