KRI-KRI MILK INDUSTRY S.A.

Reg. No.: 30276/06/B/93/12

General Commercial Registry No.: 113772252000

INTERIM FINANCIAL REPORT

FOR THE PERIOD

1.1.2018 – 30.6.2018

IN ACCORDANCE WITH ARTICLE 5 OF CODIFIED GREEK LAW 3556/2007

(TRANSLATION FROM THE GREEK ORIGINAL)

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DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

(in accordance with article 5 (2) of Law 3556/2007)

Hereby we declare, that to the best of our knowledge:

The Interim Financial Statements for the period ended 30 June 2018, which were drawn up in accordance with IFRS (34), give a true and fair view of the assets, liabilities, shareholders' equity and the financial results of "KRI-KRI Milk Industry S.A.", in accordance with §3-5 of article 5 of Law 3556/2007.

The Report of the Board of Directors for the period ended 30 June 2018 depicts in a true and fair manner the information that is required according to §6 of article 5 of Law 3556/2007.

Serres, 4 September 2018

Confirmed by

Chairman & Managing Director	Vice-Chairman	Member of the B.o.D.
PANAGIOTIS TSINAVOS ID AE373539	GEORGIOS KOTSAMBASIS ID AE376847	THEODOROS XENTES ID AZ159117

KRI KRI MILK INDUSTRY S.A.

REPORT OF THE BOARD OF DIRECTORS

FOR THE PERIOD OF 1 JANUARY 2018 UNTIL 30 JUNE 2018

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Dear shareholders,

the present report aims to provide a concise description of the financial information of the Company "KRI-KRI MILK INDUSTRY S.A." for the first half of the financial year, the major events that took place during the period under examination and their impact on the interim financial statements, the main risks and uncertainties to which the Company may be exposed to in the second half of the financial year and the transactions concluded between the Company and related parties.

GENERAL INFORMATION

KRI-KRI MILK INDUSTRY S.A. operates in the dairy industry. Our main business activities is the production of ice-cream and yogurt. Our distribution network is Panhellenic and comprises of super market chains and small points of sale. We export our products to more than 24 countries abroad. The headquarters and the production facilities are located in Serres, Northern Greece and a secondary distribution Centre is located in Aspropirgos region of Attica, Greece.

I. PERFORMANCE AND FINANCIAL POSITION

SALES

Company's turnover amounted €50.999k at first half of 2018, against €41.185k at first half of 2017 (increased by +23,8%).

Ice-cream sales present an increase of +25,0% amounting €16.456k against €13.161k of H1 2017.

Yogurt sales present an increase of +24,1% amounting €34.421k against €27.746k of H1 2017.

Finally, exports were 33,3% of total sales, presenting an increase of +45,8%.

PROFITABILITY

Gross profit margin was calculated to 42,0% (2017: 39.5%) and specifically a) 52.0% in Ice-cream (2017:52,1%) and b) 37,7% in Yogurt (2017:34,0%).

Company's profit before tax amounted €10.171k against €6.811k of 2017 (+49,3% increase). The net profit after tax amounted €7.360k against €4.904k of 2017. EBITDA amounted €11.708k against €8.216k of 2017 (+42,5% increase).

LOANS

Management seeks to maintain a small exposure to debt. At 30/6/2018, the balance of Company's loans amounts to €9.800k, while net debt is zero.

BASIC FINANCIAL RATIOS

		30/6/2018	31/12/2017
Debt to capital=	Debt / Total equity + Debt	14,7%	17,4%
Debt to equity=	Debt / Total Equity	17,2%	21,0%
		30/6/2018	30/6/2017
ROA=	Profit after Tax / Total Assets	7,4%	5,4%
ROE=	Profit after Tax / Total Equity	12,9%	10,4%

II. IMPORTANT EVENTS OF CURRENT FINANCIAL YEAR

OUR POSITION IN THE MARKET

In the domestic market, in the ice cream sector, we dynamically promoted the growth of our arithmetic distribution. We added more than 1,000 new points of sales to our network, while we have enhanced our presence in the super market channel. Also, new ice cream products, which were launched this year, have been a major success. So, we managed to achieve a significant increase in sales of branded products, while increasing our market share.

In yogurt, we focused on the big category of strained yogurt. The recent relaunch of our strained yogurt products under the brand "My authentic Greek Yogurt" was accompanied by intense advertising communication of their quality upgrading and parallel targeted in-store promotions. We managed to strengthen our market share, while increasing our sales.

Overseas, yogurt sales are booming. This result comes from expanding current collaborations, but also from the utilization of the Greek yogurt dynamics in the large markets of western Europe where we have a presence.

INVESTMENTS

For the upgrading of the yogurt factory, we implement investment projects with a total budget of 18 million €, with implementation deadline until the end of 2018. For these projects, the Company has submitted applications for their inclusion in the development law n. 4399/2016.

DIVIDEND

The Annual General Meeting decided the distribution of dividend for the financial year 2017 of gross value €0.115 per share (2017: €0.09).

SAFETY, ENVIRONMENT, CORPORATE SOCIAL RESPONSIBILITY

Safety in the workplace, environmental protection, harmonious co-existence with the local community and ongoing staff training continue to be non-negotiable goals, linked to the operation of the company. Also, specific actions are carried out within the framework of the Corporate Social Responsibility program.

III. MAJOR RISKS & UNCERTAINTIES

Due to the nature of its operations, the Company is exposed to various financial risks such as, market risk (fluctuations of exchange rates, interest rates and of production costs), credit risk and liquidity risk. The Company's overall risk management program focuses on financial market unpredictability and aims to minimize the potential negative impact on the Company's financial performance.

Risk management is carried out by the Company's financial department, which operates under certain rules approved by the Board. The Board of Directors provides instructions and guidelines on general risk management and special instructions on managing specific risks such as currency risk, interest rate risk and credit risk.

MARKET RISK

Foreign currency risk

The main bulk of the Company's operations are conducted within the Euro zone. Company exposure to exchange rate (FX) risk derives from existing or expected cash flows in foreign currency (GBP). Part of the exposure to exchange rate risk is hedged using futures and options.

Interest rate risk

The Company has not capitalized significant interest-related assets, therefore operating income and operating cash flows are substantially independent of changes in market interest rates.

The loans of the Company are related to either floating rates or fixed rates. The company does not use financial derivatives. The interest rate risk relates primarily to long-term loans. Loans with variable interest rates expose the Company to cash flow risk. Loans issued at fixed rates expose the Company to risk of changes in fair value.

A policy of retaining loans with variable interest rate is beneficial in cases of declining interest rates. On the other hand, a liquidity risk appears when the interest rates rise.

From the total loans of the Company at 30.6.2018, the amount of € 5.000.000 is related to a fixed interest rate and the amount of €4.800.036 is related to a floating rate.

Banking system's financing products are being systematically considered to minimize financing costs.

Risk of fluctuation of raw material prices

The Company is exposed to risk of loss of income in case of sudden changes in prices of raw materials. This is a result of the inability to roll these costs to sales prices in a timely manner.

CREDIT RISK

The Company has established and applies credit control procedures in order to minimize credit risk. Generally, sales are distributed to a large number of customers, resulting in an efficient dispersion of the commercial risk, except maybe the large super market chains in Greece.

Wholesale sales are made to customers with appropriate credit history. The credit control department defines credit limit per customer that is continuously monitored and reviewed. Also, where possible, the Company is ensured by collateral or other security. Thus, for example from the company domestic customers-distributors, the Company receives personal guarantees amounting the double of two months turnover, hence steadily applying its credit policy.

For commercial credits of foreign customers, the Company follows a credit insurance covering that returns any customer losses due to insolvency of up to 80% of their total debts. Limits per customer are established by the insurance company. Therefore, if there is any credit risk, the risk to the company from any doubtful receivables is limited to 20% of the coverage of the insurance company.

The company's management emphasizes on reducing working capital needs. It promotes the reduction of credit limits and reduce the credit period to its customers, to enhance free cash flow.

LIQUIDITY RISK

The Company manages liquidity risk by maintaining adequate cash reserves and credit lines from banks. At present, available overdraft can adequately cover any immediate cash requirement.

OPERATING RISKS

Suppliers - stock

The Company has no significant dependence on certain suppliers given that no supplier holds more than 10% of total purchases.

The company's management promotes the management of total stock so as to meet the needs of the market and the production process, without the need for excessive liquidity reservation.

Staff

The company's management is based on a team of experienced and qualified personnel, who have full knowledge of their subject and industry market conditions. This contributes significantly to the proper functioning of the company's processes and the further development of its activities.

Company executives are working harmoniously with each other and with the company's management. Potential disruption of this relationship may affect, temporarily, its proper functioning. However, the existing staffing infrastructure company enabling the direct replenishment executives, with no significant impact on the progress of its work.

IV. Macroeconomic risks in Greece

The macroeconomic and financial environment in the country remains fragile, although it is now showing stabilization. The return to economic stability depends heavily on the actions and decisions of the institutions in the country and abroad.

These developments may, to a certain extent, adversely affect the Company's operations in Greece. For this reason, the Management has identified the areas affected by developments in the macroeconomic environment in Greece and has taken the necessary measures to minimize the effects of the risks and uncertainties faced by the Company from its exposure in Greece.

Also, the political developments regarding the United Kingdom's decision to leave the European Union may, to some extent, have a negative impact on the Company's export activity.

V. Prospects for the second half of financial Year 2018

At 3rd Quarter of 2018, sales and operating profit trend is similar to H1 2018. The same trend is expected for the

4th Quarter of 2018, unless any extraordinary economic or political developments occur.

VI. Related party transactions

The Company maintains an obligation to related parties (its key shareholders) arising from the coverage of a bond loan of € 5.000.000. This loan is for 5 years, without collaterals and according to the usual terms of the banking market.

Related party transactions are analyzed as follows:

	1/1-30/6/2018	1/1-30/6/2017
Payment of interest on a bond loan*	90.242	98.836

Outstanding receivables from and payables to related parties are analyzed as follows:

	30/6/2018	31/12/2017
Payables to related parties*	5.000.000	5.000.000

Directors' compensation and other transactions with key management personnel are analyzed as follows:

COMPENSATION OF DIRECTORS	1/1-30/6/2018	1/1-30/6/2017
Remuneration of the members of the Board of Directors**	0	335.308
Salaries of the members of the Board of Directors	50.091	50.091
Total	**50.091**	**385.399**

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY MANAGEMENT PERSONNEL	30/06/2018	30/06/2017
Transactions with the members of the B.O.D and key management personnel	45.121	58.139
Liabilities to the members of the B.O.D and key management personnel*	2.500.000	2.835.308

* Bond loan covered by major shareholders

* * The Annual General Meeting of Shareholders of 3.7.2018 decided to distribute, from the profits of 2017, the remuneration of BoD members, totaling €333.139. This cost will be charged in the second half of the current year.

Serres, 4 September 2018

THE PRESIDENT OF THE BOARD THE MEMBERS

Exact excerpt from the Board of Directors' book of proceeding

The President &
CEO

Panagiotis Tsinavos

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Shareholders of the Company "KRI – KRI MILK INDUSTRY AE"

Introduction

We have reviewed the accompanying condensed statement of financial position of the Company "KRI – KRI MILK INDUSTRY AE" as at 30 June 2018 and the relative condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the condensed interim financial information, which is an integral part of the six-month financial report under the L. 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard "IAS 34".

Athens, 14 September 2018

STYLIANOS M. XENAKIS

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 11541

Associated Certified Public Accountants s.a.

Member of Crowe Horwath International

3, Fok. Negri Street – 112 57 Athens, Greece

Institute of CPA (SOEL) Reg. No. 125

KRI-KRI MILK INDUSTRY S.A.

Reg. No.: 30276/06/B/93/12

General Commercial Registry No.: 113772252000

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD

1.1.2018 – 30.6.2018

IN ACCORDANCE WITH IFRS (IAS 34)

Statement of Comprehensive Income

	Note	1/1-30/6/2018	1/1-30/6/2017
Sales		**50.999.465**	**41.184.598**
Cost of sales		(29.567.602)	(24.923.021)
Gross profit		**21.431.864**	**16.261.577**
Distribution & selling expenses		(10.208.340)	(8.271.203)
Administration expenses		(1.202.404)	(1.412.779)
Research and developement expenses		(108.198)	(70.389)
Other income	C.9	347.720	372.887
Other (loss) / gain net	C.10	32.856	62.485
Profit before taxes, financial and investment income		**10.293.498**	**6.942.578**
Financial income	C.11	72.226	69.167
Financial expenses	C.11	(194.771)	(200.846)
Financial income (net)		(122.545)	(131.678)
Profit before taxes		**10.170.953**	**6.810.900**
Income tax	C.12	(2.811.307)	(1.907.099)
Net profit for the period (A)		**7.359.645**	**4.903.801**
Other comprehensive income			
OCI recycled to P&L			
Cash flow hedges		(13.865)	0
Other comprehensive income after tax (B)		**(13.865)**	**0**
Total comprehensive income after tax (A) + (B)		**7.345.780**	**4.903.801**
Net profit per share from continuous operations			
- Basic and diluted (in €)		**0,2226**	**0,1483**

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

	Note	30/6/2018	31/12/2017
ASSETS			
Non-current assets			
Tangible assets	C.1	44.716.733	40.255.263
Investment in properties		119.412	120.756
Intangible assets	C.2	598.626	618.065
Other non current assets		195.127	54.856
		45.629.898	**41.048.940**
Current assets			
Inventories		10.917.380	8.522.546
Trade and other receivables	C.3	32.596.436	22.145.968
Derivative financial instruments		0	560.170
Cash and cash equivalents	C.4	10.987.188	10.141.839
		54.501.004	**41.370.523**
Total assets		**100.130.902**	**82.419.463**
EQUITY AND LIABILITIES			
Equity			
Share capital	C.5	12.564.752	12.564.752
Reserves		19.485.636	19.499.501
Retained earnings		24.807.063	17.447.418
Total equity		**56.857.451**	**49.511.671**
Liabilities			
Non-current liabilities			
Long-term borrowings	C.6	3.600.000	4.200.000
Accrued pension and retirement obligations		811.069	777.304
Deferred income tax liabilities		2.195.407	2.227.396
Government grants	C.7	7.531.881	7.802.690
		14.138.358	**15.007.390**
Current liabilities			
Short-term borrowings	C.6	6.200.036	6.200.061
Trade and other payables	C.8	20.659.224	11.700.341
Current income tax liabilities		2.275.833	0
		29.135.093	**17.900.402**
Total liabilities		**43.273.452**	**32.907.792**
Total equity and liabilities		**100.130.902**	**82.419.463**

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity

	Share capital	General reserve	Special reserves	Other reserves	Actuarial gains-losses reserve	Cash flow hedges	Retained earnings	Total Equity
Balance at 31.12.2016	**12.564.752**	**1.909.585**	**15.931.169**	**38.275**	**6.851**	**0**	**14.740.854**	**45.191.485**
Profit for the period							4.903.802	4.903.802
Total comprehensive income for the period							**4.903.802**	**4.903.802**
Reserves increase		289.735	1.364.501				(1.654.235)	
Transactions with owners in their capacity as owners								
Dividends provided for or paid							(2.975.862)	(2.975.862)
Balance at 30.6.2017	**12.564.752**	**2.199.320**	**17.295.670**	**38.275**	**6.851**	**0**	**15.014.558**	**47.119.423**
Balance at 31.12.2017	**12.564.752**	**2.199.320**	**17.295.670**	**38.275**	**(33.762)**	**0**	**17.447.418**	**49.511.671**
Profit for the period							7.359.645	7.359.645
Total comprehensive income for the period							**7.359.645**	**7.359.645**
Reserves increase						(13.865)		(13.865)
Balance at 30.6.2018	**12.564.752**	**2.199.320**	**17.295.670**	**38.275**	**(33.762)**	**(13.865)**	**24.807.063**	**56.857.450**

The accompanying notes are an integral part of these financial statements.

Cash flow statement

Indirect method	1/1-30/6/2018	1/1-30/6/2017
OPERATING ACTIVITIES		
Profit before taxes	10.170.953	6.810.900
Adjustments for:		
Depreciation	1.685.375	1.520.268
Provisions	460.155	140.680
Foreign exchange differences, net	2.570	3.297
Amortization of government grants relating to capital expenses	(270.808)	(306.193)
Investment income	(3.787)	(75.604)
Interest and related expenses	189.970	200.846
	12.234.428	8.294.195
Changes in working capital:		
Decrease / (Increase) in inventories	(2.269.592)	(2.890.005)
Decrease / (Increase) in receivables	(11.142.371)	(6.276.155)
(Decrease) / Increase in payables (except banks)	7.298.937	6.012.971
Less:		
Interest and related expenses paid	(195.229)	(198.831)
Taxes paid	0	0
Cash flow from operating activities (a)	**5.926.173**	**4.942.175**
INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(4.519.550)	(2.204.878)
Proceeds from sales of intangibles and property, plant and equipment	3.500	74.897
Interest received	39.305	12.540
Purchase of financial instruments	(4.078)	0
Cash flow from investing activities (b)	**(4.480.824)**	**(2.117.441)**
FINANCING ACTIVITIES		
Proceeds from borrowings	0	6.000.000
Repayments of loans	(600.000)	(3.965.455)
Cash flow from financing activities (c)	**(600.000)**	**2.034.545**
Change in cash and equivalents (a+b+c)	**845.349**	**4.859.279**
Cash and equivalents at beginning of period	10.141.839	6.839.970
Cash and equivalents at end of period	**10.987.188**	**11.699.248**

The accompanying notes are an integral part of these financial statements.

A. General information

KRI-KRI MILK INDUSTRY S.A. operates in the dairy industry. Its main business activities are the production of ice-cream, yogurt and milk.

The headquarters are located in 3rd km Serres-Drama, 62125, Serres, Greece, its website is www.krikri.gr and its shares are listed on Athens Stock Exchange (Food sector).

These financial statements have been approved by the Board of Directors at 4 September 2018.

The interim condensed financial statements have not been audited but reviewed.

B. Significant accounting policies

B.1 Basis of preparation

These financial statements covering the period from 1.1.2018 to 30.6.2018 have been prepared according to IAS 34.

The interim financial statements for the six-month period have been prepared on the basis of the same accounting principles followed for the preparation and presentation of the financial statements for the year 2017, except for the new standards and interpretations adopted, the implementation of which was compulsory for periods after 1 January 2018.

Any differences that arise between the amounts in these interim financial statements and the corresponding amounts in the selected explanatory notes as well as in sums are due to rounding.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2017, which have been posted on the Company's website and have been prepared in accordance with IFRSs.

The earnings tax in the interim financial statements is calculated using the tax rate applicable to annual profits.

New standards, amendments to standards and interpretations:

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2018. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 9 "Financial Instruments"

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model that was applied under IAS 39. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39. The effect from applying the standard to the Company is described in note C3

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity recognises revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The application of this standard does not have a material impact on the Company's financial statements.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions"

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

IAS 40 (Amendments) "Transfers of Investment Property"

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence.

IFRIC 22 "Foreign currency transactions and advance consideration"

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts.

Standards and Interpretations effective for subsequent periods

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Company is in the phase of assessing the effect of the standard on its financial statements.

IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 3 "Business combinations"

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements"

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income taxes"

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing costs"

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

B.2 Financial risk management

The interim financial statements do not include disclosure of all risks required in the preparation of the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2017.

Due to the nature of its operations, the Company is exposed to various financial risks such as, market risk (fluctuations of exchange rates, interest rates and of production costs), credit risk and liquidity risk. The Company's overall risk management program focuses on financial market unpredictability and aims to minimize the potential negative impact on the Company's financial performance.

Risk management is carried out by the Company's main financial department, which operates under certain rules approved by the Board. The Board of Directors provides instructions and guidelines on general risk management and special instructions on managing specific risks such as currency risk, interest rate risk and credit risk.

(a) Market risk

Foreign currency risk

The main bulk of the Company's operations are conducted within the Euro zone. Company exposure to exchange rate (FX) risk derives from existing or expected cash flows in foreign currency (GBP). Part of the exposure to exchange rate risk is hedged using futures and options.

Cash flow sensitivity analysis to EUR/GBP changes

	GBP/EUR	Profit before Taxes effect
1/1-30/6/2018	+5%	36.727
	-5%	(36.727)
1/1-30/6/2017	+5%	0
	-5%	0

Interest rate risk

The Company has not capitalized significant interest-related assets, therefore operating income and operating cash flows are substantially independent of changes in market interest rates.

The loans of the Company are related to either floating rates or fixed rates. The company does not use financial derivatives. The interest rate risk relates primarily to long-term loans. Loans with variable interest rates expose the Company to cash flow risk. Loans issued at fixed rates expose the Company to risk of changes in fair value.

A policy of retaining loans with variable interest rate is beneficial in cases of declining interest rates. On the other hand a liquidity risk appears when the interest rates rise.

From the total loans of the Company at 30.6.2018, the amount of €5.000.000 is related to a fixed interest rate and the amount of €4.800.036 is related to a floating rate.

Banking system's financing products are being systematically considered to minimize financing costs.

Loans sensitivity analysis on interest change

	Interest variability	Profit before taxes effect
1.1-30.6.2018	+1%	(48.000)
	-1%	48.000
1.1-30.6.2017	+1%	(47.326)
	-1%	47.326

Note: The above table does not include the positive effect of interest received from bank deposits.

The Management estimates that there is no material risk related to interest rates on bank deposits.

Risk of fluctuation of raw material prices

The Company is exposed to risk of loss of income in case of sudden changes in prices of raw materials. This is a result of the inability to roll these costs to sales prices in a timely manner.

(b) Credit risk

Also, insurance contracts are made to cover sales per customer, while collateral is not required on the assets of customers. During the preparation date of the financial statements, provisions were made for doubtful debts and the Management considers that there is no other substantial credit risk that is not covered by insurance coverage or provisions, unless maybe the big Greek supermarket chains.

Wholesale sales are made to customers with appropriate credit history. The credit control department defines credit limit per customer that is continuously monitored and reviewed. Also, where possible, the Company is ensured by collateral or other security. Thus, for example from the company domestic customers-distributors, the Company receives personal guarantees amounting the double of two months turnover, hence steadily applying its credit policy.

For commercial credits of foreign customers, the Company follows a credit insurance covering that returns any customer losses due to insolvency of up to 80% of their total debts. Limits per customer are established by the insurance company. Therefore, if there is any credit risk, the risk to the company from any doubtful receivables is limited to 20% of the coverage of the insurance company.

The company's management emphasizes on reducing working capital needs. It promotes the reduction of credit limits and reduce the credit period to its customers, to enhance free cash flow.

(c) Liquidity risk

The Company manages liquidity risk by maintaining adequate cash reserves and credit lines from banks. At present, available overdraft can adequately cover any immediate cash requirement.

(d) Operating risks

Suppliers - stock

The Company has no significant dependence on certain suppliers given that no supplier holds more than 10% of total purchases.

The company's management promotes the management of total stock so as to meet the needs of the market and the production process, without the need for excessive liquidity reservation.

Staff

The company's management is based on a team of experienced and qualified personnel, who have full knowledge of their subject and industry market conditions. This contributes significantly to the proper functioning of the company's processes and the further development of its activities.

Company executives are working harmoniously with each other and with the company's management. Potential disruption of this relationship may affect, temporarily, its proper functioning. However, the existing staffing infrastructure company enabling the direct replenishment executives, with no significant impact on the progress of its work.

B.3 Fair value measurement

The Company acknowledges fair value measurement through a 3 levels hierarchy.

1) Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. («Level 1»).

2) Other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. («Level 2»).

3) Unobservable inputs for the asset or liability. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available. («Level 3»).

Fair value of financial assets and liabilities

	Level 3
Long-term loans	3.593.146

The fair value of long-term loans was measured based on discounted cashflows.

The carrying value of loans approximates fair value as the impact of discounting is not significant.

The fair value of the following financial assets and liabilities approximate their carrying amounts:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Fair value of investment property

	Level 3
Investment property	110.000

The fair value of investment property is based on Management's estimations ("Level 3"), after examining the value of the properties in the area

B.4 Significant accounting estimations and judgments of the management

The preparation of the interim financial statements requires the Company's management to make estimations, judgments and assumptions that affect the application of the accounting principles and the asset/liability income/expense accounting values. The results are maybe different that these estimations.

For the preparation of the interim financial statements the significant judgments and estimates of the Management regarding the application of the Company's accounting principles are the same as those used for the preparation and presentation of the Company's annual financial statements for the year 2017.

Also, the main sources of uncertainty that existed in the preparation of the annual financial statements of 31 December 2017 remained the same for the interim financial statements as at 30 June 2018.

B.5 Comparative information

Comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements, both face of financial statements and notes. Differences may arise between the amounts stated in the financial statements and the amounts stated in the notes, as a result of numbers rounding.

C. Notes to the financial statements

C1. Property, plant and equipment

Property, plant and equipment are analyzed as follows:

	Land	Buildings	Plant & equipment	Motor vehicles	Furniture & other Equipment	Total
COST						
Balance at 1 January 2017	1.269.109	11.536.646	47.257.644	1.290.594	2.031.360	63.385.353
Additions	0	223.148	1.749.575	167.245	89.222	2.229.190
Disposals	0	0	(129.012)	(116.068)	0	(245.080)
Write-offs	0	0	0	0	(431)	(431)
Transfers	0	0	0	0	0	0
Balance at 30 June 2017	1.269.109	11.759.794	48.878.207	1.341.770	2.120.150	65.369.031
ACCUMULATED DEPRECIATION						
Balance at 1 January 2017		(2.805.441)	(20.292.892)	(1.057.315)	(1.415.315)	(25.570.963)
Depreciation expense		(170.174)	(1.193.920)	(26.839)	(72.495)	(1.463.428)
Disposals		0	97.688	116.068	0	213.756
Write-offs		0	0	0	367	367
Balance at 30 June 2017		(2.975.615)	(21.389.124)	(968.085)	(1.487.443)	(26.820.268)
Net book value at 30 June 2017	**1.269.109**	**8.784.179**	**27.489.083**	**373.685**	**632.707**	**38.548.765**
COST						
Balance at 1 January 2018	1.326.703	12.192.192	51.334.382	1.345.790	2.240.987	68.440.055
Additions	0	289.842	5.552.967	26.751	158.334	6.027.895
Disposals	0	0	(50.089)	0	0	(50.089)
Write-offs	0	0	(52.962)	0	(570)	(53.532)
Transfers	0	0	0	0	0	0
Balance at 30 June 2018	1.326.703	12.482.034	56.784.298	1.372.542	2.398.751	74.364.329
ACCUMULATED DEPRECIATION						
Balance at 1 January 2018		(3.150.980)	(22.515.394)	(958.035)	(1.560.385)	(28.184.794)
Depreciation expense		(183.090)	(1.258.728)	(43.941)	(80.482)	(1.566.241)
Disposals		0	50.088	0	0	50.088
Write-offs		0	52.961	0	389	53.350
Balance at 30 June 2018		(3.334.070)	(23.671.073)	(1.001.976)	(1.640.478)	(29.647.597)
Net book value at 30 June 2018	**1.326.703**	**9.147.964**	**33.113.226**	**370.566**	**758.274**	**44.716.733**

There are no pledges on fixed assets.

C2. Intangible assets

Intangible assets are analyzed as follows:

	Software licenses	Trademarks	Total
COST			
Balance at 1 January 2017	1.102.972	38.405	1.141.378
Additions	47.373	0	47.373
Balance at 30 June 2017	1.150.345	38.405	1.188.750
ACCUMULATED DEPRECIATION			
Balance at 1 January 2017	(483.223)	(25.924)	(509.147)
Depreciation expense	(53.417)	(2.080)	(55.497)
Balance at 30 June 2017	(536.640)	(28.004)	(564.643)
Net book value at 30 June 2017	**613.705**	**10.401**	**624.107**
COST			
Balance at 1 January 2018	1.203.256	38.405	1.241.661
Additions	43.906	0	43.906
Balance at 30 June 2018	1.247.162	38.405	1.285.567
ACCUMULATED DEPRECIATION			
Balance at 1 January 2018	(593.512)	(30.084)	(623.596)
Depreciation expense	(61.265)	(2.080)	(63.345)
Balance at 30 June 2018	(654.777)	(32.164)	(686.941)
Net book value at 30 June 2018	**592.385**	**6.241**	**598.626**

C3. Trade and other receivables

Trade and other receivables are analyzed as follows:

	30/6/2018	31/12/2017
Trade receivables	34.886.956	21.583.581
Less: Allowance for bad debts	(2.566.816)	(2.015.184)
	32.320.140	19.568.397
Creditors advances	61.320	576.908
VAT Receivables	79.325	1.844.311
Greek state -others	93.687	93.687
Other receivables	41.965	62.665
Total	**32.596.436**	**22.145.968**

The most significant changes in the line "Trade and other receivables" are found in the line "Trade receivables" linked to the increase in sales and the high seasonality of the ice cream sector (see also note C17).

The amounts in "Trade receivables" are non-interest related and are normally settled on 0-150 days.

For applying IFRS 9, the company uses a model to calculate expected credit losses. This model groups receivables according to the credit rating of each customer, links the rating to the probability of default and calculates the expected credit losses.

Company recognized increased doubtful receivables of €551.632. In the segment reporting note (see also note C15), doubtful debt provision appears on the column "Distribution & selling expenses", and it is distributed to Ice-Cream Greece segment an amount of €335.374 and Yogurt-Greece segment an amount of €216.258. No material further increase of the provision for doubtful debts is expected on the second half of financial year 2018.

At 30.06.2018 the Trade receivables totaling €2.566.816 appear impaired. It is estimated that a part of the provision for doubtful debts will be recovered in future time.

Analysis of provision for doubtful debts:

	1/1-30/6/2018	1/1-31/12/2017
Opening balance	2.015.184	1.881.304
Additions	559.868	135.417
Reversals	(8.236)	(1.537)
Ending balance	**2.566.816**	**2.015.184**

C4. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	30/6/2018	31/12/2017
Cash at bank and in hand	5.574.797	4.641.688
Short-term bank deposits	5.412.391	5.500.151
Total	**10.987.188**	**10.141.839**

Cash and cash equivalents refer to bank deposits and cash in the Company's treasury and can be converted into cash immediately.

C5. Issued capital

Issued capital at 30.6.2018 amounts €12.564.751,68 and comprises of 33.065.136 fully paid ordinary shares, which have a par value of €0,38.

	Number of shares	Pair Value	Share Capital	Total
31-Dec-17	33.065.136	0,38 €	12.564.752	12.564.752
30-Jun-18	**33.065.136**	**0,38 €**	**12.564.752**	**12.564.752**

C6. Borrowings

Borrowings are analyzed as follows:

	30/6/2018	31/12/2017
NON-CURRENT BORROWINGS		
Long-term loans	3.600.000	4.200.000
Total non-current borrowings	**3.600.000**	**4.200.000**
CURRENT BORROWINGS		
Current liability of non-current loans	6.200.036	6.200.061
Total current borrowings	**6.200.036**	**6.200.061**
Total borrowings	**9.800.036**	**10.400.061**

Maturity of non-current bank borrowings:

	30/6/2018	31/12/2017
Between 1-2 years	1.200.000	1.200.000
Between 2-5 years	2.400.000	3.000.000
Total non-current borrowings	**3.600.000**	**4.200.000**

Changes on loans balances are analyzed as follows:

Balance at 1 January 2017	9.067.248
Loans received	6.000.000
Loans paid	(3.965.455)
Financial instruments valuation	8.064
Balance at 30 June 2017	**11.109.857**
Balance at 1 January 2018	10.400.061
Loans paid	(600.000)
Financial instruments valuation	(25)
Balance at 30 June 2018	**9.800.036**

Analysis of current long-term loans:

Loaner	Type of loan	Date of agreement	Initial value	Balance at 30/6/2018
Major shareholders	Bonds / 5year / fixed interest rate	18/12/2013 Amended 1/12/2016	5.000.000	5.000.000
Alpha Bank SA	Long-term / 5year / floating interest rate	7/4/2017	6.000.000	4.800.036

The fair value of long-term loans is calculated to €3.593.146 («Level 3»).

Effective interest rate of borrowings:

	1/1-30/6/2018	1/1-31/12/2017
Effective interest rate	2,72%	2,74%

C7. Government grants

Movement of government grants relating to capital expenses:

	30/6/2018	31/12/2017
Opening balance	7.802.690	8.397.783
Charge in income statement	(270.808)	(595.093)
Ending balance	**7.531.881**	**7.802.690**

For the government grants recognized by the Company there are no unfulfilled conditions or contingent liabilities linked to them.

C8. Trade and other payables

Trade and other payables are analyzed as follows:

	30/6/2018	31/12/2017
Trade payables	17.280.542	9.559.099
Cheques payables	1.277.718	354.668
Social security	207.780	346.584
Other Taxes and duties	161.934	244.285
Dividends payables	6.302	6.302
Customers' advances	241.477	636.337
Other payables	1.483.472	553.067
Total	**20.659.224**	**11.700.341**

The most important changes in "Trade and other payables" are found in the line "Trade payables" and "Cheques payables", regarding to the increase in sales, new investments and the seasonality in the ice cream sector (see also note C17). Also, the change in the line "Other payables" is mainly related to accruals and periodic distribution accounts.

C9. Other income

Other income is analyzed by type as follows:

	1/1-30/6/2018	1/1-30/6/2017
Income from subsidies	0	1.370
Income from services	73.858	60.765
Rental income	3.054	4.559
Amortization of government grants relating to capital expenses	270.808	306.193
Total	**347.720**	**372.887**

C10. Other (loss) / gain net

Other (loss) / gain are analyzed by type as follows:

	1/1-30/6/2018	1/1-30/6/2017
Gains on disposal of property, plant and equipment	3.969	76.070
Other income	44.002	5.364
Losses on disposal of property, plant and equipment	(182)	(466)
Tax related fines and penalties	(1.444)	(672)
Foreign currency exchange differences	(2.570)	(3.297)
Other expenses	(10.918)	(14.513)
Total	**32.856**	**62.486**

C11. Financial income - expenses

Financial income-expenses are analyzed by type as follows:

FINANCIAL INCOME	1/1-30/6/2018	1/1-30/6/2017
Interest income	37.481	12.915
Other capital gains	34.745	56.252
Total financial income	**72.226**	**69.167**
FINANCIAL EXPENSES		
Interest expense	172.768	177.112
Bank fees and charges	2.863	13.717
Losses from derivatives	4.078	0
Other financial expenses	15.062	10.016
Total financial expenses	**194.771**	**200.845**
Financial income - expenses (net)	**(122.545)**	**(131.678)**

C12. Income tax expense

Income tax expense is analyzed as follows:

	1/1-30/6/2018	1/1-30/6/2017
Current tax	2.843.296	1.749.754
Deferred tax	(31.988)	157.345
Total	**2.811.307**	**1.907.099**

The income tax was calculated at a 29% tax rate over taxable profits for the period.

C13. Net profit per share

Basic and diluted earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding, excluding any holding of own shares.

	1/1-30/6/2018	1/1-30/6/2017
Net profit attributable to parent's shareholders	7.359.645	4.903.801
Weighted average number of ordinary shares	33.065.136	33.065.136
Basic and diluted earnings per share (€ per share)	**0,2226**	**0,1483**

C14. Earnings before interest, taxes, depreciation and amortization

Earnings before interest, taxes, depreciations and amortizations are analyzed as follows:

	1/1-30/6/2018	1/1-30/6/2017
Net profit for the period	7.359.645	4.903.801
Adjustments for:		
Income tax	2.811.307	1.907.099
Financial income (net)	122.545	131.678
Depreciation and amortization	1.685.375	1.579.781
EBITDA before government grants	**11.978.872**	**8.522.359**
Amortization of government grants relating to capital expenses	(270.808)	(306.193)
EBITDA	**11.708.064**	**8.216.166**

EBITDA serves as an additional indicator of our operating performance and not as a replacement for measures such as cash flows from operating activities and operating income. We believe that EBITDA is useful to investors as a measure of operating performance because it eliminates variances caused by the amounts and types of capital employed and amortization policies and helps investors evaluate the performance of our underlying business. In addition, we believe that EBITDA is a measure commonly used by analysts and investors in our industry. Accordingly, we have disclosed this information to permit a more complete analysis of our operating performance. Other companies may calculate EBITDA in a different way. EBITDA is not a measurement of financial performance under IFRS and should not be considered an alternative to net profit/(loss), as an indicator of our operating performance or any other measure of performance derived in accordance with IFRS.

C15. Operating segment information

The chief operating decision maker, in the case of KRI-KRI the CEO, receives internal financial reports to measure the performance of the operating segments and to distribute the resources between them.

Under the operating distinction the Company's reportable segments are identified as follows:

◇ ***Ice-cream– Greece and other Countries.*** The segment refers to the production and distribution of ice-cream. There is distinctive performance measurement for Greece and other countries.

◇ ***Dairy-Yogurt– Greece and other Countries.*** The segment refers to the production and distribution mainly of yogurt and milk in a limited scale (Serres municipality). There is distinctive performance measurement for Greece and other countries.

The segments results for the periods ended 30.6.2018 and 30.6.2017 are analyzed as follows:

1/1-30/6/2018	Sales	Cost of Sales	Distribution & selling expenses	Operating profits
Ice cream	**16.456.484**	**(7.896.110)**	**(4.583.338)**	**3.977.036**
Greece	13.576.170	(5.756.531)	(4.260.491)	3.559.148
Other countries	2.880.314	(2.139.578)	(322.847)	417.889
Dairy-Yogurt	**34.421.083**	**(21.447.693)**	**(5.598.901)**	**7.374.489**
Greece	20.306.031	(12.137.274)	(3.992.839)	4.175.919
Other countries	14.115.052	(9.310.419)	(1.606.062)	3.198.571
Rest	121.898	(223.799)	(26.102)	(128.003)
Total	**50.999.465**	**(29.567.602)**	**(10.208.340)**	**11.223.523**

1/1-30/6/2017	Sales	Cost of Sales	Distribution & selling expenses	Operating profits
Ice cream	**13.160.851**	**(6.298.471)**	**(3.577.818)**	**3.284.563**
Greece	11.787.539	(5.266.874)	(3.443.141)	3.077.524
Other countries	1.373.312	(1.031.596)	(134.677)	207.039
Dairy-Yogurt	**27.746.311**	**(18.310.771)**	**(4.693.259)**	**4.742.281**
Greece	17.459.581	(10.978.723)	(3.593.718)	2.887.140
Other countries	10.286.730	(7.332.048)	(1.099.541)	1.855.141
Rest	277.436	(313.779)	(126)	(36.469)
Total	**41.184.598**	**(24.923.021)**	**(8.271.203)**	**7.990.375**

The "Operating profits" index is an Alternative Performance Measures (APM) and is calculated as follows: Sales minus Cost of sales minus Distribution & selling expenses.

C16. Dividends

The Annual General Meeting of 3.7.2018 decided the distribution of dividend for the financial year 2017 of gross value €0.115 per share (2017: €0.09). The total amount has been settled at 29.8.2018.

C17. Seasonality

The high seasonality of the ice cream sector is having an impact on April-August, which is characterized by particularly high sales and operating profits.

In the yogurt sector, sales and operating profits are almost evenly distributed in months.

C18. Contingent assets – liabilities

The Company has contingent liabilities (in relation with bank and other guarantees) arisen in the ordinary course of business. These contingent liabilities are not expected to generate any material fund outflows. No additional payments are expected at the date of preparation of these financial statements.

Any disputes under litigation or arbitration, court or arbitration decisions may not have an impact on the Company's financial position or operation.

C19. Related party transactions

Related party transactions are analyzed as follows:

	1/1-30/6/2018	1/1-30/6/2017
Payment of interest on a bond loan*	90.242	98.836

Outstanding receivables from and payables to related parties are analyzed as follows:

	30/6/2018	31/12/2017
Payables to related parties*	5.000.000	5.000.000

Directors' compensation and other transactions with key management personnel are analyzed as follows:

COMPENSATION OF DIRECTORS	1/1-30/6/2018	1/1-30/6/2017
Remuneration of the members of the Board of Directors**	0	335.308
Salaries of the members of the Board of Directors	50.091	50.091
Total	**50.091**	**385.399**

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY MANAGEMENT PERSONNEL	30/6/2018	30/6/2017
Transactions with the members of the B.O.D and key management personnel	45.121	58.139
Liabilities to the members of the B.O.D and key management personnel*	2.500.000	2.835.308

* Bond loan covered by major shareholders

** The Annual General Meeting of Shareholders of 3.7.2018 decided to distribute, from the profits of 2017, the remuneration of BoD members, totaling €333.139. This cost will be charged in the second half of the current year.

C20. Post balance sheet events

There are no other important post-balance sheet events that should modify the reported statements.

Serres, 4 September 2018

Chairman & Managing Director	Vice-Chairman	Financial Director	Chief Accountant
Panagiotis Tsinavos ID AE373539	Georgios Kotsambasis ID AE376847	Konstantinos Sarmadakis ID AN389135	Evangelos Karagiannis ID T215570