KRI-KRI MILK INDUSTRY S.A.

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

General Commercial Registry No.: 113772252000

ANNUAL FINANCIAL REPORT

FOR THE PERIOD

1.1.2018 – 31.12.2018

IN ACCORDANCE WITH LAW 3556/2007

(TRANSLATION FROM THE GREEK ORIGINAL)

CONTENTS

DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

(in accordance with article 4 (2) of Law 3556/2007)

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

The Financial Statements for the period ended 31 December 2018, were prepared in accordance with IFRS, accurately present the assets, liabilities, shareholder's equity and the financial results of "KRI-KRI Milk Industry S.A." and the Report of the Board of Directors accurately presents the performance and position of "KRI-KRI Milk Industry S.A." including the description of basic risks and uncertainties that it faces.

Serres, 22 April 2019

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 31 DECEMBER 2018

Ladies and gentlemen,

The present Annual Report of the Board of Directors (hereinafter referred to as "Report") was prepared in accordance with the provisions of c.l.2190/1920 as replaced, from 1/1/2019, by articles 150-154 of Law 4548/2018, article 4 of law 3556/2007 and decision 8/754/14.4.2016 of the Hellenic Capital Market Commission. The report includes all the necessary Information in an objective and adequate manner and with the principle of providing substantial and not typical information with regards to the issues included in such. It is noted that this Report includes, along with the 2018 financial statements, the required by law data and statements in the Annual Financial Report, which concern the financial year ended 31 December 2018. The sections of the Report and the content are as follows:

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 €94.234k against €79.246k (increased by +18,9%).

Ice-cream sales present an increase of 16,2% amounting €25.119k against €21.615k of 2017.

Yogurt sales present an increase of +19,8% amounting €68.830k against €57.450k of 2017.

Finally, exports were 36,3% of total sales presenting an increase of +41,7%.

PROFITABILITY

Company's profit before tax amounted €14.240k against €9.891k of 2017 (+44,0% increase). The net profit after tax amounted €10.112k against €7.337k of 2017 (+38,0% increase). EBITDA amounted €17.292k against €12.450k of 2017 (+38,9% increase).

LOANS

Management seeks to maintain a small exposure to debt. At 31/12/2018, the balance of Company's loans amounts to €9.200k, while net debt is zero.

BASIC FINANCIAL RATIOS

		31/12/2018	31/12/2017
Debt to capital=	Debt / Total equity + Debt	14,1%	17,4%
Debt to equity=	Debt / Total Equity	16,5%	21,0%
ROA=	Profit after Tax / Total Assets	11,2%	8,9%
ROE=	Profit after Tax / Total Equity	18,1%	14,8%

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 yoghurt, we continue our focus on the big category of strained yogurt. With intense advertising and parallel targeted in-store promotions, we managed to strengthen our market share, with a significant increase in 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 markets of the West. Europe where we have a presence.

INVESTMENTS

We have developed and implemented investment plans to increase production capacity, as well as technological upgrading, of both yoghurt and ice cream factories. Plans with a total budget of € 18 million have been included in the Development Law 4399/2016.

In the current year, our investments exceeded € 8m.

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 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.

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 31.12.2018, the amount of € 5.000.000 is related to a fixed interest rate and the amount of € 4.200.061 is related to a floating rate.

The loan products of the banking system are being systematically considered in order to find debt solutions with the lowest possible cost money.

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 big 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 and United Kingdom

The macroeconomic and financial environment in Greece continues to show uncertainties, although it now shows clear signs of confidence-building and risk mitigation. The Company's Management has taken measures that it considers necessary to minimize the impact of the risks of Greece's macroeconomic environment.

In June 2016, the United Kingdom decided to leave the European Union ("Brexit") after a referendum. The negotiations of the two sides have not yet reached an agreement on their relationship, after Brexit. Possible customs controls or import duties after Brexit would worsen our competitive position in the United Kingdom market, negatively impacting on our sales and profitability. Brexit's final effects will depend on the specific terms that will apply if an agreement is reached between the United Kingdom and the European Union.

V. Strategies – Future Performance Estimations

STRATEGIES

In the ice cream industry, our main focus is to improve the sectoral operating result. At the same time, we are promoting the growth of numerical distribution, with emphasis on tourist areas. Particular emphasis will be placed on boosting exports as major growth opportunities emerge.

In the yoghurt sector, we make good use of our modern production facilities, with high production capacity and competitive processing costs, aiming at increased sales. In this direction, we actively communicate the competitive advantages of our products (such as the use of 100% same day produced milk for the production of yoghurt). At the same time, we strengthen our export orientation, responding to the increased demand for Greek yoghurt in foreign markets.

DIVIDEND POLICY

The KRI-KRI Dividend Policy promotes the distribution of an increased dividend each year, as profit margins allow.

The Tactical General Meeting of the Shareholders has decided to the distribution of dividends for the financial year 2017 of gross value €0,115

For the financial year 2018, the Board of Directors decided to propose to the Tactical General Meeting of the Shareholders the distribution of dividend of <u>gross value €0,15 per share</u>. The distribution is dependent to the decision of the Tactical General Meeting of the Shareholders.

FUTURE PERFORMANCE ESTIMATES

The KRI-KRI administration continues to maintain a cautious attitude towards the situation and developments in the economic environment. Against this background, we promote the implementation of appropriate policies that will ensure sufficient liquidity and maintain good profitability.

For the year 2019, KPI-KRI looks for double-digit sales growth (> 10%) and at least same level increase in profitability. The evidence so far suggests that this objective is achievable.

VI. Related party transactions

During the year 2018 there were no transactions and no balance of receivables or liabilities with related legal entities existed on 31/12/2018.

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 a follows:

	31/12/2018	31/12/2017
Payment of interest on a bond loan*	180.979	197.672

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

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

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

<u>COMPENSATION OF DIRECTORS</u>	31/12/2018	31/12/2017
Remuneration of the members of the Board of Directors	333.139	335.308
Salaries of the members of the Board of Directors	159.451	108.645
Total	**492.590**	**443.953**

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY MANAGEMENT PERSONNEL	31/12/2018	31/12/2017
Transactions with the members of the B.O.D and key management personnel	96.440	98.836
Liabilities to the members of the B.O.D and key management personnel*	2.500.000	2.500.000

* Bond loan covered by major shareholders

VII. Branch

The Company operates a branch in Aspropyrgos, Attica. The branch operates as a logistics center to serve the market of southern Greece.

VIII. Research & Development

The Company has a separate department dealing with product research and development (new development and improvement / development of existing ones) and new production technologies.

IX. ANALYTICAL INFORMATION IN ACCORDANCE TO ARTICLE 4 OF LAW 3556/2007

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS

(According to paragraphs 7 and 8 of article 4 of Law 3556/2007)

(a) The share capital structure, including shares that are not admitted to trading on a regulated market in Greece or in another Member State, reporting for each class of shares the rights and obligations associated with this category And the percentage of the total share capital represented by the shares of that category..

The share capital of the Company amounts to € 12,564,751.68, divided into 33,065,136 shares of nominal value € 0.38 each and is fully paid up. All the shares of the company are common, nominal, with voting rights, listed for trading on the Athens Exchange and have all the rights and obligations established by the Law.

(b) Restrictions on the transfer of company shares, such as indicative restrictions on the holding of shares or the obligation to obtain prior approval from the company, other shareholders or a Public or Administrative Authority, without prejudice to article 4, paragraph 2 of Law 3371 / 2005.

The transfer of the company's shares is carried out in accordance with the Law and there are no restrictions on the transfer of the Company's statutes.

(c) Significant direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007.

On 31/12/2018, register records holding significant voting rights (≥5%) are:

REGISTER RECORDS	HOLDER	%
OIKONOMOU ATHANASIA (JIA)	OIKONOMOU ATHANASIA TSINAVOU ANASTASIA	15,12%
TSINAVOS PANAGIOTIS	TSINAVOS PANAGIOTIS	14,19%
TSINAVOS SPYRIDON (JIA)	TSINAVOS SPYRIDON TSINAVOU EVANGELIA TSINAVOU CHARIKLEIA TSINAVOU SEVASTI	12,10%
TSINAVOS PANAGIOTIS(JIA)	TSINAVOS PANAGIOTIS TSINAVOS GEORGIOS	11,46%
TSINAVOU EVANGELIA	TSINAVOU EVANGELIA	6,50%
TSINAVOU CHARIKLEIA	TSINAVOU CHARIKLEIA	6,42%

JIA= Joint Investor’s Account

(d) Holders of all kinds of shares that provide special control rights and a description of the related rights.

There are no Company shares that provide special control rights to their shareholders.

(e) Restrictions on voting rights, such as, but not limited to, voting rights to holders of a certain percentage of the share capital or to holders of a certain number of voting rights, and the time limits for the exercise of voting rights.

The Company's Articles of Association do not provide for restrictions on voting rights.

(f) Agreements between shareholders that are known to the Company and entail restrictions on the transfer of shares or restrictions on the exercise of voting rights.

The company is not aware of the existence of agreements between its shareholders, which impose restrictions on the transfer of its shares or on the exercise of the voting rights deriving from its shares.

(g) Rules for the appointment and replacement of members of the Board of Directors, as well as for the amendment of the Articles of Association, if different from the provisions of the Codified Law. 2190/1920.

The rules laid down in the Company's Articles of Association for the appointment and replacement of the members of the Board of Directors and the amendment of its provisions do not differ from the provisions of Law 2190/1920.

(h) Powers of the Board of Directors or certain members of the Board of Directors to issue new shares or purchase of own shares in accordance with article 16 of Codified Law 2190/1920.

The Board of Directors and its members do not have the power to issue new shares or to buy own shares.

(i) Significant agreement entered into by the Company which enters into force, is amended or terminated in the event of a change in the control of the company following a public offer and the results of that agreement unless, by its nature, disclosure Agreement would cause serious damage to the company. The exemption of disclosure of the agreement does not apply when the disclosure obligation results from other provisions.

There are no agreements that enter into force, are amended or expire, in the event of a change of control of the company following a public offer,

(j) An agreement that the Company has concluded with members of its board of directors or its personnel, which provides for compensation in the event of resignation or dismissal without valid reason or termination of their term or employment due to the public offer.

There are no special agreements of the company with members of its Board of Directors or its personnel, which provide for the payment of compensation especially in case of resignation or dismissal without a valid reason or termination of their term or employment due to a public offer.

X. CORPORATE GOVERNANCE

CORPORATE GOVERNANCE DECLARATION

This Corporate Governance Statement, as set out in Article 43bb of CL 2190/1920 as currently in force, is a specific part of the Annual Management Report of the Board of Directors and contains all the information required by law.

(a) Compliance with Corporate Governance Code

The Company has established and follows a Code of Corporate Governance, according to Law 3873/2010, which is posted on the Company's website https://www.krikri.gr/dyn/userfiles/files/koddiak.pdf.

(b) Deviations from the Corporate Governance Code and Justification of Such

There are no deviations from the Code of Corporate Governance established and followed by the Company.

(c) Corporate Governance Practices applied by the Company in addition to the provisions of the law

The Company's Board of Directors has established a Remuneration and Benefit Committee with advisory role in determining the Company's staff policy.

(d) Description of the internal control and risk management system as regards to the procedure of preparing financial statements

Internal control

The Board of Directors. The Company has ultimate responsibility for monitoring the adequacy of the company's internal control system including the internal audit system for the preparation of financial statements, which system is designed to ensure a reasonable but not absolute level of protection from a significantly misrepresentation or damage.

Internal control framework

The internal control system is evaluated on a sustained basis in order to confirm the maintenance of a safe and effective control environment. The annual control plan, prepared on the basis of the previous risk assessment and providing reasonable assurance that the Company's core business activities and financial risks are addressed, is approved on an annual basis by the Audit Committee. Specific business procedures have been introduced for areas with a high risk of fraud. The Audit Committee addresses all the major audit issues raised by both management and internal and external auditors and submits its findings to the Board of Directors. For all identified weaknesses in the internal control system, the Audit Committee ensures that the management takes all necessary corrective measures.

Corporate Policies and Procedures

The Company applies policies and procedures that ensure the effectiveness and efficiency of its core business activities, supporting both the internal control system it has adopted and effective risk management. The policies and procedures applied are subject to evaluation by the Board of Directors. Based on business unit reports and internal audit reports to ensure their adequacy and compliance.

Information systems

The Company has developed an Information System that supports financial information in an effective way. The Information System provides management with indicators that measure the Company's financial and operating profitability. Analysis of the results is carried out on a monthly basis covering all important business fields.

Danger management

The Company has set up the appropriate structures and procedures to assess and manage the risks associated with the preparation of the financial statements.

(e) Reference to points (c), (d), (f), (h) and (i) of Article 10 of Directive 2004/25/EC

The above are mentioned in paragraph "IX. REFERENCES REFERRED TO IN ARTICLE 4 of Law 3556/2007 "(Explanatory Report) referring to the additional information of paragraphs 7 and 8 of article 4 of Law 3556/2007.

f) General Meeting and shareholders' rights

The General Meeting is the supreme body of the company, convened by the Board of Directors and entitled to decide on any matter concerning the company to which the shareholders are entitled, either in person or through a legally authorized representative, in accordance with the lawful procedure .
The Board of Directors. Ensures that the preparation and conduct of the General Meeting of Shareholders facilitates the effective exercise of shareholders' rights, who are informed of all matters relating to their participation in the General Meeting, including agenda items, and their rights in the General Assembly.
More specifically, regarding the preparation of the General Meeting in conjunction with the provisions of Law 3884/2010, the Company shall post on its web site at least twenty (20) days before the General Meeting, information on:
- the date, time and place of the General Meeting of Shareholders,
- the basic rules and practices of participation, including the right to enter items on the agenda and questions and the time limits within which such rights may be exercised,
- voting procedures, terms of proxy representation and the forms used for proxy voting,
- the proposed agenda for the Assembly, including draft decisions for discussion and voting, as well as any accompanying documents,
- the proposed list of candidate members of the Board of Directors; And their curriculum vitae (subject to election of members); and
- the total number of shares and voting rights at the date of the convocation.

i. The President of the Board of Directors The Company's Chief Financial Officer, the Chief Financial Officer and the Chairmen of the BoD Committees. Attend the General Meeting of Shareholders in order to provide information and information on issues raised for discussion and on questions or clarifications requested by shareholders. Furthermore, the General Meeting of Shareholders is also attended by the Company's Internal Audit Officer.
ii. At the meetings of the General Assembly, the Chairman of the Board of Directors is provisionally chaired, who also appoints the person who will serve as interim secretary.
iii. After the validation of the list of shareholders entitled to vote, the General Assembly immediately elects the final bureau, which is constituted by the President and the secretary who performs ballot duties. The decisions of the General Meeting are taken in accordance with the provisions of the current legislation and the provisions of the Articles of Association of the Company.
iv. A summary of the minutes of the General Meeting of Shareholders is available on the company's website.
v. In the GC Of the Company is entitled to participate and vote on any shareholder that appears as such in the records of the entity in which the securities of the Company are held. The exercise of these rights does not entail the freezing of the shares of the beneficial owner or the observance of any other similar procedure. The shareholder may appoint a representative if he so desires.

g) Composition and way of functioning of the Board of Directors and its Committees

Composition and mode of operation of the Board

The Company is governed by a Board of Directors, which according to the decision of the last General Meeting consists of five (5) members. All members of the Board of Directors Are elected by the General Assembly. The term of office of members is six years. A member of the Board of Directors may also be a legal person.

The current composition of the Board of Directors Includes the following five (5) members:
Tsinavos Panagiotis, Chairman & CEO
Kotsambasis Georgios, Vice-Chairman, Executive Member
Xentes Theodoros, Independent Non-Executive Member
Kamarinopoulos Panagiotis, Independent Non-Executive Member
Kyriakidis Anastasios, Independent Non-Executive Member

The Board of Directors elects the Chairman and a Vice-Chairman from among its members. When the President is absent or impeded, his duties (as defined by law or statutes) are exercised by the Vice-President. The Board of Directors may meet validly, except at the registered office of the company, and wherever the company has a business establishment or a subsidiary. The Board of Directors may also meet by videoconference. The Board of Directors. Meets with the frequency necessary to ensure the effective performance of his / her duties. The Chairman of the Board of Directors shall chair the meetings of the Board of Directors, who may nominate a person to act as Secretary of the Board of Directors. The Board of Directors decides by a majority of the number of its present and / or legally represented members. The minutes of the meetings of the Board of Directors are signed either by its Chairman or by the Vice-President who are also entitled to issue copies and extracts thereof.

Composition and way of operation of BoD Committees

Control Committee

The Audit Committee is a committee of the Board of Directors and is formed to assist in the fulfillment of its supervisory responsibility for the financial information and information process, the statutory audit procedure, the compliance of the company and its subsidiaries with the legal and regulatory framework, Control system and supervising the audit function. Regarding the process of preparing financial information, the Audit Committee monitors, examines and evaluates the mechanisms and systems of production, the flow and sharing of financial information produced by the Company’s organizational units involved. In the context of informing the Board of Directors, the Audit Committee takes into account the content of the supplementary report, which is submitted by the Statutory Auditor, and which contains the results of the statutory audit that fulfills at least the specific requirements according to Article 11 of the Regulation (EU) 537/2014 of the European Parliament and of the Council of April 16th 2014. The members of the Audit Committee are appointed by the General Meeting of the Company's shareholders following a proposal by the Board of Directors. The Audit Committee consists of at least two (2) non-executive members and an independent non-executive member of the Board of Directors who presides over its meetings and has experience / knowledge of financial and accounting matters. The Audit Committee meets as often as necessary but at least four times a year at the invitation of the Chairman and meets the company's regular auditor without the presence of the members of the management of the company at least twice a year.

The current composition of the Audit Committee includes the following three (3) members:

Xentes Theodoros, President
Kamarinopoulos Panagiotis, Member
Kyriakidis Anastasios, Member

Remuneration and Benefits Committee

The Board of Directors has established a Remuneration and Benefit Committee with advisory role in determining the Company's staff policy. More specifically, the Remuneration and Benefit Committee proposes to the Board of Directors all kinds of benefits paid to executive, management and senior management, while also regulating issues related to the company's general remuneration policy. The Committee consists of three (3) members, the majority of which are non-executive. The Chairman of the Remuneration Committee is appointed by the Company's Board of Directors and must be non-executive member. In the event that an Executive Member is involved in the composition of the Remuneration and Benefits Committee, this member is prevented from participating in the discussion and decision-making on any matter relating to his / her own salary. The Remuneration and Benefit Committee shall be convened by invitation of the President and shall meet as often as necessary, but at least once a year.

The current composition of the Remuneration and Benefit Committee includes the following three (3) members:
Xentes Theodoros, President
Kamarinopoulos Panagiotis, Member
Kyriakidis Anastasios, Member

(h) A diversity policy applicable to the Company's governing bodies

The Company applies an informal policy of diversifying the skills, opinions and skills of the members of its Board of Directors. Its goal is to serve corporate goals, as the pool of skills, experience and optics grows in the senior management body. All members of the Board of Directors are distinguished for their high professional training, their level of education, their experience and their organizational and administrative capabilities, and they are distinguished by the ethos and the integrity of their character.

Serres, 22 April 2019

THE PRESIDENT OF THE BOARD THE MEMBERS

Exact excerpt from the Board of Directors' book of proceeding

The President &
CEO

Panagiotis Tsinavos

Independent Auditor's Report

To the Shareholders of KRI - KRI MILK INDUSTRY S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of KRI-KRI MILK INDUSTRY S.A. (the Company), which comprise the statement of financial position as at 31 December 2018, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of KRI-KRI MILK INDUSTRY S.A. as at 31 December 2018, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the audited period. These matters and the related risks of material misstatement were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key audit matter	Addressing the audit matter
Valuation of inventories	
At 31.12.2018 the Company's inventories of merchandise, products and raw and auxiliary materials amount to € 8.764.680 including impairment of amount € 57.974 (€ 8.522.546 at 31.12.2017 including impairment of amount € 204.531).	We assessed the reasonableness of the Management's assumptions used for the inventories valuation including: • Recording procedures and internal control for inventory management designed by the Company's Management with regard to inventories.

As described in note B.9 (Accounting principles and methods) to the financial statements, inventories are measured at the lower of cost and net realizable value. Due to the nature of most inventories(food products with a low life span and susceptibility to lesions), their shelf-life and suitability should be continuously examined. Therefore, the Management of the company makes estimates for the determination of the appropriate impairment based on detailed analysis We consider the assessment of the valuation of the company's inventories to be one of most significance matter because, on the one hand the sale of inventories of dairy products and ice cream constitute the main object of the company's operation and secondly because of the Management's critical estimates and judgments for the determination of their net realizable value.	• Examining the effectiveness of internal control for inventory management at the warehouse. • Monitoring the physical inventory at the warehouse. • Sample confirmation of the correct determination of the acquisition cost of merchandise inventories according to the purchase invoices and the correct allocation of purchase costs. • Sample confirmation of the correct determination of the production cost of products according to the cost of raw materials, direct labor costs and general industrial expenses. • Examining the completeness of the valuation by comparing the net realizable value with the acquisition cost of inventories. • Examining the warehouse trial balance with the use of data analysis software for identifying idle and slow-moving inventories. • Also, we assessed the adequacy and appropriateness of the disclosures in note C.7 "Inventories" to the financial statements.
Recoverability of trade receivables	
At 31.12.2018, the trade receivables of the Company amount to € 20.934.450 (€22.145.968 at 31.12.2017) while the related accumulated impairment amounts to € 2.784.524 (€2.015.184 at 31.12.2017), as referred to in note C.8 to the financial statements. The trade receivables of the Company include mainly receivables from trade debtors domestic-abroad. The demanding operating environment of the company during the year increased the risks of doubtful receivables from the customers of the company. In particular, in case of the customers' insolvency, the Company is exposed to increased credit risk when customers fail to meet their contractual obligations According to IFRS 9 applied mandatorily for annual periods beginning after 1 January 2018 the determination of doubtful receivables is based on a model of expected credit loss. This model groups the receivables according to the credit rat-	Our audit approach regarding the recoverability of trade receivables included, among other, the following procedures: • Understanding and examining of the credit control procedures as well as examining the internal control for granting of credit to customers. • Assessment of the assumptions and the methodology used by the Company in conjunction with the application of the IFRS 9 from 1 January 2018, which determines the doubtful receivables based on a model of expected credit loss. • Examining the reply letter of the Legal Advisor, for matters he handled during the year in order to identify any matters indicating trade receivable balances not recoverable in the future. • Also, we assessed the adequacy and appropriateness of the disclosures in note C.8 "Trade and other receivables" to the financial statements.

ing of each customer, links the rating to the probability of default and calculates the expected credit losses. Given the significance of the matter and the level of judgment and the estimates required, we consider this to be one of most significance matter.	
Revenue recognition	
The turnover of the Company amounted for the year ended 31.12.2018 to € 94.234.441 (€ 79.246.189 for the year ended 31.12.2017). Relevant reference about revenue is made in the financial statements in note B.18 (Accounting policies and methods) and C.25 (Segment reporting) to the financial statements. Provided that the turnover is deemed to be a high risk area of the financial statements, we consider this to be one of most significance matter. In the year 2018 the Company applied IFRS 15 "Revenue from contracts with customers". Based on this standard, revenue recognition is done by following 5 key steps. The implementation of this standard took place on 1/1/2018 and had no impact on the Company's financial statements	Our main audit approach included among other also the following procedures: • Understanding of the policies and procedures for revenue recognition, with respect to discounts due to achieving sales goals. • Audit of correct separation of accounting years, examining the sales made close to the end of the reporting period and right after this, by correlating the invoices with the respective consignment notes. • In a sample of customer contracts, recalculation of discounts based on verified turnover per case and the terms of the contracts and reconciliation with the respective issued vouchers and other supporting documents. • Also, we assessed the adequacy and appropriateness of the disclosures in note C.25 “Segment reporting” to the financial statements. • The application of the IFRS 15 had no impact on the financial statements of the Company

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors’ Report for which reference is made to the “Report on other Legal and Regulatory Requirements”, to the Statements of the Members of the Board of Directors provided by the L. 3556/2007 Annual Financial Report, but does not include the financial statements and the auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the audited period and are therefore the key audit matters.

Report on other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement included in this report, according to the provisions of paragraph 5 of article 2 (part B') of L. 4336/2015, we note that:

a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 43bb of cod. L. 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 43a and the paragraph 1 (cases c' and d') of the article 43bb of cod. L. 2190/1920 and its content corresponds with the accompanying financial statements for the year ended 31/12/2018.

c) Based on the knowledge we obtained during our audit of KRI-KRI MILK INDUSTRY S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the accompanying financial statements is consistent with the Additional Report to the Company's Audit Committee referred to in Article 11 of European Union (EU) Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company the prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014 or other permitted non-audit services.

The permitted non-audit services that we have provided to the Company, during the year ended 31 December 2018 have been disclosed in the Note C.31 of the accompanying financial statements.

4. Auditor’s Appointment

We have been appointed for the first time statutory auditors of the Company by the dated 30/06/2000 decision of the annual ordinary general meeting of shareholders. Since then, our appointment has been constantly renewed for a total period of 15 years based on the annual decisions of the Annual General Meetings of the Company Shareholders and we have been re-appointed for a total period of three (3) years.

Athens, 23 April 2019

STYLIANOS M. XENAKIS
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 11541

SOL S.A.
Member of Crowe Global
3, Fok. Negri Str., 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

FINANCIAL STATEMENTS

FOR THE PERIOD

1.1.2018 – 31.12.2018

IN ACCORDANCE WITH IFRS

Statement of Comprehensive Income

	Note.	1/1-31/12/2018	1/1-31/12/2017
Sales		**94.234.441**	**79.246.189**
Cost of sales	C18	(57.571.058)	(50.831.743)
Gross profit		**36.663.383**	**28.414.447**
Distribution expenses	C18	(19.842.619)	(16.444.502)
Administration expenses	C18	(2.960.753)	(2.655.569)
Research and development expenses	C18	(208.936)	(161.722)
Other income	C19	713.352	721.358
Other (loss) / gain net	C20	112.426	56.659
Profit before taxes, financial and investment income		**14.476.852**	**9.930.672**
Financial income	C21	144.354	368.627
Financial expenses	C21	(381.191)	(408.775)
Financial income (net)		(236.838)	(40.147)
Profit before taxes		**14.240.014**	**9.890.525**
Income tax	C22	(4.117.847)	(2.553.864)
Net profit for the period (A)		**10.122.167**	**7.336.662**
Other comprehensive income			
OCI non recycled to P&L			
Revaluation on pension benefit obligation		0	(40.613)
Deferred taxes on actuarial gains / (losses) due to the change in tax rate		(311)	0
Other comprehensive income after tax (B)		**(311)**	**(40.613)**
Total comprehensive income after tax (A + B)		**10.121.856**	**7.296.048**
Net profit per share from continuous operations			
- Basic and diluted (in €)	C23	**0,3061**	**0,2219**

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

Statement of Financial Position

	Note	31/12/2018	31/12/2017
ASSETS			
Non-current assets			
Tangible assets	C1	45.224.285	40.255.263
Investment in properties	C2	10.082	120.756
Intangible assets	C3	552.324	618.065
Non-current Assets Held for Sale	C4	52.000	0
Other non-current assets	C6	197.346	54.856
		46.036.037	**41.048.940**
Current assets			
Inventories	C7	8.764.680	8.522.546
Trade and other receivables	C8	20.934.450	22.145.968
Current income tax receivables	C17	0	560.170
Cash and cash equivalents	C9	14.278.310	10.141.839
		43.977.440	**41.370.523**
Total assets		**90.013.477**	**82.419.463**
EQUITY AND LIABILITIES			
Equity			
Share capital	C10	12.564.752	12.564.752
Reserves	C11	19.851.847	19.499.501
Retained earnings		23.414.438	17.447.418
Total equity		**55.831.036**	**49.511.671**
Liabilities			
Non-current liabilities			
Long-term borrowings	C12	8.000.000	4.200.000
Accrued pension and retirement obligations	C13	805.155	777.304
Deferred income tax liabilities	C14	2.671.403	2.227.396
Government grants	C15	7.268.843	7.802.690
		18.745.401	**15.007.390**
Current liabilities			
Short-term borrowings	C12	1.200.061	6.200.061
Trade and other payables	C16	11.848.831	11.700.341
Current income tax liabilities	C17	2.388.148	0
		15.437.040	**17.900.402**
Total liabilities		**34.182.441**	**32.907.792**
Total equity and liabilities		**90.013.477**	**82.419.463**

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

Statement of changes in equity

	Share capital	General re-serve	Special re-serves	Other re-serves	Actuarial gains-losses reserve	Retained earnings	Total Equity
Balance at 31.12.2016	**12.564.752**	**1.909.585**	**15.931.169**	**38.275**	**6.851**	**14.740.854**	**45.191.485**
Profit for the period						7.336.662	7.336.662
Revaluation on pension benefit obligation					(40.613)		(40.613)
Total comprehensive income for the period					**(40.613)**	**7.336.662**	**7.296.048**
Reserves increase		289.735	1.364.501			(1.654.236)	0
Transactions with owners in their capacity as owners							
Dividends provided for or paid						(2.975.862)	(2.975.862)
Balance at 31.12.2017	**12.564.752**	**2.199.320**	**17.295.670**	**38.275**	**(33.762)**	**17.447.418**	**49.511.671**
Balance at 31.12.2017	**12.564.752**	**2.199.320**	**17.295.670**	**38.275**	**(33.762)**	**17.447.418**	**49.511.671**
Profit for the period						10.122.167	10.122.167
Deferred taxes on actuarial gains / (losses) due to the change in tax rate					1.232	(1.543)	(311)
Total comprehensive income for the period					**1.232**	**10.120.624**	**10.121.856**
Reserves increase		351.114				(351.114)	
Transactions with owners in their capacity as owners							
Dividends provided for or paid						(3.802.491)	(3.802.491)
Balance at 31.12.2018	**12.564.752**	**2.550.434**	**17.295.670**	**38.275**	**(32.531)**	**23.414.437**	**55.831.036**

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

Statement of cash flows

Indirect method	1/1-31/12/2018	1/1-31/12/2017
OPERATING ACTIVITIES		
Profit before taxes	14.240.014	9.890.525
Adjustments for:		
Depreciation	3.348.591	3.114.837
Provisions	650.634	112.504
Foreign exchange differences, net	12.162	658
Amortization of government grants relating to capital expenses	(533.847)	(595.093)
Miscellaneous items	0	(274.650)
Investment income	(37.493)	(84.152)
Interest and related expenses	376.397	408.775
	18.056.457	12.573.404
Changes in working capital:		
Decrease / (Increase) in inventories	(95.577)	(1.053.458)
Decrease / (Increase) in receivables	(906.990)	(498.163)
(Decrease) / Increase in payables (except banks)	223.961	755.050
Less:		
Interest and related expenses paid	(386.900)	(378.062)
Taxes paid	(725.834)	(3.366.958)
Cash flow from operating activities (a)	**16.165.117**	**8.031.814**
INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(7.725.895)	(6.003.386)
Proceeds from sales of intangibles and property, plant and equipment	92.000	82.467
Interest received	79.686	48.367
Subsidies received	0	2.399.449
Purchase of financial instruments	(4.078)	0
Cash flow from investing activities (b)	**(7.558.288)**	**(3.473.103)**
FINANCING ACTIVITIES		
Proceeds from borrowings	0	6.000.000
Repayments of loans	(1.200.000)	(4.675.455)
Dividends paid to company's shareholders	(3.270.358)	(2.581.386)
Cash flow from financing activities (c)	**(4.470.358)**	**(1.256.841)**
Change in cash and equivalents (a+b+c)	**4.136.471**	**3.301.869**
Cash and equivalents at beginning of period	10.141.839	6.839.970
Cash and equivalents at end of period	**14.278.310**	**10.141.839**

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 is the production of ice-cream and yogurt.

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 22 April 2019.

B. Significant accounting policies

B.1 Basis of preparation

These financial statements covering the period from 1.1.2018 to 31.12.2018, have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, the going concern principle, the accounting time period assumption, the principle of consistency and the principle of materiality, and are in conformity with International Financial Reporting Standards (IFRS) including the International Accounting Standards (IAS) and issued interpretations by International Financial Reporting Interpretations Committee (IFRIC) as they have been adopted by the European Union.

The accounting principles set out below have been applied on all presented periods.

The preparation of financial statements, in conformity with IFRS requires the use of critical accounting estimates and assumptions that can affect the balance of the accounts presented on the statement of financial position or on the statement of comprehensive income. Even though the critical accounting estimates are based on management's best judgment, actual results may, at the end, differ from these estimates.

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. Due to the application of this Standard, earnings before taxes are reduced by €620k approximately, while earnings after taxes and the equity are reduced by €440k approximately. The effect from the application of this standard is set out in Note C.8.

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. Base on this standard, revenue recognition is done by following 5 key steps. The application of this standard took place on 1/1/2018 and had no impact on the financial statements of the company. Additional disclosures required for income are provided in Note C.25.

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. In summary, the estimated impact on the financial statements of the company, since the adoptionn of IFRS 16 are:

Statement of Financial Position	31.12.2018
Non-current assets	
Tangible assets	670.000
Liabilities	
Liabilities from leases	670.000

Statement of Comprehensive Income	1.1-31.12.2019
Operating leases	(230.000)
Depreciation	215.000
Financial expenses	30.000
Profit before tax	15.000
Net Profit	11.000
EBITDA (see note C24)	230.000

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 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Euros, which is the functional and presentation currency of the Company. Items included in the financial statements are measured in the functional currency, which is the currency of the primary economic environment in which the Company operates.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates (i.e. spot rates) prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the end of each reporting period exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. All exchange differences resulting from the above are recognised in other comprehensive income, in line other (loss)/gain net.

B.3 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, except for land, which is shown at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The book value of the part of the replacement asset ceases to be recognized.

Borrowing costs directly attributable to the acquisition, construction or production of tangible assets are capitalized in the asset's preparation period.

All other repair and maintenance expenses are charged to the income statement for the period as incurred.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

Buildings	40 years
Plant and machinery	5-25 years
Motor vehicles	5-10 years
Furniture and other office Equipment	4-7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount, charging the income statement.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

B.4 Investment properties

Investment property is property held for long-term rental yields or for capital appreciation or both and that is not owner-occupied. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied property from investment property.

Investment property is measured initially at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at historical cost less accumulated depreciation and impairment losses, except for land, which is shown at cost less impairment losses. Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

Buildings	40 years

The residual values and useful lives of investment property are reviewed and revalued if necessary at the end of each financial year.

The carrying amount of an investment property is impaired to its recoverable amount when its carrying amount exceeds its estimated recoverable amount and the differences (impairment) are recognized as an expense in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Since both investment properties and property, plant and equipment are valued at historical cost less accumulated depreciation, any transfer of an item between them does not affect its valuation. Investment properties are derecognised when they have been disposed. Gains or losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

B.5 Intangible assets

Computer software

Computer software, acquired separately, is measured on initial recognition at cost. Cost includes expenditure that is necessary to bring to use the specific software. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Company's computer software has a finite useful life of 5.5 years and it is amortized using the straight line method.

Trademarks

Trademarks are stated at cost less accumulated amortization. Company's trademarks have a finite useful life of 10 years and they are amortized using the straight line method.

B.6 Non-current Assets Held for Sale

The Company classifies a non-current asset (or a group of assets and liabilities) as held for sale if its value is expected to be recovered principally through its disposal rather than through its use. The basic conditions for such classification are A) the asset (or group) is available for direct sale as it stands, B) the completion of the sale only depends on the usual and formal conditions for the sale of such assets, C) the sale should be extremely likely to happen.

The initial valuation is based on the applicable IFRS. Subsequently, the assets held for sale are measured at the lower value between their accounting and fair value, less direct disposal costs. Possible impairment losses are recognized in the income statement. Any subsequent reversal of an impairment loss that can not exceed the originally recorded loss is recognized in the income statement.

For assets classified as held for sale, depreciation is not accounted after the date of their recognition.

B.7 Impairment of tangible and intangible assets (other than goodwill)

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Whenever an asset's book value, exceeds its recoverable amount, the impairment loss is recognized in the Company's income statement.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Tangible and intangible assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. A reversal of an impairment loss is recognized immediately in the income statement.

B.8 Investments in associates

Investments in associates, at the company's financial statements, are recognized at cost less any impairment loss.

B.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

B.10 Trade receivables

Trade receivables are recognized initially at their fair value, which corresponds to the currying value value, less impairment losses. In accordance with IFRS 9 that is mandatory for annual periods beginning after 1 January 2018, the determination of doubtful debts is based on a model of expected loss. This model groups the trade receivables according to the credit rating of each customer, links the rating to the probability of default and calculates the expected credit losses.

B.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, as well other short-term high liquidity and low risk investments.

B.12 Share capital

Ordinary shares are classified as equity. Direct costs incurred for increases in share capital are recorded, net of related income taxes against the share premium reserve.

B.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are measured at amortised cost using the effective interest method.

B.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be prepared for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is an asset that requires an extended period of time in order to be ready for the use for which it is determined or sale.

Investment income earned on the temporary investment of specific borrowings pending their use for qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed as part of finance costs in the period in which they are incurred.

B.15 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic basis over the useful lives of the related assets.

B.16 Taxation (current and deferred)

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

B.17 Employee benefits

Employee benefits include defined benefit plans and termination benefits.

(a) Defined benefit plans

Usually, defined benefit plans determine the pension received by an employee. The amount depends on several factors such as age, years of experience and compensation.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. For defined benefit pension plans, pension costs are assessed using the projected unit credit method. . The defined benefit obligations are measured at the present value of the estimated future cash outflows using interest rates of corporate or government bonds, depending on whether or not there is a deep market for corporate bonds in the relevant country, which have terms to maturity approximating the terms of the related liability.

The Company's contributions to the defined contribution pension plans are charged to the income statement in the period to which the contributions relate.

Past service cost is recognised immediately in the income statement.

Net interest expense is calculated as the net amount between the defined benefit obligation and fair value of the plan assets multiplied with the discount interest rate. This cost is included in the statement of comprehensive income on staff costs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The Company operates a number of defined benefit and defined contribution pension plans in its territories. The defined benefit plans are made up of both funded and unfunded pension plans and employee leaving indemnities.

(b) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: a) when the Company can no longer withdraw the offer of those benefits and b) when the Company recognises costs for a restructuring that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits due 12 months after the reporting date are discounted.

B.18 Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of goods and services stated net of value-added tax, rebates and discounts. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Company and when certain criteria are met for each Company activity as described below. The Company bases its estimate of returns on historical data, taking into account the type of customer, the type of transaction and the characteristics of each agreement.

(a) Sale of goods

The Company sells ice cream and dairy products to the wholesale market. Sales of goods are recognized when the Company has delivered the products to the wholesale customer, the wholesale customer has full discretion as to the way of distribution and the selling price of the products and there is no unfulfilled obligation that could affect the acceptance of the Purchase of products on the part of the wholesale customer. Specific wholesale customers are given the right of return for products that have expired on their expiry date. Revenue is adjusted to the value of the estimated returns. Delivery is only understood when the goods have been delivered to a specific location, the risk of waste and damage being transferred to the wholesale customer and either the wholesale customer has accepted the products in accordance with the sales contract or the terms of acceptance have expired, or the Company has objective evidence that all acceptance criteria have been met.

Branded ice cream and dairy products are usually sold at discounts and customers are entitled to a refund for products that have expired on their expiry date. Sales are recorded on the basis of the contractual selling price, net of the estimate of discounts and returns at the time of sale. Historical data are used to estimate and establish a provision for discounts and returns.

(b) Sale of services

Revenue arising from services is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

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

B.19 Earnings 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.

B.20 Distribution of dividends

Dividend to the Company's shareholders is recognized in the financial statements in the period in which the Board of Directors' proposed dividend is ratified at the Shareholders' Annual General Meeting.

B.21 Leases

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made for operating leases (net of any incentives offered by the lessor) are recognized in the income statement using the straight-line method over the lease term.

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

B.22 Extraordinary items

The extraordinary items are disclosed separately in the financial statements when it is necessary for the further understanding of the financial performance of the Company. They are items of income or expense of considerable value that are displayed separately due to the significance of the nature or amounts.

B.23 Financial risk management

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
1/1-31.12.2018	+5%	74.967
	-5%	(74.967)
1/1-31.12.2017	+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 31.12.2018, the amount of € 5.000.000 is related to a fixed interest rate and the amount of € 4.200.061 is related to a floating rate.

The loan products of the banking system are being systematically considered in order to find debt solutions with the lowest possible cost money.

Loans sensitivity analysis on interest change

	Interest variability	Profit before taxes effect
1/1-31.12.2018	+1%	(42.000)
	-1%	42.000
1/1-31.12.2017	+1%	(40.061)
	-1%	40.061

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.

The table below shows present liabilities into groups by due date (non-discounted):

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2018				
Debt	1.200.061	1.200.000	6.800.000	0
Trade and other payables	11.848.831	0	0	0
31 December 2017				
Debt	6.200.061	1.200.000	3.000.000	0
Trade and other payables	11.700.341	0	0	0

(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.

	2018	2017
Total debt (note C12)	9.200.061	10.400.061
Less: Cash and cash equivalent (note C9)	14.278.310	10.141.839
Net debt	**(5.078.249)**	**258.222**
Equity	55.831.036	49.570.326
Total capital employed	**55.831.036**	**49.828.548**
Leverage ratio	**0%**	**0,52%**

B.24 Macroeconomic risks in Greece and United Kingdom

The macroeconomic and financial environment in Greece continues to show uncertainties, although it now shows clear signs of confidence-building and risk mitigation. The Company's Management has taken measures that it considers necessary to minimize the impact of the risks of Greece's macroeconomic environment.

In June 2016, the United Kingdom decided to leave the European Union ("Brexit") after a referendum. The negotiations of the two sides have not yet reached an agreement on their relationship, after Brexit. Possible customs controls or import duties after Brexit would worsen our competitive position in the United Kingdom market, negatively impacting on our sales and profitability. Brexit's final effects will depend on the specific terms that will apply if an agreement is reached between the United Kingdom and the European Union. It is noted that sales to the United Kingdom are approximately €17.200k, meaning 18% of the total turnover of the Company.

B.25 Capital management

The objectives of the Company regarding capital management are to safeguard the Company's ability to remain a going concern in order to generate profits for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

According to common practice in the industry, the Company monitors its capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as "Total debt" (including "current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital employed is calculated as "Total Equity" as shown in the balance sheet plus net debt.

During 2018, the Company's strategy, like 2017, was to maintain low gearing ratio. The gearing ratios at December 31, 2018 and 2017 were as follows:

B.26 Fair value measurement

The Company acknowledges fair value measurement through a 3 level 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	8.488.359

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	15.000

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.27 Significant accounting estimations and judgments of the management

The estimations and judgments of the Management are constantly assessed. They are based on historic data and expectations for future events, which are deemed as fair according to the ones in effect.

Significant accounting estimations and judgements

The Company makes estimations and assumptions regarding the development of future events. The resulting accounting estimations will, by definition, seldom equal to the related actual results. The estimations and assumptions that relate to a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months are the following:

a) Income Tax

For determining the provision of income taxes it is required from management to exercise judgment. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes provisions for anticipated tax audit issues based on estimates on whether additional charges will be imposed. If the final result of the tax clearance or tax audit is different from the provision that was initially recognized, such differences will impact the income tax and deferred tax provisions in the period.

If the final result of tax clearance (in the areas of exercised judgement) of the estimated cash flows differ by 30% from management estimates, the Company should:

- Increase the obligation of current Income tax by € 6.020 if the difference was unfavorable to the Company, or

- Decrease the obligation of current Income tax by € 6.020 if the difference was favorable to the Company.

b) Provisions for employee benefits

The present value of the liabilities for post employment benefits depends on a number of factors defined on actuarial basis via the use of a significant number of assumptions. The assumptions used for the determination of the net cost (income) for post employment benefits include the discount rate. Any changes in the assumptions would have material effect on the accounting measurement of the liabilities for post employment benefits.

The Company defines the appropriate discount rate in each reporting period. It is the interest rate applicable for the calculation of the present value of the estimated future payments required for the settlement of the benefit liabilities. For the estimation of the appropriate discount rate the Company takes into consideration the interest rates prevailing in high credit rating corporate bonds denominated in the currency of the benefit payments and with maturity dates similar to the ones of the respective liabilities.

Other significant accounting assumptions for post employment benefit liabilities are based in part on the current market conditions. Additional information is provided in C13.

Significant accounting judgements in the application of accounting policies.

Trade receivables

At 31.12.2018 the trade receivables amount to €2.784.824 appear impaired. These receivables refer to clients that face economical distress and Management estimates that they will not manage to respond to their financial obligations. It is probable that part of the doubtful receivables will be collected in the future (note C8).

B.28 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 and 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	57.594	655.546	4.321.917	222.744	212.314	5.470.115
Disposals	0	0	(180.026)	(167.547)	(2.100)	(349.673)
Write-offs	0	0	(65.153)	0	(587)	(65.740)
Balance at 31.12.2017	1.326.703	12.192.192	51.334.382	1.345.790	2.240.987	68.440.055
ACCUMULATED DEPRECIATION						
Balance at 1 January 2017		(2.805.441)	(20.292.892)	(1.057.315)	(1.415.315)	(25.570.963)
Depreciation expense		(345.539)	(2.436.354)	(68.267)	(147.540)	(2.997.700)
Disposals		0	148.701	167.547	2.100	318.348
Write-offs		0	65.151	0	370	65.521
Balance at 31.12.2017		(3.150.980)	(22.515.394)	(958.035)	(1.560.385)	(28.184.794)
Net book value at 31.12.2017	**1.326.703**	**9.041.212**	**28.818.988**	**387.756**	**680.602**	**40.255.263**
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	183.224	483.671	7.295.916	26.751	197.531	8.187.093
Disposals	0	0	(138.235)	(17.251)	0	(155.485)
Write-offs	0	0	(148.598)	0	(570)	(149.168)
Balance at 31.12.2018	1.509.927	12.675.863	58.343.466	1.355.291	2.437.948	76.322.495
ACCUMULATED DEPRECIATION						
Balance at 1 January 2018		(3.150.980)	(22.515.394)	(958.035)	(1.560.385)	(28.184.794)
Depreciation expense		(371.759)	(2.592.934)	(87.744)	(162.903)	(3.215.340)
Disposals		0	138.232	17.250	0	155.482
Write-offs		0	146.051	0	389	146.441
Balance at 31.12.2018		(3.522.739)	(24.824.044)	(1.028.529)	(1.722.898)	(31.098.211)
Net book value at 31.12.2018	**1.509.927**	**9.153.124**	**33.519.422**	**326.762**	**715.049**	**45.224.285**

There are no pledges on fixed assets.

C2. Investment properties

Investment properties are analyzed as follows:

	Land	Buildings	Total
COST			
Balance at 1 January 2017	66.643	76.629	143.272
Balance at 31.12.2017	66.643	76.629	143.272
ACCUMULATED DEPRECIATION			
Balance at 1 January 2017	0	(19.829)	(19.829)
Depreciation expense	0	(2.688)	(2.688)
Balance at 31.12.2017	0	(22.516)	(22.516)
Net book value at 31.12.2017	**66.643**	**54.113**	**120.756**
COST			
Balance at 1 January 2018	66.643	76.629	143.272
Disposals	(34.600)	(29.015)	(63.615)
Transfer to Non-current Assets Held for Sale	(21.961)	(47.615)	(69.575)
Balance at 31.12.2018	10.082	0	10.082

ACCUMULATED DEPRECIATION			
Balance at 1 January 2018	0	(22.516)	(22.516)
Disposals	0	11.585	11.585
Transfer to Non-current Assets Held for Sale	0	11.705	11.705
Depreciation expense	0	(772)	(772)
Balance at 31.12.2018	0	0	0
Net book value at 31.12.2018	**10.082**	**0**	**10.082**

The investment properties of the Company did not produce any revenue from rents. There were not any operating expenses related to the investment properties. The fair value of investment properties is estimated to €15.000. The value is based on Management's estimations ("Level 3"), after examining the value of the properties in the area.

C3. 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	100.283	0	100.283
Balance at 31.12.2017	1.203.256	38.405	1.241.661
ACCUMULATED DEPRECIATION			
Balance at 1 January 2017	(483.223)	(25.924)	(509.147)
Depreciation expense	(110.289)	(4.161)	(114.450)
Balance at 31.12.2017	(593.512)	(30.084)	(623.596)
Net book value at 31.12.2017	**609.743**	**8.321**	**618.065**
COST			
Balance at 1 January 2018	1.203.256	38.405	1.241.661
Additions	65.375	0	65.375
Balance at 31.12.2018	1.268.630	38.405	1.307.036
ACCUMULATED DEPRECIATION			
Balance at 1 January 2018	(593.512)	(30.084)	(623.596)
Depreciation expense	(126.954)	(4.161)	(131.115)
Balance at 31.12.2018	(720.467)	(34.245)	(754.711)
Net book value at 31.12.2018	**548.164**	**4.161**	**552.324**

C4. Non-current Assets Held for Sale

	Land	Buildings	Total
COST			
Balance at 1 January 2018	0	0	0
Additions	21.961	47.615	69.575
Impairment of value	0	(4.507)	(4.507)
Balance at 31.12.2018	21.961	43.107	65.068
ACCUMULATED DEPRECIATION			
Balance at 1 January 2018	0	0	0
Depreciation expense	0	(1.364)	(1.364)
Transfers	0	(11.705)	(11.705)
Balance at 31.12.2018	0	(13.068)	(13.068)
Net book value at 31.12.2018	**21.961**	**30.039**	**52.000**

In the current year, a property owned by the company for investment, was transferred to " Non-current Assets Held for Sale " ,as it seems that there will be a sale within the next 12 months. Its value is impaired so that the book value reflects the value in the pre-sale agreement.

C5. Investment in associates

Investments in associates are analyzed as follows:

	31/12/2018	31/12/2017
Investments in associates	0	0

Shareholding in associates:

Name of associate	Acquisition cost	Impair-ment	Net book value	Country of incorporation	Proportion of ownership
KRI KRI BULGARIA AD	416,711	(416,711)	-	Bulgaria	49.29%

On February 2013, the associate company KRIKRI BULGARIA A.D., where KRIKRI holds a 49.29% participation, was set on liquidation state.

There are no significant limitations to the associates for transferring funds to the parent company in the form of dividends, loan payments or payments in advance.

Impairment loss review

Regarding the financial statements of fiscal year 2012, an estimation of the recoverable amount of the investment on KRIKRI BULGARIA A.D. was carried out, due to indications of impairment loss. Recoverable amount was estimated to be nil and therefore an impairment loss of €416,711 was recognized.

C6. Other non-current assets

Other non-current assets are analyzed as follows:

	31/12/2018	31/12/2017
Guarantees	167.530	29.591
Non-current Trade receivables	29.816	25.266
Total	**197.346**	**54.856**

Trade balances that have been settled in a long-term basis are calculated to present value based on market interest rate.

C7. Inventories

Inventories are analyzed as follows:

	31/12/2018	31/12/2017
Merchandise	105.322	192.609
Finished goods	2.610.222	2.470.209
Raw materials	6.107.110	6.064.259
Less: Provisions for obsolete inventory	(57.974)	(204.531)
Total	**8.764.680**	**8.522.546**

The inventories amount recognized as expense in 2018 is €49.886.449 (2017: €44.260.956).

Analysis of provisions for obsolete inventory:

	31/12/2018	31/12/2017
Opening balance	204.531	296.329
Additions	32.770	140.577
Reversals	(179.328)	(232.375)
Ending balance	**57.974**	**204.531**

C8. Trade and other receivables

Trade and other receivables are analyzed as follows:

	31/12/2018	31/12/2017
Trade receivables	21.402.038	21.583.581
Less: Allowance for bad debts	(2.784.524)	(2.015.184)
	18.617.514	19.568.397
Creditors advances	74.128	576.908
VAT Receivables	2.087.490	1.844.311
Greek state -others	79.970	93.687
Other receivables	75.348	62.665
Total	**20.934.450**	**22.145.968**

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

At 31/12/2018 trade receivables totaling €17.419.943 was not overdue and trade receivables totaling €3.982.095 was overdue.

The aging analysis of trade receivables is as follows:

		31/12/2018	31/12/2017
Not past due		17.419.943	18.177.313
Past due			
	<30 days	1.424.909	1.165.342
	30-120 days	371.781	199.762
	>120 days	2.185.405	2.041.164
Total		**21.402.038**	**21.583.581**

With the application of IFRS 9 as of 1 January 2018, the company identifies bad debts based on an expected loss model. This model groups the receivables according to the credit rating of each client, links the rating to the probability of default and calculates the expected credit losses. In the current fiscal year, additional bad debts of € 769,340 were recognized. Thus, on 31/12/2018, trade receivables totaling € 2.784.524 appear impaired. It is probable that part of the provisions of doubt will be recovered in future time.

Provision analysis for doubtful accounts:

	31/12/2018	31/12/2017
Opening balance	2.015.184	1.881.304
Additions	777.577	135.417
Reversals	(8.236)	(1.537)
Ending balance	**2.784.524**	**2.015.184**

C9. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	31/12/2018	31/12/2017
Cash at bank and in hand	9.778.310	4.641.688
Short-term bank deposits	4.500.000	5.500.151
Total	**14.278.310**	**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.

The grading of cash and cash equivalents based on credit rating of Standard & Poor's Global is as follows:

External Credit Rating (S&P Global)	31/12/2018	31/12/2017
AA-	9.478	0
A-	8.019.582	3.558.158
B-	6.225.363	6.031.791
Counterparties without external credit rating S&P Global	3.665	501.294
Cash at bank	**14.258.088**	**10.091.243**
Cash in hand	20.222	50.596
Total	**14.278.310**	**10.141.839**

C10. Issued capital

Issued capital on 31.12.2018 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	Par Value	Share Capital	Total
31-Dec-17	33.065.136	0,38 €	12.564.752	12.564.752
31-Dec-18	**33.065.136**	**0,38 €**	**12.564.752**	**12.564.752**

C11. Reserves

Reserves are analyzed as follows:

	31/12/2018	31/12/2017
Legal reserve	2.550.434	2.199.320
Contingency reserve	38.275	38.275
Tax exempt reserve L.2601/98	962.579	962.579
Tax exempt reserve L.3299/04	15.941.253	15.941.253
Tax exempt reserve from tax exempt revenues	306.949	306.949
Tax exempt reserve from revenues specially taxed	84.888	84.888
Actuarial gains-losses reserve	(32.531)	(33.763)
Total	**19.851.847**	**19.499.501**

Statutory reserves

According to the Greek commercial law, companies are required to form each year a reserve equivalent to 5% of net profit until it reaches one third of the share capital. Distribution of the statutory reserve, during the life of the company is prohibited.

Tax exempt reserves under special laws

Tax exempt reserves under special laws relating to non-distributed profits that are exempt from taxation based on special provisions of incentive laws. These reserves relate primarily to investments and are not distributed. For these reserves no tax liabilities have been recognised.

Tax-free and specially taxed reserves

Tax exempt reserves and reserves taxed in a special way represent interest income and investments sales of non listed companies, which are tax exempt or subject to retention of tax at source. Except for any tax prepayments, these reserves are subject to taxation in case of distribution. Currently the Company has no intention of distributing these reserves and therefore not accounted for in the respective tax liabilities.

C12. Borrowings

Borrowings are analyzed as follows:

	31/12/2018	31/12/2017
NON-CURRENT BORROWINGS		
Bond loans	5.000.000	4.200.000
Long-term loans	3.000.000	0
Total non-current borrowings	**8.000.000**	**4.200.000**
CURRENT BORROWINGS		
Current liability of non-current loans	1.200.061	6.200.061
Total current borrowings	**1.200.061**	**6.200.061**
Total borrowings	**9.200.061**	**10.400.061**

Maturity of non-current bank borrowings:

	31/12/2018	31/12/2017
Between 1-2 years	1.200.000	1.200.000
Between 2-5 years	6.800.000	3.000.000
Total non-current borrowings	**8.000.000**	**4.200.000**

Changes on loans balances are analyzed as follows:

Balance at 1 January 2017	9.067.248
Loans received (cash item)	6.000.000
Loans paid (cash item)	(4.675.455)
Financial instruments valuation (non-cash item)	8.268
Balance at 31 December 2017	**10.400.061**
Balance at 1 January 2018	10.400.061
Loans paid (cash item)	(1.200.00)
Financial instruments valuation (non-cash item)	0
Balance at 31 December 2018	**9.200.061**

Analysis of current long-term loans:

Loaner	Type of loan	Date of agreement	Initial value	Balance at 31/12/2018
Major shareholders	Bonds / 5year / fixed interest rate	18/12/2013 Amended 1/12/2016	5.000.000	5.000.000

		Renewal 18/12/2018		
Alpha Bank SA	Long-term / 5year / floating interest rate	7/4/2017	6.000.000	4.200.061

The fair value of long-term loans is calculated to €8.488.359 («Level 3»).

Effective interest rate of borrowings:

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

C13. Retirement and termination benefit obligations

According to Greek labor law, employees are entitled to compensation in the event of dismissal or retirement, the amount of which is related to employee remuneration, length of service and way of retirement (dismissal or retirement). Employees who resign or are dismissed with cause are not entitled to compensation. The compensation due in the event of retirement is equal to 40% of the amount to be paid in the event of dismissal. The provision for termination benefits is presented in the accompanying financial statements in accordance with the provisions of Law 2112/1920 and is based on an independent actuarial study using the Projected Unit Credit Method

Liabilities recognized in the statement of financial position:

	31/12/2018	31/12/2017
Present value of defined benefit obligation	805.155	777.304
Liability recognized in the statement of financial position	**805.155**	**777.304**

Charges in income statement:

	1/1-31/12/2018	1/1-31/12/2017
Current service cost	59.704	67.811
Interest cost	13.214	10.395
Effect of cutting / settlement / termination benefits	0	(1.158)
Total expense	**72.917**	77.048

Charges in other comprehensive income:

	1/1-31/12/2018	1/1-31/12/2017
Actuarial gain/(loss)		
(a) Due to experience adjustments	0	70.394
(b) Due to assumption changes	0	(13.192)
Total charge in other comprehensive income	**0**	**57.202**

Liabilities' movement recognized in the statement of financial position:

	31/12/2018	31/12/2017
Opening balance	777.304	649.680
Charge in income statement	27.851	70.422
Charge in other comprehensive income	0	57.202
Ending balance	**805.155**	**777.304**

Reconciliation of the present value of defined benefit obligation:

	31/12/2018	31/12/2017
Opening balance	777.304	649.680
Current service cost	59.704	67.811
Interest cost	13.214	10.395
Effect of cutting / settlement / termination benefits	0	(1.158)
Actuarial gain/(loss)	0	57.202
Less: Benefits paid during the period	(45.066)	(6.626)
Ending balance	**805.155**	**777.304**

The principal actuarial assumptions used are:

Mortality table	EVK 2000
Staff mobility	2%-0% depending on age group
Discount rate	1.7%
Future salary increases	2.5%

Regarding the risks involved in the aforementioned program, this program is not funded and therefore there are no corresponding assets for this program. Consequently, risks such as volatility of assets or other similar risks (e.g. low yields, concentration of assets, etc.) do not exist. Risks to the existing project relate to the actuarial assumptions that are used to calculate the liability, which must be reflected in the financial statements and include possible changes in bond yields which are used to calculate the discount rate, and assumptions about the rate of inflation and the rate of future salary increases, which may affect the future cash flows of the programs.

Sensitivity analysis PVDBO	31/12/2017
Present value of defined benefit obligation:	777.304
Calculation with discount rate +0,5%:	715.490
Calculation with discount rate -0,5%:	846.279

Sensitivity analysis of current service cost	2018
Current service cost (including interest):	59.702
Calculation with discount rate +0,5%:	54.027
Calculation with discount rate -0,5%:	66.145

C14. Deferred income taxes

Deferred tax assets are offset against deferred tax liabilities when there is legal right for such offsetting and both relate to the same tax authority jurisdiction.

The movement on the deferred income tax account after set-offs is as follows:

	31/12/2018	31/12/2017
Opening balance	(2.227.396)	(1.738.096)
Charge in income statement	(443.696)	(505.889)
Deferred tax on equity	(311)	16.589
Ending balance	**(2.671.403)**	**(2.227.396)**

The movement of the accounts of deferred tax assets and deferred tax liabilities during the year to the same tax authority, without taking into account the offsets, is as follows:

Movement of deferred tax liabilities

	Tangible assets	Intangible assets	Total
Balance at 1 January 2017	(2.212.473)	4.878	(2.207.595)
Charge in income statement	(443.477)	(15.402)	(458.879)
Balance at 31 December 2017	**(2.655.950)**	**(10.524)**	**(2.666.474)**
Charge in income statement	(539.779)	(17.173)	(556.952)
Balance at 31 December 2018	**(3.195.729)**	**(27.697)**	**(3.223.426)**

Movement of deferred tax assets

	Retirement and termination benefits	Allowance for doubtful debts	Other	Total
Balance at 1 January 2017	188.407	103.229	177.863	469.499
Charge in income statement	20.422	40.413	(107.845)	(47.010)
Change in equity	16.589	0	0	16.589
Balance at 31 December 2017	**225.418**	**143.642**	**70.018**	**439.078**
Charge in income statement	8.077	173.298	(68.119)	113.256
Deferred taxes on actuarial gains / (losses) due to the change in tax rate	(311)	0	0	(311)
Balance at 31 December 2018	**233.183**	**316.940**	**1.899**	**552.023**

C15. Government grants

Movement of government grants relating to capital expenses:

	31/12/2018	31/12/2017
Opening balance	7.802.690	8.397.783
Charge in income statement	(533.847)	(595.093)
Ending balance	**7.268.843**	**7.802.690**

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

C16. Trade and other payables

Trade and other payables are analyzed as follows:

	31/12/2018	31/12/2017
Trade payables	9.755.800	9.559.099
Cheques payables	317.974	354.668
Social security	378.939	346.584
Other Taxes and duties	230.537	244.285
Dividends payables	10.987	6.302
Customers' advances	445.414	636.337
Other payables	709.181	553.067
Total	**11.848.831**	**11.700.341**

C17. Income Tax receivables / liabilities

Income tax receivables / liabilities are analyzed as follows:

	31/12/2018	31/12/2017
Income tax	3.729.352	1.417.902
Advance income tax	(1.341.204)	(1.978.073)
Total	**2.388.148**	**(560.170)**

From the year 2011 onwards, the Greek Societe Anonyme and Limited Liability Companies whose annual financial statements are mandatory reviewed by auditors, registered in the public register of Law. 3693/2008, are required to obtain an "Annual Certificate" as provided in par. 5 of article 82 of L.2238 / 1994. The above certificate is issued following a tax audit conducted by the same statutory auditor or audit firm that audits the annual financial statements. Following the completion of a tax audit, the statutory auditor or audit firm issues the company's "Tax Compliance Report", accompanied by Appendix Analytical Element Information. For the years 2013-2017 the tax audit conducted by the audit companies, the certificate was issued, while not resulting tax liabilities beyond those recognized and reported in the financial statements.

For the year 2018 the Company has been subject to tax audit of the Auditors, as previewed from the tax provisions of Article 65a of N.4174 / 2013 (ITC). This control is in progress and the related tax certificate is to be granted after publication of the financial statements for 2018. If until the completion of the tax audit additional tax liabilities emerge, we estimate that they will not exert a material effect on financial statements.

C18. Expenses by type

Cost of Sales, administration, distribution and R&D expenses are analyzed by type as follows:

1/1-31/12/2018	Cost of Sales	Distribution	Administra-tion	Research& Development	Total
Raw materials and consumables used	49.308.363	563.055	4.382	10.649	49.886.449
Staff costs	4.077.659	4.585.264	1.499.903	162.776	10.325.602
Energy costs	1.284.230	642.435	30.928	0	1.957.593
Maintenance expenses	453.420	375.174	206.500	1.379	1.036.473
Transport & trips expenses	308.165	4.164.449	18.916	1.508	4.493.038
Advertising/marketing expenses	7.930	6.036.834	51.271	348	6.096.384
Freelancers fees	133.564	383.142	226.348	16.408	759.462
Depreciation	1.674.776	1.221.553	440.955	11.307	3.348.591
Bad debt provision	0	769.340	0	0	769.340
Other expenses	322.952	1.101.372	481.550	4.561	1.910.435
	57.571.058	**19.842.619**	**2.960.753**	**208.936**	**80.583.366**

1/1-31/12/2017	Cost of Sales	Distribution	Administra-tion	Research& Development	Total
Raw materials and consumables used	43.718.008	528.935	15	13.998	44.260.956
Staff costs	3.372.793	3.948.159	1.408.863	119.444	8.849.259
Energy costs	1.013.872	628.108	30.795	0	1.672.774
Maintenance expenses	560.441	346.388	144.349	1.812	1.052.990
Transport & trips expenses	182.617	3.412.707	16.060	583	3.611.967
Advertising/marketing expenses	10.100	4.883.021	24.507	402	4.918.029
Freelancers fees	141.713	405.047	215.470	21.462	783.692
Depreciation	1.536.837	1.174.953	401.917	1.130	3.114.837
Bad debt provision	0	135.417	0	0	135.417
Other expenses	295.363	981.767	413.595	2.890	1.693.614
	50.831.743	**16.444.502**	**2.655.569**	**161.722**	**70.093.535**

C19: Other income

Other income are analyzed by type as follows:

	1/1-31/12/2018	1/1-31/12/2017
Income from subsidies	0	7.049
Income from services	172.636	110.433
Rental income	6.869	8.784
Amortization of government grants relating to capital expenses	533.847	595.093
Total	**713.352**	**721.358**

C20: Other (loss) / gain net

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

	1/1-31/12/2018	1/1-31/12/2017
Gains on disposal of property, plant and equipment	53.125	84.772
Other income	117.758	20.156
Losses on disposal of property, plant and equipment	(11.125)	(620)
Impairment of Non-current Assets	(4.507)	0
Tax related fines and penalties	(2.617)	(938)
Foreign currency exchange differences	(12.162)	(658)
Other expenses	(28.047)	(46.054)
Total	**112.426**	**56.659**

C21. Financial income - expenses

Financial income-expenses are analyzed by type as follows:

FINANCIAL INCOME	1/1-31/12/2018	1/1-31/12/2017
Interest income	75.624	49.441
Other capital gains	68.730	319.186
Total financial income	**144.354**	**368.627**
FINANCIAL EXPENSES		
Interest expense	338.084	370.200
Bank fees and charges	4.245	16.161
Losses from derivatives	4.078	0
Other financial expenses	34.784	22.413
Total financial expenses	**381.191**	**408.775**
Financial income - expenses (net)	**(236.838)**	**(40.147)**

C22. Income tax expense

Income tax expense is analyzed as follows

	1/1-31/12/2018	1/1-31/12/2017
Current tax	3.674.152	1.429.569
Deferred tax	443.695	505.889
Tax differences of prior fiscal years	0	761.350
Provision for unaudited fiscal years	0	(142.944)
Total	**4.117.847**	**2.553.864**

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

Reconciliation of income tax expense:

	1/1-31/12/2018	1/1-31/12/2017
Profit before tax	14.240.014	9.890.525
Tax calculated at the statutory tax rate of 29%	4.129.604	2.868.252
Income not subject to tax	(149.337)	(69.076)
Expenses not deductible for tax purposes	110.875	15.272
Effect of tax rates change	(71.351)	0
Tax differences of prior fiscal years	(75.558)	(117.640)
Expenses for which no deferred tax asset is recognized	173.614	0
Provisions for unaudited fiscal years	0	(142.944)
Income tax expense	**4.117.847**	**2.553.864**

The management of the Company in order to minimize the tax expenses, follows a consistent tax planning that is based on the motivations provided by the tax legislation.

C23. 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.

	1/1-31/12/2018	1/1-31/12/2017
Net profit attributable to parent's shareholders	10.122.167	7.336.662
Weighted average number of ordinary shares	33.065.136	33.065.136
Basic and diluted earnings per share (€ per share)	**0,3061**	**0,2219**

C24. Earnings before interest, taxes, depreciation and amortization

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

	1/1-31/12/2018	1/1-31/12/2017
Net profit for the period	10.122.167	7.336.662
Adjustments for:		
Income tax	4.117.847	2.553.864
Financial income (net)	236.838	40.147
Depreciation and amortization	3.348.591	3.114.837
Amortization of government grants relating to capital expenses	(533.847)	(595.093)
EBITDA	**17.291.596**	**12.450.416**

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.

C25. 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 financial year 2018 and 2017 are analyzed as follows:

1/1-31/12/2018	Sales	Cost of Sales	Distribution Cost	Operating Earnings
Icecream	**25.119.375**	**(12.918.746)**	**(8.117.781)**	**4.082.848**
Greece	20.716.797	(9.616.045)	(7.369.253)	3.731.498
Other countries	4.402.578	(3.302.700)	(748.528)	351.350
Dairy-Yogurt	**68.830.044**	**(44.177.770)**	**(11.710.957)**	**12.941.317**
Greece	39.053.166	(24.208.014)	(8.543.433)	6.301.719
Other countries	29.776.878	(19.969.756)	(3.167.524)	6.639.598
Rest	285.023	(474.543)	(13.881)	(203.401)
Total	**94.234.441**	**(57.571.058)**	**(19.842.619)**	**16.820.764**

1/1-31/12/2017	Sales	Cost of Sales	Distribution Cost	Operating Earnings
Icecream	**21.615.273**	**(11.624.721)**	**(7.329.441)**	**2.661.110**
Greece	18.869.581	(9.400.566)	(6.836.138)	2.632.878
Other countries	2.745.691	(2.224.155)	(493.304)	28.232
Dairy-Yogurt	**57.449.865**	**(38.587.784)**	**(9.109.328)**	**9.752.754**
Greece	36.070.335	(23.081.814)	(6.874.557)	6.113.963
Other countries	21.379.530	(15.505.969)	(2.234.770)	3.638.791
Rest	181.052	(619.238)	(5.732)	(443.919)
Total	**79.246.189**	**(50.831.743)**	**(16.444.502)**	**11.969.945**

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

C26. Staff costs

Staff costs are analyzed as follows:

	1/1-31/12/2018	1/1-31/12/2017
Salaries and wages	7.417.463	6.421.451
Social security costs	1.722.695	1.492.702
Retirement and termination benefits	131.214	77.048
Other staff costs	721.092	522.749
Total	**9.992.463**	**8.513.951**
Board of directors remuneration	333.139	335.308
Total Staff costs	**10.325.602**	**8.849.259**

Personnel headcount:

31/12/2018	31/12/2017
380	344

C27. Commitments

The Company leases motor vehicles, properties and other equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

	31/12/2018	31/12/2017
Up to 1 year	217.036	208.180
Between 1 to 5 years	386.398	425.578

More than 5 years	116.667	147.083
Total	**720.101**	**780.841**

Rents expenses during the period of 2018 is calculated to €450.037 (2016: €457.301).

C28. Dividends

For the financial year 2018, the Board of Directors decided to propose to the Tactical General Meeting of the Shareholders the distribution of dividend of gross value €0,15 per share (2017: €0,115 per share). The distribution is dependent to the decision of the Tactical General Meeting of the Shareholders.

The Tactical General Meeting of the Shareholders of 3/7/2018 has decided to the distribution of dividends for the financial year 2017 of gross value €0,115, totaling the amount of €3.802.491 which has been wholly settled.

C29. 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.

C30. Related party transactions

Related party transactions are analyzed as follows:

	31/12/2018	31/12/2017
Payment of interest on a bond loan*	180.979	197.672

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

	31/12/2018	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	31/12/2018	31/12/2017
Remuneration of the members of the Board of Directors	333.139	335.308
Salaries of the members of the Board of Directors	159.451	108.645
Total	**492.590**	**443.953**

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY MANAGEMENT PERSONNEL	31/12/2018	31/12/2017
Transactions with the members of the B.O.D and key management personnel	96.440	98.836
Liabilities to the members of the B.O.D and key management personnel*	2.500.000	2.500.000

* Bond loan covered by major shareholders

C31. Statutory audit and other fees

The certified auditors fees (SOL S.A.) for the Company in 2018 are analyzed as follows:

	Amount	% to total amount
Statutory audit fees	17.000	56%
Statutory audit fees (Tax Certification)	13.000	42%
Fees not related to statutory audit	700	2%
Total fees	**30.700**	**100%**

C32. Post balance sheet events

On 15/4/2019, the Company proceeded with the issuance of a common bond loan amounting to € 4.230.000, based on the decision of the Board of Directors, on 5/4/2019. This loan is of 3 years duration, without collateral, and was covered by PIRAEUS BANK SA. The aim is to finance the investment program for the increase and expansion of the production capacity of the yoghurt and ice cream plant, which has been included in the provisions of Development Law 4399/2016.

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

Serres, 22 April 2019

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