



KRI-KRI MILK INDUSTRY S.A.

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

General Commercial Registry No.: 113772252000

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD

1.1.2019 – 30.9.2019

IN ACCORDANCE WITH IFRS (IAS 34)

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Condensed Statement of Comprehensive Income

	Note.	1/1-30/9/2019	1/1-30/9/2018
Sales		92.940.943	78.080.436
Cost of sales		(58.163.872)	(46.825.664)
Gross profit		34.777.071	31.254.773
Distribution expenses		(15.491.812)	(14.473.927)
Administration expenses		(2.245.569)	(2.158.714)
Research and development expenses		(179.001)	(139.911)
Other income	C8	605.415	529.876
Other (loss) / gain net	C9	6.471	68.929
Profit before taxes, financial and investment income		17.472.575	15.081.026
Financial income	C10	128.189	109.423
Financial expenses	C10	(283.620)	(289.106)
Financial cost of leasing		(26.109)	0
Financial expenses (net)		(181.540)	(179.683)
Profit before taxes		17.291.035	14.901.343
Income tax	C11	(4.842.395)	(4.324.543)
Net profit for the period (A)		12.448.640	10.576.800
Other comprehensive income			
OCI recycled to P&L			
Cash flow hedges		(1.529)	(13.865)
Other comprehensive income after tax (B)		(1.529)	(13.865)
Total comprehensive income after tax (A + B)		12.447.111	10.562.935
Net profit per share from continuous operations			
- Basic and diluted (in €)		0,3765	0,3199

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

Condensed Statement of Financial Position

	Note	30/9/2019	31/12/2018
ASSETS			
Non-current assets			
Tangible assets	C1	48.664.787	45.224.285
Rights of use of assets		629.417	0
Investment in properties		10.082	10.082
Intangible assets		498.031	552.324
Non-current assets held for sale		0	52.000
Other non-current assets		365.244	197.346
		50.167.561	46.036.037
Current assets			
Inventories		9.180.119	8.764.680
Trade and other receivables	C2	36.075.799	20.934.450
Investments in financial assets		109.860	0
Cash and cash equivalents	C3	14.076.057	14.278.310
		59.441.835	43.977.440
Total assets		109.609.396	90.013.477
EQUITY AND LIABILITIES			
Equity			
Share capital		12.564.752	12.564.752
Reserves	C4	20.355.838	19.851.847
Retained earnings		30.397.787	23.414.438
Total equity		63.318.377	55.831.036
Liabilities			
Non-current liabilities			
Long term borrowings	C5	10.630.000	8.000.000
Long term portion of leasing		393.494	0
Accrued pension and retirement obligations		839.809	805.155
Deferred tax liabilities		2.942.235	2.671.403
Government grants	C6	6.898.223	7.268.843
		21.703.761	18.745.401
Current liabilities			
Short-term borrowings	C5	2.191.096	1.200.061
Short term portion of leasing		247.056	0
Trade and other payables	C7	17.622.200	11.848.831
Derivative financial instruments		10.198	0
Current income tax liabilities		4.516.708	2.388.148
		24.587.258	15.437.040
Total liabilities		46.291.019	34.182.441
Total equity and liabilities		109.609.396	90.013.477

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

Condensed Statement of changes in equity

	Share capital	General reserve	Special reserves	Other reserves	Actuarial gains-losses reserve	Cash flow hedge reserve	Retained earnings	Total Equity
Balance at 31.12.2017	12.564.752	2.199.320	17.295.670	38.275	(33.762)	0	17.447.418	49.511.671
Profit for the period							10.576.800	10.576.800
Reserves increase						(13.865)		(13.865)
Total comprehensive income for the period						(13.865)	10.576.800	10.562.934
Reserves increase		351.114					(351.114)	0
Transactions with owners in their capacity as owners								
Dividends provided for or paid							(3.802.491)	(3.802.491)
Balance at 30.9.2018	12.564.752	2.550.434	17.295.670	38.275	(33.762)	(13.865)	23.870.614	56.272.115
Balance at 31.12.2018	12.564.752	2.550.434	17.295.670	38.275	(32.530)	0	23.414.438	55.831.037
Profit for the period							12.448.640	12.448.640
Reserves increase						(1.529)		(1.529)
Total comprehensive income for the period						(1.529)	12.448.640	12.447.111
Reserves increase		505.521					(505.521)	0
Transactions with owners in their capacity as owners								
Dividends provided for or paid							(4.959.770)	(4.959.770)
Balance at 30.9.2019	12.564.752	3.055.955	17.295.670	38.275	(32.530)	(1.529)	30.397.787	63.318.377

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

Condensed Statement of cash flows

<i>Indirect method</i>	<u>1/1-30/9/2018</u>	<u>1/1-30/9/2018</u>
<u>OPERATING ACTIVITIES</u>		
Profit before taxes	17.291.035	14.901.343
Adjustments for:		
Depreciation	2.817.439	2.558.299
Provisions	334.303	611.039
Foreign exchange differences, net	36.096	9.362
Amortization of government grants relating to capital expenses	(370.620)	(403.853)
Miscellaneous items	(10.494)	0
Investment income	(186.503)	(104.933)
Interest and related expenses	291.025	283.930
	<u>20.202.282</u>	<u>17.855.187</u>
Changes in working capital:		
Decrease / (Increase) in inventories	(528.011)	(280.900)
Decrease / (Increase) in receivables	(10.971.823)	(8.698.367)
Decrease / (Increase) in other long-term receivables	(167.898)	(139.535)
(Decrease) / Increase in payables (except banks)	6.263.539	1.218.069
Less:		
Interest and related expenses paid	(291.025)	(292.399)
Taxes paid	(2.438.640)	(332.651)
Cash flow from operating activities (a)	12.068.423	9.329.405
<u>INVESTING ACTIVITIES</u>		
Purchase of tangible and intangible assets	(10.855.238)	(5.965.833)
Proceeds from sales of intangibles and property, plant and equipment	88.545	47.400
Interest received	117.089	51.161
Purchases of financial instruments	(850.000)	(4.078)
Proceeds on disposal of financial instruments	764.572	0
Cash flow from investing activities (b)	(10.735.032)	(5.871.351)
<u>FINANCING ACTIVITIES</u>		
Proceeds from borrowings	4.230.000	0
Repayments of loans	(600.000)	(600.000)
Repayments of financial leases	(204.633)	0
Dividends paid to company's shareholders	(4.961.011)	(2.781.387)
Cash flow from financing activities (c)	(1.535.644)	(3.381.387)
Change in cash and equivalents (a+b+c)	(202.253)	76.666
Cash and equivalents at beginning of period	14.278.310	10.141.839
Cash and equivalents at end of period	14.076.057	10.218.505

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 27 November 2019.

The interim condensed financial statements have not been audited.

B. Significant accounting policies

B.1 Basis of preparation

These financial statements covering the period from 1.1.2019 to 30.9.2019 have been prepared according to IAS 34.

The interim financial statements for the nine-month period have been prepared on the basis of the same accounting principles followed for the preparation and presentation of the financial statements for the year 2018, except for the new standards and interpretations adopted, the implementation of which was compulsory for periods after 1 January 2019.

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2018, which have been posted on the Company's website and have been prepared in accordance with IFRSs.

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

B.2 Financial risk management

The interim financial statements do not include disclosure of all risks required in the preparation of the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2018.

Due to the nature of its operations, the Company is exposed to various financial risks such as, market risk (fluc-

tuations 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 strengthens against EUR	Profit before Taxes effect
1/1-30/9/2019	+5% -5%	163.756 163.756
1/1-30/9/2018	+5% -5%	67.599 67.599

Interest rate risk

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

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

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

From the total loans of the Company at 30.9.2019, the amount of €5.000.000 is related to a fixed interest rate and the amount of €7.821.096 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
1/1-30/9/2019	+1%	(57.720)
	-1%	57.720
1/1-30/9/2018	+1%	(50.000)
	-1%	50.000

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

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

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

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

The company's management emphasizes on reducing working capital needs. It promotes the reduction of credit

limits and reduce the credit period to its customers, to enhance free cash flow.

(c) Liquidity risk

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

(d) Operating risks

Suppliers - stock

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

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

Staff

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

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

B.3 Fair value measurement

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

- 1) Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. («Level 1»).
- 2) Other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. («Level 2»).
- 3) Unobservable inputs for the asset or liability. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available. («Level 3»).

Fair value of financial assets and liabilities

Level 3

Long-term loans

11.122.146

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

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

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

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

financial statements and the amounts stated in the notes, as a result of numbers rounding.

Fair value of investment property

Level 3

Investment property

10.000

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

B.4 Significant accounting estimates and judgments of the management

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

For the preparation of the interim financial statements the significant judgments and estimates of the Management regarding the application of the Company's accounting principles are the same as those used for the preparation and presentation of the Company's annual financial statements for the year 2018.

Also, the main sources of uncertainty that existed in the preparation of the annual financial statements of 31 December 2018 remained the same for the interim financial statements as at 30 September 2019.

B.5 Comparative information

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

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
<u>COST</u>						
Balance at 1 January 2018	1.326.703	12.192.192	51.334.382	1.345.790	2.240.987	68.440.055
Additions	94.122	402.017	6.016.026	26.751	168.414	6.707.330
Disposals	0	0	(86.534)	(6.969)	0	(93.502)
Write-offs	0	0	(74.414)	0	(570)	(74.985)
Balance at 30.9.2018	1.420.825	12.594.209	57.189.460	1.365.573	2.408.831	74.978.898
<u>ACCUMULATED DEPRECIATION</u>						
Balance at 1 January 2018		(3.150.980)	(22.515.394)	(958.035)	(1.560.385)	(28.184.794)
Depreciation expense		(276.681)	(1.913.083)	(65.843)	(122.146)	(2.377.752)
Disposals		0	86.532	6.969	0	93.500
Write-offs		0	71.870	0	389	72.259
Balance at 30.9.2018		(3.427.660)	(24.270.076)	(1.016.909)	(1.682.142)	(30.396.786)
Net book value at 30.9.2018	1.420.825	9.166.549	32.919.385	348.664	726.689	44.582.113
<u>COST</u>						
Balance at 1 January 2019	1.509.927	12.675.863	58.343.466	1.355.291	2.437.948	76.322.495
Additions	78.982	1.119.144	4.628.282	4.560	155.577	5.986.545
Disposals	0	0	(147.767)	(47.065)	0	(194.832)
Write-offs	0	0	(102.361)	0	0	(102.361)
Balance at 30.9.2019	1.588.909	13.795.007	62.721.620	1.312.786	2.593.525	82.011.847
<u>ACCUMULATED DEPRECIATION</u>						
Balance at 1 January 2019		(3.522.739)	(24.824.045)	(1.028.529)	(1.722.897)	(31.098.210)
Depreciation expense		(286.766)	(2.065.248)	(60.055)	(106.344)	(2.518.413)
Disposals		0	144.404	22.803	0	167.207
Write-offs		0	102.356	0	0	102.356
Balance at 30.9.2019		(3.809.505)	(26.642.533)	(1.065.781)	(1.829.241)	(33.347.060)
Net book value at 30.9.2019	1.588.909	9.985.502	36.079.087	247.005	764.284	48.664.787

There are no pledges on fixed assets.

C2. Trade and other receivables

Trade and other receivables are analyzed as follows:

	30/9/2019	31/12/2018
Trade receivables	33.937.304	21.402.038
Less: Allowance for bad debts	(2.899.569)	(2.784.524)
	31.037.735	18.617.514
Creditors advances	3.849.070	74.128
VAT Receivables	1.024.356	2.087.490
Greek state -others	51.704	79.970
Other receivables	112.934	75.348
Total	36.075.799	20.934.450

The most significant changes in the line "Trade and other receivables" are found in the line "Trade receivables" linked to the increase in sales and the high seasonality of the ice cream sector (see also note C15), and in the line "Creditors advances" that relates to purchase of property, plant and equipment.

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

For applying IFRS 9, the company uses a model to calculate expected credit losses. This model groups receivables according to the credit rating of each customer, links the rating to the probability of default and calculates the expected credit losses. Company recognized increased doubtful receivables of €115.045. At 30.09.2019 the Trade receivables totaling €2.899.569 appear impaired. It is estimated that a part of the provision for doubtful debts will be recovered in future time.

Provision analysis for doubtful accounts:

	1/1-30/9/2019	1/1-31/12/2018
Opening balance	2.784.524	2.015.184
Additions	115.045	777.577
Reversals	0	(8.236)
Ending balance	2.899.569	2.784.524

C3. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	30/9/2019	31/12/2018
Cash at bank and in hand	12.093.737	9.778.310
Short-term bank deposits	1.982.320	4.500.000
Total	14.076.057	14.278.310

Cash and cash equivalents refer to bank deposits and cash in the Company's treasury and can be converted into cash immediately. Part of the bank deposits, amount €3,6mil, is pledged as collateral for an existing bank loan.

C4. Reserves

Reserves are analyzed as follows:

	30/9/2019	31/12/2018
Legal reserve	3.055.954	2.550.434
Other 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)	(32.531)
Cash flow hedge reserve	(1.529)	0
Total	20.355.838	19.851.847

C5. Borrowings

Borrowings are analyzed as follows:

	30/9/2019	31/12/2018
NON-CURRENT BORROWINGS		
Bond loans	8.230.000	5.000.000
Long-term loans	2.400.000	3.000.000
Total non-current borrowings	10.630.000	8.000.000
CURRENT BORROWINGS		
Current liability of non-current loans	2.191.096	1.200.061
Total current borrowings	2.191.096	1.200.061
Total borrowings	12.821.096	9.200.061

Maturity of non-current bank borrowings:

	30/9/2019	31/12/2018
Between 1-2 years	2.200.000	1.200.000
Between 2-5 years	8.430.000	6.800.000
Total non-current borrowings	10.630.000	8.000.000

Changes on loans balances are analyzed as follows:

Balance at 1 January 2018	10.400.061
Loans paid (cash item)	(600.000)
Financial instruments valuation (non-cash item)	(15)
Balance at 30 September 2018	9.800.046

Balance at 1 January 2019	9.200.061
Loans received	4.230.000
Loans paid (cash item)	(600.000)
Financial instruments valuation (non-cash item)	(8.965)
Balance at 30 September 2019	12.821.096

Analysis of current long-term loans:

Loan provider	Type of loan	Date of agreement	Initial value	Balance at 30/9/2019
Major shareholders	Bonds / 5year / fixed interest rate	18/12/2013 Amended 16/11/2018	5.000.000	5.000.000
Alpha Bank SA	Long-term / 5year / floating interest rate	7/4/2017 Amended 31/5/2019	6.000.000	3.591.370
Bank of Piraeus	Bonds / 5year / floating interest rate	10/4/2019	4.230.000	4.229.726

The fair value of long-term loans is calculated to €11.122.146 («Level 3»).

Effective interest rate of borrowings:

	1/1-30/9/2019	1/1-31/12/2018
Effective interest rate	2,66%	2,72%

C6. Government grants

Movement of government grants relating to capital expenses:

	30/9/2019	31/12/2018
Opening balance	7.268.843	7.802.690
Charge in income statement	(370.620)	(533.847)
Ending balance	6.898.223	7.268.843

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

C7. Trade and other payables

Trade and other payables are analyzed as follows:

	30/9/2019	31/12/2018
Trade payables	14.129.545	9.755.800
Cheques payables	448.145	317.974
Social security	213.359	378.939
Other Taxes and duties	714.931	230.537
Dividends payables	13.150	10.987
Customers' advances	325.245	445.414
Other payables	1.777.826	709.181
Total	17.622.200	11.848.831

The most important changes in "Trade and other payables" are found in the line "Trade payables" regarding the seasonality in the ice cream sector (see also note C15) and purchases of fixed assets, and the line "Other payables" mainly related to accrual accounts and periodic distribution accounts.

C8: Other income

Other income are analyzed by type as follows:

	1/1-30/9/2019	1/1-30/9/2018
Income from subsidies	2.408	0
Income from services	220.195	121.328
Rental income	12.192	4.695
Amortization of government grants relating to capital expenses	370.620	403.853
Total	605.415	529.876

C9: Other (loss) / gain net

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

	1/1-30/9/2019	1/1-30/9/2018
Gains on disposal of property, plant and equipment	20.721	7.730
Other income	49.482	113.042
Losses on disposal of property, plant and equipment	(11.835)	(11.123)
Tax related fines and penalties	(1.226)	(2.617)
Foreign currency exchange differences	(36.096)	(9.362)
Other expenses	(14.576)	(28.741)
Total	6.471	68.929

C10. Financial income - expenses

Financial income-expenses are analyzed by type as follows:

<u>FINANCIAL INCOME</u>	1/1-30/9/2019	1/1-30/9/2018
Interest income	39.035	54.768
Other capital gains	54.464	54.655
Gains from financial instruments	34.690	0
Total financial income	128.189	109.423
<u>FINANCIAL EXPENSES</u>		
Interest expense	214.576	256.986
Bank fees and charges	55.681	28.042
Losses from financial instruments	13.363	4.078
Total financial expenses	283.620	289.106
<u>FINANCIAL COST OF LEASING</u>		
Financial cost of leasing	26.109	0
Financial income - expenses (net)	(181.540)	(179.683)

C11. Income tax expense

Income tax expense is analyzed as follows

	1/1-30/9/2019	1/1-30/9/2018
Current tax	4.571.563	4.213.224
Deferred tax	270.832	111.318
Total	4.842.395	4.324.543

The income tax was calculated at a 28% tax rate over taxable profits for the period

C12. Earnings before interest, taxes, depreciation and amortization

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

	1/1-30/9/2019	1/1-30/9/2018
Net profit for the period	12.448.640	10.576.800
Adjustments for:		
Income tax	4.842.395	4.324.543
Financial expenses (net)	181.540	179.683
Depreciation and amortization	2.817.439	2.558.299
EBITDA before government grants amortization	20.290.014	17.639.325
Amortization of government grants relating to capital expenses	(370.620)	(403.853)
EBITDA	19.919.394	17.235.472

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.

C13. Operating segment information

The chief operating decision maker, in the case of KRI-KRI the CEO, receives internal financial reports to measure the performance of the operating segments and to distribute the resources between them. Under the operating distinction the Company's reportable segments are identified as follows:

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

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

The segments results for the periods ended 30.9.2019 and 30.9.2018 are analyzed as follows:

1/1-30/9/2019	Sales	Gross profit	Distribution & selling expenses	Operating Earnings	EBIT
Ice-Cream	28.039.650	13.815.564	(6.747.233)	7.068.331	6.299.375
Greece	21.917.868	11.983.116	(6.008.202)	5.974.914	5.408.001
Other countries	6.121.782	1.832.448	(739.031)	1.093.417	891.374
Dairy-Yogurt	64.630.039	21.081.106	(8.703.435)	12.377.671	10.942.252
Greece	34.643.698	12.307.457	(5.760.851)	6.546.606	5.689.221
Other countries	29.986.341	8.773.649	(2.942.584)	5.831.065	5.253.031
Rest	271.253	(119.599)	(41.144)	(160.743)	230.948
Total	92.940.943	34.777.071	(15.491.812)	19.285.259	17.472.575
1/1-30/9/2018	Sales	Gross profit	Distribution & selling expenses	Operating Earnings	EBIT
Ice-cream	25.280.602	12.593.414	(6.573.420)	6.019.995	5.249.910
Greece	20.998.680	11.465.927	(6.068.654)	5.397.272	4.787.746
Other countries	4.281.922	1.127.488	(504.765)	622.722	462.164
Dairy-Yogurt	52.667.263	19.137.085	(7.895.278)	11.241.807	9.867.472
Greece	30.668.699	11.974.647	(5.562.002)	6.412.644	5.549.304
Other countries	21.998.564	7.162.438	(2.333.276)	4.829.162	4.318.168
Rest	132.572	(475.727)	(5.229)	(480.955)	(36.356)
Total	78.080.436	31.254.772	(14.473.927)	16.780.846	15.081.025

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

C14. Dividends

For the financial year 2018, Annual General Meeting of 9/7/2019 decided the distribution of dividend of gross value €0,15 per share (2017: €0,115 per share). The payment of dividend was on 22/8/2019.

C15. Seasonality

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

In the dairy industry, sales and operating profits are almost equally distributed throughout the year.

C16. 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 cash 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 a material impact on the Company's financial position or operation.

C17. Related party transactions

Related party transactions are analyzed as follows:

	<u>1/1-30/9/2019</u>	<u>1/1-30/9/2018</u>
Payment of interest on a bond loan*	97.042	135.858

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

	<u>30/9/2019</u>	<u>31/12/2018</u>
Payables to related parties*	5.000.000	5.000.000

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

<u>COMPENSATION OF DIRECTORS</u>	<u>1/1-30/9/2019</u>	<u>1/1-30/9/2018</u>
Remuneration of the members of the Board of Directors	366.602	333.139
Salaries of the members of the Board of Directors	78.775	114.336
Total	445.377	447.475

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY
MANAGEMENT PERSONNEL

	<u>30/9/2019</u>	<u>30/9/2018</u>
Transactions with the members of the B.O.D and key management personnel	48.521	67.929
Liabilities to the members of the B.O.D and key management personnel*	2.866.602	2.833.139

* Bond loan covered by major shareholders

C18. Post balance sheet events

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

Serres, 27 November 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 AM894228