KRI-KRI MILK INDUSTRY S.A.

General Commercial Registry No.: 113772252000

ANNUAL FINANCIAL REPORT

FOR THE PERIOD

1.1.2020 – 31.12.2020

IN ACCORDANCE WITH LAW 3556/2007

(TRANSLATION FROM THE GREEK ORIGINAL)

This Annual Financial Report was prepared in accordance with article 4 of Law 3556/2007 and was approved by the Board of Directors of KRI-KRI SA. on April 20, 2021. It is posted online, at the website: https://www.krikri.gr/oikonomikes-katastaseis/

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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 2020, 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, 20 April 2021

Confirmed by

Chairman & Managing Director	Vice-Chairman	Member of the B.o.D.
PANAGIOTIS TSINAVOS ID AE373539	GEORGIOS KOTSAMBASIS ID AE376847	ANASTASIOS MOUDIOS ID AK276897

KRI KRI MILK INDUSTRY S.A.

REPORT OF THE BOARD OF DIRECTORS

FOR THE PERIOD OF 1 JANUARY 2020 UNTIL 31 DECEMBER 2020

Ladies and gentlemen,

The present Annual Report of the Board of Directors (hereinafter referred to as "Report"), concerning the period 01.01.2020 until 31.12.2020, drafted in accordance with the articles 150 and 152, 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 in the light of providing substantial and not typical information with regards to the issues included in such. In particular, the Report summarizes the financial information for the fiscal year 2020, important events that took place in that period and their impact on financial statements, the main risks and uncertainties that the company may face and finally the important transactions between the company and its related parties. The Report also contains non-financial information, such as the statement of the Corporate Governance, as well as additional information as required by the relevant legislation

It is noted that this Report includes, along with the 2020 financial statements, the required by law data and statements in the Annual Financial Report, which concern the financial year ended 31 December 2020. The financial statements, the independent auditor's report and the current report are posted online, at the website: https://www.krikri.gr/oikonomikes-katastaseis/ .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 €125.983k against €112.903k (increased by +11,6%).

Ice-cream sales present a decrease of -9,6% amounting €25.397k against €28.107k of 2019.

Yogurt sales present an increase of +18,2% amounting €99.773k against €84.438k of 2019.

Finally, exports were 43,25% of total sales presenting an increase of +17,03%.

PROFITABILITY

Company's profit before tax amounted €18.422k against €17.570k of 2019 (+4,9% increase). The net profit after tax amounted €15.863k against €15.015k of 2019 (+5,6% increase). EBITDA amounted €22.285k against €21.120k of 2019 (+5,5% increase).

LOANS

Management seeks to maintain a small exposure to debt. At 31/12/2020, the balance of Company's loans amounts to €10.930k. Net debt is €1.193k, calculated as total loans minus cash.

ALTERNATIVE PERFORMANCE MEASURES of the European Securities and Marketing Authority (ESMA/2015/1415el)

The European Securities and Markets Authority (ESMA / 2015 / 1415el) has published the final guidelines on "Alternative Performance Measures" (hereinafter "APM") which apply from July 3, 2016 to companies with securities traded on regulated stock exchanges. APM are disclosed by publishers when publishing regulated information and aim to enhance transparency and promote utility, as well as the correct and complete information of the investing community.

APM are a customized economic measurement of historical or future financial performance, financial position or cash flows, other than the economic measurement defined in the applicable financial reporting framework. That is, APMs on the one hand do not rely solely on the standards of the financial statements, on the other hand they provide substantial additional information, excluding items that may differ from the operating result or cash flows.

Transactions with non-operating or non-cash valuation with a significant effect on the Statement of Comprehensive Income are considered as elements that affect the adjustment of APM. These non-recurring, in most cases, funds could arise from, among other things:

- impairment of assets
- restructuring measures
- remediation measures
- sales of assets or divestitures
- changes in legislation, claims for damages or legal claims

APM should always be considered in conjunction with the financial results prepared under IFRSs and in no case should they be considered as substitutes. The Company uses APM in order to better reflect the financial and operational performance related to the Company's actual activity in the reporting year, as well as the corresponding comparable period last year. The definition, analysis and calculation basis of APM, used by the Company, is set out below. It is noted that, for the calculation of APM, it was not considered necessary to make an adjustment to the items of the financial statements.

1. *EBITDA Margin*

This ratio is widespread in the investment community and is part of the general unit of profitability ratios, having the advantage that it isolates the effects of financial investment results, income tax and the main category of non-cash expenses which are depreciation.

The Statement of Comprehensive Income includes " Earnings before interest, taxes, depreciation and amortization (EBITDA)", to which no adjustment is made.
The "EBITDA Margin" Ratio is obtained by dividing "EBITDA" by Sales. Expresses the percentage that EBITDA has on Sales. The Management of the Company uses this ratio in the context of the wider evaluation of the operational performance of the Company.

2. *EBIT Margin*

This Ratio, like the previous one, is widespread in the investment community and is part of the general unit of profitability ratios, having the advantage of isolating the effects of financial investment results and income taxation.
The Statement of Comprehensive Income includes " Earnings before interest and taxes (EBIT)", to which no adjustment is made.

The "EBIT Margin" Ratio is obtained by dividing "EBIT" by Sales. Expresses the percentage that EBIT has on Sales. The Management of the Company uses this ratio in the context of the wider evaluation of the operational performance of the Company.

3. *Free Cash Flows to the Firm*

This index is part of the general unit of efficiency indices, as it shows the amount of cash available for distribution to shareholders and lenders of the company and at the same time is one of the key indicators of financial soundness.
The index is calculated by adding total inflows / (outflows) from Operating Activities to the total inflows / (outflows) from Investment Activities, of the Cash Flow Statement.

4. *Capital Structure ratios*

These ratios show the degree of financing of the company with foreign capital. The Ratios used by the company are the Capital Leverage Ratio and the Debt Ratio.
The Capital Leverage Ratio is calculated if divided Total Debt by the sum of total Equity and Total Debt.
The Debt Ratio is calculated by dividing Total Debt by the amount of Total Equity.

5. *Efficiency ratios*

In general, the return on Equity shows the profit that corresponds to the investment of a company's shareholders. It belongs to the group of profitability indicators and is also generally used for the purpose of comparing similar companies and evaluating the management of a company.
The Return on Equity Ratio is calculated by dividing the net income, ie "Profit after Tax", by the amount of Total Equity.
The Efficiency ratio is calculated by dividing the net income, ie "Profit after Tax", by the total Assets.

BASIC FINANCIAL RATIOS

		31/12/2020	31/12/2019
1. EBITDA Margin	EBITDA / Sales	17,7%	18,7%
2. EBIT Margin	EBIT / Sales	14,8%	15,8%
3. Free cash flow	Operating activities + Investment activities	6.109.822	(1.152.811)
4. Debt to capital	Total Debt / Total Debt & Total Equity	12,6%	15,6%
4b. Debt to Equity	Total Debt / Total Equity	14,4%	18,5%
5a. ROA	Profit after Tax / Total Assets	13,7%	14,0%
5b. ROE	Profit after Tax / Total Equity	20,9%	22,7%

II. IMPORTANT EVENTS OF CURRENT FINANCIAL YEAR

OUR POSITION IN THE MARKET

In the domestic ice cream market, the growth of our distribution network continued, with the addition of 800 extra points of sale. The Greek ice cream market was hit hard from the lockdown, in response to COVID-19 pandemic. The period that followed presented clear signs of recovery, with sales presenting only a slight decline of -4.6%.

In the Greek yogurt market, our sales show an increase of +12.9%. This performance can be attributed to the growth of the market by 3.7%, to the increase of the market share of the branded yogurts KRI-KRI, as well as to the increase of the sales of private label products. At the same time, we are expanding our product range to address a wider consumer base, with a relatively recent example of our entry into the infant yogurt category. Finally, with advertising campaigns and targeted promotions, we defend and strengthen our market share.

Abroad, yogurt sales continue to grow strongly. We utilize the dynamics that Greek yogurt has in the markets of the West. Europe and expand existing partnerships.

INVESTMENTS

We have developed and we are implementing investment projects to increase production capacity, as well as technological upgrading, of both yoghurt and ice cream factories. In current year, total CAPEX exceeded €10,2m.

Investment projects with a total budget of €26,6m have been included in the Development Law 4399/2016, eligible for 35% grant as a tax relief. In the current financial year, the amount of income tax has been reduced by € 1.902k, by exercising the option of tax exemption, which we were granted after the certification of 50% completion of such a project.

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.

Within the framework of Corporate Governance, which ensures the long-term and balanced development of the Company for the benefit of employees, consumers and shareholders, the Company implements Corporate Social Responsibility (CSR) actions, which is the main "tool" of Corporate Governance.

The Company's "footprint" concerns the employees, who benefit from a creative and rewarding work environment, the consumers, who show a growing interest in the social and environmental "credentials" of the companies with which they trade, the local communities, who wish to share principles and values with local companies, especially in adverse economic times, such as the recent years in Greece. But it also applies to shareholders, who reward responsible corporate behavior and attitude. It concerns finally and especially to the next generations, who expect to receive a world with respect to people and to the environment.

The Company, in line with the European practice in this field, which is essentially the volunteering of companies and contributes to the goals of sustainable development, presents activity in the following areas:

• cares about the health and safety of staff,

• encourages and financially supports the participation of its employees to educational programs (seminars, conferences, workshops, etc.) to enhance their skills, personal development and training, as well as to improve their daily transactions with customers,

• organizes events and give presents to the children of the employees, while rewarding the excellent students of the national exams every academic year,

• encourages the participation of staff in voluntary activities (collection of food or items for the needy, running events etc.),

• ensures its compliance with current environmental legislation, by continuously monitoring, consolidating and complying with the requirements of environmental directives at national and European level,

• invests in upgrading its facilities for optimal efficiency and reducing energy consumption and reducing CO_2 emissions,

• implementing a biogas production project from the treatment of the wastewater of the factory,

• promotes the redesign of the packaging of its products, with the aim of significantly reducing (~ 20%) the weight of the plastic used,

• systematically implements on-site recycling program and uses environmentally friendly materials,

• encourages and financially supports the participation of its farmers in training programs for modern livestock practices and for promoting their business skills,

• supports sports and cultural events,

• provides internships for students in order to gain valuable work experience.

Corporate social responsibility

The framework includes the fundamental principles on the basis of which our actions are formed, which concern the improvement of our social imprint. This set of rules and principles describes the behavior we expect from our people, as well as the way we conduct our business with our customers, suppliers and other partners. At the same time, we promote transparency and good professional behavior, at all levels of the company's hierarchy, from employees, executives to top management. The goal is to build trust, which plays a key role in our sustainable business success.

Health and Safety

Protecting health and safety in the workplace is a key priority. Especially in the current context of the covid-19 pandemic, we make sure to strictly implement all the necessary health protocols, while we have fully implemented a plan to ensure business continuity.

Environment

The Management of the Company is very sensitive in relation to the protection of the environment. In this context, a significant investment is implemented for the construction of a biogas plant. Its main purpose is the environmentally friendly treatment of the plant's wastewater. At the same time, we promote the reduction of the use of plastic and the reduction of greenhouse gas emissions. Finally, voluntary tree planting events are organized with the participation of staff, contributing to reforestation and cultivating environmental awareness.

Local community

The Company actively supports the activity of local not-for-profit organizations. Such initiatives include the financial support of charitable events, the provision of sponsorships and donations to sporting or cultural events, etc.

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 exchange risk

Company's operations are mainly conducted within the Euro zone. Company exposure to exchange rate (FX) risk derives from existing or expected cash flows in foreign currency, and it is considered very limited.

Interest rate fluctuation risk

The Company's assets do not include significant items that are interest-bearing, thus operating income and inflows are essentially independent of changes in market interest rates.

The loans of the Company are related to either variable rates or fixed rates. The company does not use financial derivatives. The interest rate fluctuation 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 31.12.2020, the amount of € 2.700.000 is linked to a fixed interest rate and the amount of € 8.229.837 is linked to a floating rate.

The financing solutions that banks offer are systematically reviewed, in order to minimize financing cost.

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 perhaps the large super market chains in Greece.

Wholesale sales are made to customers with appropriate credit history. The credit control department defines credit limit per customer that is continuously monitored and reviewed. Also, in some cases our receivables are secured with collaterals. For example from the company domestic customers-distributors, the Company receives personal guarantees amounting the double of two months turnover, hence consistently applying its credit policy. Finally, receivables of specific supermarket chains are credit insured with a contract covering credit losses, occurring from insolvency, up to 90%.

Receivables from foreign customers, are credit insured with a contract covering credit losses, occurring from insolvency, up to 95%. Credit limits per customer are established by the insurance company. Therefore, the credit risk exposure is limited to 5% of the insured credit limit, plus any excess.

The company's management emphasizes on reducing working capital needs. It promotes the reduction of credit limits and of the credit period to its customers, to increase operating cash flows.

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 supplies it to more than 10% of total purchases.

The company's management promotes overall stock management, in a way that allows meeting the demand, without 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.

Product contamination

Risk of product contamination may result in product recall and, consequently, negative publicity that damages brand reputation. Product recall, depending on the size, can have a significant negative economic impact. The same can happen from the negative publicity that usually results from such an event, whether it is due to the fault of the Company or not.

The Company's Management estimates that the quality assurance and quality control system it applies drastically reduces this risk.

Changes in the nutritional behavior of consumers

Possible changes in the nutritional behavior of consumers can lead to the replacement of the consumption of the company's products with substitutes or competing products. The above can lead to a decrease in sales and a burden on the Company's results.

The Company tries to closely monitor market trends, in order to adapt as quickly as possible to the new conditions.

Possible insufficiency or unavailability of insurance coverage

Despite the insurance policy against the basic risks related to the facilities, equipment and stocks, in case of their partial or total destruction or exceeding the existing limits, no guarantee can be provided that the Company will be immediately and fully compensated by the insurance companies. Also, in case of partial or total disaster, the Company may have a loss of profits and cash flows, resulting in a corresponding impact on its financial figures.

Full insurance coverage of all the above risks cannot be guaranteed in advance. In addition, it cannot be guaranteed that insurance services will be available at all times and at a reasonable cost for the specific object of the Company's activity. If the Company suffers losses that are not covered by insurance policies or losses that significantly exceed the limits of their insurance coverage, the resulting costs will adversely affect the activity, financial situation and results of the Company.

The Management ensures in a timely manner that the Company has insurance coverage against the main risks related to its business activity, which is subject to exemptions, coverage limits and coverage restrictions / exceptions in accordance with the usual market practice.

Extraordinary events

The possibility of an event occurring, which, to a large extent, is beyond the control of the Company, could potentially affect the normal conduct of its business activities. Indicatively, the following cases can be mentioned:

• Natural Disaster,

• Accidents at work, which may be related to employees of the Company, suppliers, or even third parties.

• Problems / Insufficiency in the operation of information systems,

• Significant mechanical damage, which may result in delay or even cessation of production,

• Fraud,

• Termination of contracts with customers / suppliers.

In such a case, any disruption in the conduct of the Company's business activities could have a negative effect on sales, costs and, in general, on its financial results.

The Management tries to take all the necessary actions, in order to limit, both the chances of the occurrence of the specific risk, and, in case it happens, its effects on the smooth conduct of its business activities.

IV. Macroeconomic risks in Greece and United Kingdom

Following the country's official exit from the economic adjustment program, the macroeconomic and financial environment in Greece was showing signs of stabilization. However, the current health crisis, as a result of COVID-19, exacerbates uncertainty about the macroeconomic impact of the variations in external environment.

In March 2020, the World Health Organization (WHO) declared COVID-19 as a pandemic. The Management of the Company has taken a number of measures to manage the health crisis and minimize the negative effects on its activities. At this stage, employees safety is a top priority. To this end, the Company has developed the following initiatives through the establishment of a task force (hereinafter referred to as the "Team"), which reports to the top management, monitoring all relevant developments and evaluating the possible effects of COVID-19.The Team, in line with all protocols of the WHO and other competent authorities, has already prepared and fully implemented a plan to ensure operational continuity. This plan also includes additional provisions for staff performing critical functions for production and business continuity in general, in order to minimize the risk of downtime. Also, business trips have been kept to a minimum and systems for remote work (teleworking) are applied where possible. Finally, emergency arrangements have been put in place for employees belonging to vulnerable groups and policies requiring staff to report any suspicious symptoms.

Now, from the experience we have gathered, it seems that the Company can manage the risks posed by the health crisis of covid-19 in an effective way.

With regard to the United Kingdom's exit from the European Union (Brexit), as expected, it did not have a materially negative effect on our activity.

V. Strategies – Future Performance Estimations

STRATEGIES

In the ice cream sector, our strategy is the improvement of the industry operational result. At the same time, we promote the increase of digital distribution, emphasizing to the tourist areas. Particular emphasis will be placed on boosting exports, as there are great opportunities to grow our sales abroad.

In the yogurt sector, we utilize our modern production facilities, with high production capacity and competitive processing costs, aiming to increase sales. In this regard, we make sure to actively communicate the competitive advantages of our products (such as the use of 100% daily milk for the production of yogurt). At the same time, we are strengthening our export orientation, responding to the increased demand for Greek yogurt in foreign markets.

DIVIDEND POLICY

The KRI-KRI Dividend Policy promotes the distribution of an increased dividend each year, as long as the profitability figures allow.

For the previous fiscal year 2019, the General Meeting of shareholders decided the distribution of gross dividend of €0,18 per share.

For the financial year 2020, the Board of Directors decided to propose to the General Meeting of shareholders the distribution of gross dividend of €0,20 per share. The distribution is subject to the approval of the General Meeting of shareholders.

FUTURE PERFORMANCE ESTIMATES

KRI-KRI's management is cautious about the situation and developments in the economic environment.

The yogurt sector proved to be particularly resilient, as it is considered basic food, while it is distributed by the super market channel. From the data so far, there was no particular negative impact on sales, as a result of measures to limit the spread of COVID-19.

On the other hand, the ice cream segment appears more vulnerable. This is because it is associated with spontaneous consumption, while it is also affected by tourist flows. However, the emerging trend of increased ice-cream consumption at home, via the supermarket channel, helped mitigating the negative effects of the COVID-19 pandemic. For this year 2021, we expect a strong recovery in the sales of ice cream.

Based on currently available data, the management estimates that, for the year 2021, the growth in total sales at a rate similar to that of 2020 is achievable, while maintaining at least the operating profit margins of 2020.

VI. Related party transactions

The significant transactions between the Company and its related parties, as defined in IAS 24, are described below.

Transactions with related legal parties

In 2018, the Hellenic Milk Institute (IEG), a non-for-profit organization, was established in Greece to support and promote cow farming. The Company is related to IEG, because two members of its BoD participate to the management of IEG. There is no connection of any other form. During the current year, there were no transactions with IEG.

Transactions with related parties

The Company maintains an obligation to related parties (its key shareholders) arising from the coverage of a bond loan of € 2.700.000. This loan was issued on 18/12/2013, it is unsecured and according to market terms. Its expiration, after amendment of the loan contract, is determined on 18/12/2023.

Related party transactions are analyzed a follows:

	31/12/2020	31/12/2019
Income from rents (IEG)	0	150
Payment of interest on a bond loan*	99.792	152.083

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

	31/12/2020	31/12/2019
Receivables from related parties (IEG)	0	150
Payables to related parties*	2.700.000	5.000.000

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

COMPENSATION OF DIRECTORS	31/12/2020	31/12/2019
Remuneration of the members of the Board of Directors	388.299	366.602
Salaries of the members of the Board of Directors	162.338	153.323
Total	**550.637**	**519.925**

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY MANAGEMENT PERSONNEL	31/12/2020	31/12/2019
Transactions with the members of the B.O.D and key management personnel	76.250	76.042
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. Branches

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. During the current fiscal year, R&D expenses amounted €247.513.

IX. Own shares

During the year, the Company acquired 20.882 own shares with an average purchase price of €6.43 per share. The total acquisition value of the own shares amounted to €134.311. As at 31.12.2020 the value of the own shares held by the Company amounts to €134.311.

X. DETAILED INFORMATION IN ACCORDANCE TO ART. 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. The rights and obligations of the shareholders of the company derived from each share are proportional to the percentage of the capital to which the paid value of each share corresponds and each share confers all the rights and obligations laid down by the Law and the Articles of Association. As of 31/12/2020, 20,882 own shares have been purchased, which, as of 31/12/2020, do not have the right to vote.

(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 31/12/2020, register records holding significant voting rights (≥5%) are:

REGISTER RECORDS	HOLDER	%
OIKONOMOU ATHANASIA (JIA)	OIKONOMOU ATHANASIA TSINAVOU ANASTASIA	15,12%
TSINAVOS PANAGIOTIS	TSINAVOS PANAGIOTIS	13,19%
TSINAVOS SPYRIDON (JIA)	TSINAVOS SPYRIDON TSINAVOU EVANGELIA TSINAVOU CHARIKLEIA TSINAVOU SEVASTI	11,79%
TSINAVOS PANAGIOTIS(JIA)	TSINAVOS PANAGIOTIS TSINAVOS GEORGIOS	11,46%
TSINAVOU EVANGELIA	TSINAVOU EVANGELIA	6,50%
TSINAVOU CHARIKLEIA	TSINAVOU CHARIKLEIA	6,12%

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 Law 4548/2018.

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 4548/2018.

(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 articles 49 and 50 of the Law 4548/2018.

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.

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.
However, there are loan agreements which stipulate, as is customary in similar contracts, that in case of change in the control of the Company, the bondholders are given the right to request the immediate repayment of the loan balance and termination of the contract. This right is not related exclusively for the case of 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 is drafted in accordance with article 152 of Law 4548/2018 constitutes a special part of the Annual Management Report of the Board of Directors and contains all information required by law.

(a) Compliance with Corporate Governance Code

The Company has established and follows its own Code of Corporate Governance (hereinafter referred to as the "Code"). The drafting of the Code has taken into account the draft Corporate Governance Code for Listed Companies released by SEV (the association of Greek industrials) in January 2011, the Corporate Governance Code of the Cyprus Stock Exchange, as well as the generally accepted corporate governance principles applied within the Member States of the European Union. It is posted on the Company's website https://www.krikri.gr/dyn/userfiles/files/koddiak.pdf (text in Greek only).

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

The effectiveness of the Board of Directors and its committees was not evaluated. This is a deviation from the provision in Part A par. V of the Code, according to which: "*The evaluation of the effectiveness of the BoD. and its committees should take place at least every two (2) years and be based on a specific procedure. This process should be supervised by the Chairman of the Board. and each committee, and its results to be discussed by the Board, while following the evaluation, the President should take measures to address the identified weaknesses* ".

This deviation from the aforementioned provision of the Code occurred because the Company is in the process of reviewing and revising the specific evaluation process of the Board. and committees, which includes the establishment and monitoring of measurable performance indicators. For this reason, the Company considers it is more appropriate for the next evaluation to take place with the revised procedures.

Apart from the above, there are no other deviations from the Corporate Governance Code 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. This Committee resulted from the transformation of the pre-existing Remuneration and Benefits Committee, with the decision of the Board of Directors dated 13/1/2021. Its tasks are a) to make proposals to the Board of Directors on the remuneration policy submitted for approval to the general meeting, b) to make proposals to the Board of Directors on the remuneration of persons falling within the scope of the remuneration policy and on with the remuneration of the Company's executives and in particular of the head of the internal control unit, c) the examination of the information included in the final draft of the annual remuneration report, providing its opinion to the Board of Directors, before submitting the report to the general meeting, d) the identification and proposal to the Board of Directors of persons suitable for participating to the Board of Directors, based on candidates suitability policy, and e) the selection of candidates, based on the suitability policy that will be established by the Company.

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

Internal audit

The internal audit as a set of procedures, methods and mechanisms, is a responsibility of the management and all staff, in general. It is supervised by the Audit Committee, the Board of Directors and the CEO and is examined for its effectiveness and completeness, by the Internal Audit function. The Board of Directors has the ultimate responsibility for monitoring the adequacy of the company's internal control system including the internal control 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, as well as risk management, prevention and detection of managerial irregularities and errors, efficiency and effectiveness of various operations, safeguarding of corporate assets, reliability of financial statements and reports in general.

The responsibilities of the Internal Audit function are described in the Company's rules of operation book. In short, it has the responsibility of conducting audits, submitting proposals, communicating the results and monitoring the taking of corrective actions where necessary. It shall assess the potential risks identified during the audits and communicates them to the Audit Committee, with the aim of taking appropriate measures to mitigate them. The Internal Audit Unit is independent of any other unit or department of the Company. Administratively it reports to the Board and operatively it is supervised by the Audit Committee.

Internal audit framework

The internal audit system is evaluated on a sustained basis in order to confirm the maintenance of a safe and effective control environment. The annual audit 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. Special business procedures have been introduced in areas with 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 the compliance to them.

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 performance. Analysis of the results is carried out on a monthly basis covering all important business fields.

Risk 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. In particular, the Management of the Company has developed a reliable system for the identification, the assessment and the management of potential risks, derived both from external environment or from endogenous operating inefficiencies. Depending on the nature, probability of occurrence and the estimated impact of the risks, relevant decisions are made, based on cost-benefit estimates, to accept them, or to activate control mechanisms, or generally to take measures mitigate them.

The evaluation process briefly provides for the following steps:
- Risk identification
- Description of the potential consequences to the Company from its occurance and assessment of these
- Assessment of the likelihood of the risk
- Determination of the Company's level of tolerance to the specific risk
- Actions of the Management to address the risk.

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

The above are mentioned in paragraph "X. DETAILED INFORMATION IN ACCORDANCE TO ART. 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 to participate, either in person or by legally authorized representative, in accordance with the legal procedure provided for.
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 related to their participation in the General Meeting, including agenda items, and their rights at the General Meeting.
More specifically, regarding the preparation of the General Meeting in conjunction with the provisions of Law 3884/2010, the Company posts 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 put items on the agenda and to ask questions, and the time limits within which those rights may be exercised,
- voting procedures, terms of proxy representation and the forms used for proxy voting,
- the proposed agenda for the Meeting, 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 CVs (if applicable) and
- the total number of shares and voting rights at the date of the invitation.
i. The President of the Board of Directors, the Company's Chief Executive Officer, the Chief Financial Officer and the Heads of the BoD Committees attend the General Meeting of Shareholders in order to provide information on issues raised for discussion or clarifications requested by shareholders. Furthermore, the General Meeting of Shareholders is also attended by the Company's Internal Audit Officer.
ii. At the beginning, the General Meeting is temporarily chaired by the President of the Board of Directors, who also appoints a temporary secretary.
iii. Following the validation of the list of shareholders entitled to vote, the General Meeting elects its Chairman and secretary, who also counts the ballots. The decisions of the General Meeting are taken in accordance with the provisions of the Law and the Articles of Association of the Company.
iv. A summary of the minutes of the General Meeting of Shareholders is published on the company's website.
v. Any shareholder who appears in this capacity in the Company’s securities records, is entitled to participate and vote at the General Meeting. The shareholder may appoint a representative if he so wishes.

g) Composition and mode of operation 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 Meeting. The term of office of members is six years. A member of the Board of Directors may also be a legal person.
The Board of Directors elects the President and a Vice-President from among its members. When the President is absent or impeded, his duties (as defined by Law or Articles of Associations) are exercised by the Vice-

President. The Board of Directors may meet validly, at the head office of the company, and also 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 necessary frequency that ensures the effective performance of its tasks. The President chairs the meetings of the Board of Directors, and he may nominate a secretary of the Board. 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 President or by the Vice-President who are also entitled to issue copies and extracts thereof.

Following the as of 13/1/2021 resignation of the independent non-executive member, Mr. Xentes Theodoros, as a member of the Board, as a member of the Remuneration and Benefits Committee, and as a member of Audit Committee, the Board of Director at its as of 13/1/2021 meeting, elected Mr. Moudios Anastasios, who meets the criteria of independence of art. 4 of Law 3016/2002 and of art. 9 par of Law 4706/2020 (not yet valid), replacing Mr. Xentes Theodoros, for the remainder of his term, i.e. until 28/6/2022. The election of the new member of the Board of Directors will be announced on the forthcoming General Meeting of shareholders, which will decide according to art. 3 par. 1 of Law 3016/02, either re-electing him or appointing a new independent member.

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

In 2020, thirty-seven (37) meetings of the Board of Directors took place, of which eleven (11) with the physical presence of the members and twenty-six (26) with circulation of the drafted minutes. The following table shows the participation of each member in the meetings:

Member	Participation on BoD meetings Physical
Tsinavos Panagiotis	11
Kotsambasis Georgios	11
Xentes Theodoros	11
Kamarinopoulos Panagiotis	11
Kyriakidis Anastasios	11

Composition and mode of operation of BoD Committees

Audit Committee

The Audit Committee is a committee of the Board of Directors and because it consists of members of the Board, its term of office is related to the term of office of the Board. It is formed to supervise the procedure of financial reporting, the audit of financial statements, the compliance to the legal framework, the effectiveness of the control system and the internal audit function. The Audit Committee's responsibilities are described, in detail, on the Company's rules of operation book. Regarding the process of preparing the financial reports, the Audit Committee monitors, examines and evaluates the mechanisms and systems of drafting, the flow and sharing of financial information that is being produced. In the context of reporting to 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 elected by the General Meeting following a proposal by the Board of Directors. The Audit Committee, in its present composition, consists of three (3) independent non-executive members. The Chairman of the Audit Committee is appointed by its members, is independent (according to the Law 3016/2002) and has sufficient experience/knowledge of financial and accounting matters. The Audit Committee meets as often as necessary but at least four times a year and meets the company's external auditor, without the presence of the members of the management, at least twice a year.

At the General Meeting of 7/7/2020, it was decided to elect a new Audit Committee of the Company, which will be a three-member committee of the Board of Directors and will consist of three (3) Independent Non-Executive Members of the Board of Directors, within the meaning of provisions of article 4 of Law 3016/2002. The Board of Directors of the Company was authorized to appoint the three (3) Independent Non-Executive Members of the Board of Directors who will occupy the positions of the members of the new Audit Committee, after making sure that the conditions set there apply and the independence criteria are met. The term of the Audit Committee was decided to coincide with the term of the Board of Directors of the Company. In addition, it was decided that the Chairman of the Audit Committee should be appointed by the members of the Committee.

Following the above decisions of the General Meeting, the Board of Directors that met on 7/7/2020, after verifying that its independent members meet the requirements of article 44 par. 1, Law 4449/2017, decided to be appointed as members of the Audit Committee of the Company, its Independent Non-Executive Members, ie Mr. Xentes Theodoros, Mr Kyriakidis Anastasios and Mr Mavridoglou Antonios. Then, during its meeting of 8/7/2020, the Audit Committee was formed in a body and its members unanimously elected Mr. Xentes Theodoros as its Chairman.

The Board of Directors, on its meeting as of 13/01/2021, elected Mr Anastasios Moudios as member of the Audit Committee, replacing the resigned Mr Theodoros Xentes, in accordance with the provisions of Article 44 of Law 4449/2017. It was confirmed by the Board of Directors that Mr Anastasios Moudios meets all the conditions of art. 44, par. 1 of Law 4449/2017. Then, during its meeting of 14/1/2021, the Audit Committee was formed in a body and its members unanimously elected Mr. Moudios Anastasios as its Chairman.

The current composition of the Audit Committee includes the following three (3) members:
Moudios Anastasios, President
Kyriakidis Anastasios, Member
Mavridoglou Antonios, Member

In 2020, seven (7) meetings of the Audit Committee took place, all with the physical presence of the members.

Member	Participation on meetings Physical
Xentes Theodoros	7
Kyriakidis Anastasios	7
Kamarinopoulos Panagiotis	4
Mavridoglou Antonios	3

Indicative issues that the Audit Committee addressed at its meetings include:
Briefing from the auditors about the progress of the audit work, approval of the audit plan of the internal audit department for the year 2021, discussion over the findings of internal audit reports, evaluation of auditors and proposal for changing the auditors etc.

Remuneration and Benefits Committee / Remuneration and Nomination Committee

The Board of Directors has established a Remuneration and Benefit Committee with advisory role in forming the Company's remuneration policy. With the decision of the Board of Directors dated 13/1/2021, this committee was transformed into a Remuneration and Nominations Committee. Its tasks are a) to make proposals to the Board of Directors on the remuneration policy submitted for approval to the general meeting, b) to make proposals to the Board of Directors on the remuneration of persons falling within the scope of the remuneration policy and on with the remuneration of the Company's executives and in particular of the head of the internal control unit, c) the examination of the information included in the final draft of the annual remuneration report, providing its opinion to the Board of Directors, before submitting the report to the general meeting, d) the identification and proposal to the Board of Directors of persons suitable for participating to the Board of Directors, based on candidates suitability policy, and e) the selection of candidates, based on the suitability policy that will be established by the Company.

The rules of procedure of the Remuneration and Nominations Committee are being drafted. In the meantime, the committee operates under the rules of procedure of the pre-existing Remuneration and Benefits Committee. The Committee, in its present composition, consists of three (3) independent non-executive members. The Chairman of the Committee is appointed by the Board of Directors of the company and must be a non-executive member. In the event of the participation of an executive member in the composition of the Remuneration and Benefits Committee, this member shall be prevented from participating in the discussion and decision-making on any matter relating to his own remuneration. The Remuneration and Benefits Committee meets as often as necessary but at least once a year.

The Board of Directors, on its meeting as of 13.1.2021, elected Mr Anastasios Moudios as member of the Remuneration and Benefits Committee, replacing the resigned Mr Theodoros Xentes. In addition, in the context of the discussion of this agenda item, Mr Anastasios Kyriakidis, an independent non-executive member of the Board of Directors, resigned, as a member of the Remuneration and Benefits Committee. Following this resignation, the Board of Directors elected Mr Georgios Kotsampasis, non-executive member of the Board of Directors, as a member of the Remuneration and Benefits Committee, replacing the resigned Mr Anastasios Kyriakidis. Furthermore, the Board of Directors decided to convert the Remuneration and Benefits Committee to Remuneration and Nominations Committee. It will be a three-members committee, consisting of non-executive members of the Board of Directors, two of which will be independent. Its Chairman was decided to be elected by Committee's members. Afterwards, the Remuneration and Nominations Committee, on its meeting as of 14.1.2021, elected Mr Anastasios Moudios as its Chairman. It was confirmed that he meets all necessary conditions.

The current composition of the Remuneration and Benefit Committee includes the following three (3) members:
Moudios Anastasios, President
Mavridoglou Antonios, Member
Kyriakidis Anastasios, Member

During 2020, three (3) meetings of the Remuneration and Benefits Committee took place, with the physical presence of the members.

Member	Participation on meetings Physical
Xentes Theodoros	3
Kamarinopoulos Panagiotis	3
Kyriakidis Anastasios	3

Indicative issues that the Remuneration and Benefits Committee addressed at its meeting are:
Submission of remuneration policy to the Board of Directors, review of legislation amendments, proposal of the terms of the stock awards program to personnel etc.

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

The Company applies an informal policy of diversifying the skills, opinions and competences of the members of its Board of Directors. Its aim is to facilitate meeting corporate targets, as it increases the pool of skills, views and competences, at the top 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, while they stand out for their ethos and the integrity.

Serres, 20 April 2021

THE PRESIDENT OF THE BOARD

THE MEMBERS

Exact excerpt from the Board of Directors' book of proceeding

The President &
CEO

Panagiotis Tsinavos

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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 December 31, 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements, including 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 the Company as at December 31, 2020, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as they have been 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 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 aforementioned 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 judgement, were of most significance in our audit of the financial statements of the audited period. These matters, as well as the related risks of significant 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 matters	How our audit addressed the key audit matter
Trade Receivables – Trade Receivables Recoverability Assessment	
As at 31.12.2020, the Company's trade receivables had a total of €24.249.201 (31.12.2019: €26.244.962), as referred to Note C.17 of the financial statements. Trade receivables mainly include receivables arising from sale of products, from trade debtors domestic and abroad. In order to estimate the recoverability of trade receivables, Management is based on a model of expected credit losses, which groups the receivables according to each customer's credit rating, links the rating to the probability of default and calculates the expected credit losses. Management also takes into account the available recent or historical data provided by the Legal Department. Given the significance of the matter and the level of judgment and estimates involved, we consider this issue to be one of the key audit matters.	Our audit procedures regarding assessment of trade receivables recoverability include among others, the following: • Assessment of assumptions and methodology used by Management in estimating recoverability of trade receivables. • Examination of the attorney's confirmation letter regarding bad receivables and identification of any indication of doubtful accounts. • Assessment of provision of bad debt, taking into account specific debtors classifications and factors, such as maturity, substantial debtors and high-risk debtors. • Assessment of recoverability of balances through comparing the year-end closing balances with subsequent amounts collected / settlements. • Assessment of the IFRS 9 implementation, as well as the accuracy and completeness of the data used by the Management in the calculation model. • We also assessed adequacy and appropriateness of the disclosures included in the relative Notes of financial statements.
Inventory valuation	
As at 31.12.2020, the Company's inventories had a total of €14.024.192 (31.12.2019: €10.346.210), as referred to Note C.16 of the financial statements. As referred to Note B.8 of the financial statements, inventories are valued at the lower of acquisition cost and net realizable value. Due to the nature of most inventories (foodstuffs with a short self-life and sensitivity to lesions), these are sensitive to impairment. Consequently, there is a risk of inventory being overstated.	Regarding this key audit matter, our audit procedures include, among others, the following: • Understanding and recording the procedures, designed by the Company's Management, for the identification of slow moving items and the determination of the net realizable value. • Assessment of assumptions and methodology used by Management in inventory's valuation. • Assessment of the inventory 's valuation by comparing, on a sample basis, the estimated net realizable value at the reporting date with the inventories' acquisition cost, which was tested on sample basis as well.

Therefore, the Management of the company carries out estimates for the determination of the appropriate impairments based on detailed analysis. Given the significance of the matter and the level of judgment and estimates involved, we consider this issue to be one of the key audit matters	• Examination of the inventory records to identifying slowly moving items. • Participation in part of the physical counts. • Assessment of the adequacy and appropriateness of the disclosures included in the relative explanatory Notes of the financial statements.

Other Matter

Last year financial statements, for the period ended on 31/12/2019, have been audited by another auditor. Predecessor auditor issued an unqualified audit report on 12/5/2020.

Other Information

Management is responsible for the other information. The other information, which is included in the Annual Financial Report, includes the Board of Director's Report, reference to which is made in the "Report on Other Legal and Regulatory Requirements" section of our Report and the Statements of the Members of the Board of Directors, but does not include the financial statements and our 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 identified above 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 therein, 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 financial statements in accordance with International Financial Reporting Standards that have been 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 other realistic alternative but to do so.

The Company's Audit Committee (Article 44, Law 4449/2017) 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 affect 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 judgment 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 the fact that Management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement included in this report, under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, we note the following:

a. The Board of Directors' Report includes the Corporate Governance Statement that provides the information required by article 152, L.4548/2018.

b. In our opinion, the Board of Directors' Report has been prepared in compliance with the applicable legal requirements of Articles 150 and Paragraph 1 (cases c' and d') of Article 152 of L.4548/2018, and its content is consistent with the accompanying financial statements for the year ended as at 31.12.2020.

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

d. Additional Report to the Audit Committee

Our opinion on the accompanying financial statements is consistent with our Additional Report to the Company's Audit Committee, prepared in compliance with Article 11, Regulation (EU) No 537/2014.

e. Provision of Non-Audit Services

We have not provided to the company the prohibited non-audit services referred to in Article 5 of Regulation (EU) No 537/2014. Authorized non-audit services provided by us to the Company during the year ended as at December 31, 2020 are disclosed in Note C.32 of the accompanying financial statements.

f. Auditor's Appointment

We were first appointed as auditors of the Company by the Annual General Meeting of Shareholders on 07/07/2020.

Athens, April 20, 2021
The Certified Public Accountant

Stergios Ntetsikas
I.C.P.A. Reg. No 41961

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Registry Number SOEL 127

KRI-KRI MILK INDUSTRY S.A.

General Commercial Registry No.: 113772252000

FINANCIAL STATEMENTS

FOR THE PERIOD

1.1.2020 – 31.12.2020

IN ACCORDANCE WITH IFRS

Statement of Comprehensive Income

	Note.	1/1-31/12/2020	1/1-31/12/2019
Sales	C1	**125.982.880**	**112.902.961**
Cost of sales	C3	(85.552.940)	(73.801.169)
Gross profit	C1	**40.429.940**	**39.101.792**
Distribution expenses	C1, C3	(18.849.973)	(19.026.084)
Administration expenses	C3	(3.571.098)	(3.175.104)
Research and development expenses	C3	(295.440)	(247.513)
Other income	C4	739.551	794.718
Other gain/(loss) net	C5	154.606	387.111
Profit before taxes, financial and investment income	C1	**18.607.586**	**17.834.920**
Financial income	C6	125.150	203.248
Financial expenses	C6	(283.974)	(434.720)
Financial cost of leasing	C6	(26.752)	(33.859)
Financial income (net)		(185.576)	(265.331)
Profit before taxes		**18.422.010**	**17.569.589**
Income tax	C7	(2.559.398)	(2.554.405)
Net profit for the period (A)		**15.862.612**	**15.015.184**
Other comprehensive income			
<u>OCI non recycled to P&L</u>			
Revaluation on pension benefit obligation		0	288.029
Deferred taxes on actuarial gains / (losses) due to the change in tax rate		0	(68.058)
Other comprehensive income after tax (B)		**0**	**219.971**
Total comprehensive income after tax (A + B)		**15.862.612**	**15.235.155**

Net profit per share from continuous operations			
- Basic and diluted (in €)	C8	**0,4798**	**0,4541**

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

Statement of Financial Position

	Note	31/12/2020	31/12/2019
ASSETS			
Non-current assets			
Tangible assets	C11	64.807.728	57.418.896
Rights of use of assets	C12	414.654	578.592
Investment in properties	C13	10.082	10.082
Intangible assets	C14	386.380	480.025
Other non-current assets	C15	46.106	64.306
		65.664.950	**58.551.901**
Current assets			
Inventories	C16	14.024.192	10.346.210
Trade and other receivables	C17	24.249.201	26.244.962
Current income tax receivables	C18	1.430.104	1.167.828
Investments in financial assets	C19	301.852	110.940
Cash and cash equivalents	C20	9.737.271	10.916.735
		49.742.620	**48.786.675**
Total assets		**115.407.570**	**107.338.576**
EQUITY AND LIABILITIES			
Equity			
Share capital	C21	12.564.752	12.564.752
Reserves	C22	22.437.778	20.575.835
Reserve of own shares		(134.311)	0
Retained earnings		41.014.778	32.965.833
Total equity		**75.882.997**	**66.106.420**
Liabilities			
Non-current liabilities			
Long term borrowings	C23	8.680.000	10.030.000
Long term portion of leasing	C24	243.413	353.580
Accrued pension and retirement obligations	C25	604.307	599.942
Deferred tax liabilities	C26	3.382.217	2.924.045
Government grants	C27	6.332.303	6.780.583
		19.242.240	**20.688.150**
Current liabilities			
Short-term borrowings	C23	2.249.837	2.192.565
Short term portion of leasing	C24	187.790	238.089
Trade and other payables	C28	17.844.706	18.113.352
		20.282.333	**20.544.006**
Total liabilities		**39.524.573**	**41.232.156**
Total equity and liabilities		**115.407.570**	**107.338.576**

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

Statement of changes in equity

	Share capital	General reserve	Special reserves	Other reserves	Reserves of own shares	Actuarial gains-losses reserve	Retained earnings	Total Equity
Balance at 31.12.2018	**12.564.752**	**2.550.434**	**17.295.670**	**38.275**	**0**	**(32.531)**	**23.414.437**	**55.831.036**
Profit for the period							15.015.184	15.015.184
Actuarial gains / (losses)						288.029		288.029
Deferred taxes on actuarial gains / (losses)						(69.560)	1.502	(68.058)
Total comprehensive income for the period						**218.469**	**15.016.686**	**15.235.155**
Reserves formation		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 31.12.2019	**12.564.752**	**3.055.955**	**17.295.670**	**38.275**	**0**	**185.939**	**32.965.833**	**66.106.420**
Balance at 31.12.2019	**12.564.752**	**3.055.955**	**17.295.670**	**38.275**	**0**	**185.939**	**32.965.833**	**66.106.420**
Profit for the period							15.862.612	15.862.612
Total comprehensive income for the period							**15.862.612**	**15.862.612**
Reserves formation		668.742	1.193.200				(1.861.942)	0
Transactions with owners in their capacity as owners								
Dividends provided for or paid							(5.951.724)	(5.951.724)
(Purchase) / Distribution of own shares					(134.311)			(134.311)
Balance at 31.12.2020	**12.564.752**	**3.724.697**	**18.488.870**	**38.275**	**(134.311)**	**185.939**	**41.014.778**	**75.882.997**

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

Statement of cash flows

Indirect method	1/1-31/12/2020	1/1-31/12/2019
OPERATING ACTIVITIES		
Profit before taxes	18.422.010	17.569.589
Adjustments for:		
Depreciation	4.125.198	3.773.167
Provisions	305.495	(570.061)
Foreign exchange differences, net	(4.402)	38.076
Amortization of government grants relating to capital expenses	(448.280)	(488.260)
Miscellaneous items	7.272	212.473
Investment income	(193.215)	(265.500)
Interest and related expenses	289.485	437.063
	22.503.563	20.706.546
Changes in working capital:		
Decrease / (Increase) in inventories	(4.016.417)	(1.619.685)
Decrease / (Increase) in receivables	(3.880)	(4.035.570)
Decrease / (Increase) in long term receivables	18.200	133.040
(Decrease) / Increase in payables (except banks)	19.199	5.097.953
Less:		
Interest and related expenses paid	(289.485)	(437.063)
Taxes paid	(1.104.812)	(6.097.666)
Cash flow from operating activities (a)	**17.126.367**	**13.747.555**
INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(11.021.006)	(15.120.508)
Proceeds from sales of intangibles and property, plant and equipment	50.899	114.685
Interest received	125.150	190.885
Purchase of financial instruments	(290.020)	(850.000)
Proceeds on disposal of financial instruments	118.432	764.572
Cash flow from investing activities (b)	**(11.016.545)**	**(14.900.365)**
FINANCING ACTIVITIES		
Proceeds from borrowings	17.500.000	8.430.000
Repayments of loans	(18.800.000)	(5.400.000)
Repayments of leases	(274.925)	(277.753)
Purchase of own shares	(134.311)	0
Dividends paid to company's shareholders	(5.580.050)	(4.961.011)
Cash flow from financing activities (c)	**(7.289.286)**	**(2.208.764)**
Change in cash and equivalents (a+b+c)	**(1.179.464)**	**(3.361.575)**
Cash and equivalents at beginning of period	10.916.735	14.278.310
Cash and equivalents at end of period	**9.737.271**	**10.916.735**

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 20 April 2021.

B. Significant accounting policies

B.1 Basis of preparation

These financial statements covering the period from 1.1.2020 to 31.12.2020, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Committee (IASB) and their interpretations, as issued by the Committee for Interpretation of Standards (I.F.R.I.C.) and adopted by the European Union. The basis of their preparation is the historical cost and the "principle of the business continuity of the Company's activities", taking into account all macroeconomic and microeconomic factors and their impact on the smooth operation of the Company.

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

The preparation of financial statements, in accordance with the generally accepted accounting principles requires the use of 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, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2020.

Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The amendments do not affect the Financial Statements.

Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The amendments do not affect the Financial Statements.

Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The amendments do not affect the Financial Statements.

Amendments to IFRS 9, IAS 39 and IFRS 7: "Interest Rate Benchmark Reform" (effective for annual periods starting on or after 01/01/2020)

In September 2019, the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rate Benchmark reform. The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest – rate benchmarks such as interbank offered rates (IBORs). It requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments do not affect the Financial Statements.

Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The amendments do not affect the Financial Statements.

Amendments to IFRS 16 "Leases": Covid-19 – Related Rent Concessions (effective for annual periods starting on or after 01/06/2020)

In May 2020, the IASB issued amendments to IFRS 16 that provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. More specifically, the amendments clarify that if certain conditions are met, lessees are not required to assess whether particular Covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient, would account for those rent concessions as if they were not lease modifications. It applies to Covid-19 related rent concessions that reduce lease payments due on or before June 30, 2021. The amendments do not affect the Financial Statements.

New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

Amendments to IFRS 4 "Insurance Contracts" – deferral of IFRS 9 (effective for annual periods starting on or after 01/01/2021)

In June 2020, the IASB issued amendments that declare deferral of the date of initial application of IFRS 17 by two years, to annual periods beginning on or after January 1, 2023. As a consequence, the IASB also extended the fixed expiry date for the temporary exemption from applying IFRS 9 "Financial Instruments" in IFRS 4 "Insurance Contracts", so that the entities are required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: "Interest Rate Benchmark Reform – Phase 2" (effective for annual periods starting on or after 01/01/2021)

In August 2020, the IASB has finalized its response to the ongoing reform of IBOR and other interest benchmarks by issuing a package of amendments to IFRS Standards. The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for a change in its hedging relationships as a result of the reform, as well as relevant information required to be disclosed. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any.

Amendments to IFRS 16 "Leases": Covid-19 – Related Rent Concessions beyond 30 June 2021 (effective for annual periods starting on or after 01/04/2021)

In March 2021, the IASB issued amendments to the practical expedient of IFRS 16, that extend the application period by one year to cover Covid-19-related rent concessions that reduce only lease payments due on or before 30 June 2022. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment", IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and "Annual Improvements 2018-2020" (effective for annual periods starting on or after 01/01/2022)

In May 2020, the IASB issued a package of amendments which includes narrow-scope amendments to three Standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards. More specifically

Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.

Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above have not been adopted by the European Union.

IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2023)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. Furthermore, in June 2020, the IASB issued amendments, which do not affect the fundamental principles introduced when IFRS 17 has first been issued. The amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain, as well as ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying the Standard for the first time. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above have not been adopted by the European Union.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01/01/2023)

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. Furthermore, in July 2020, the IASB issued an amendment to defer by one year the effective date of the initially issued amendment to IAS 1, in response to the Covid-19 pandemic. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above have not been adopted by the European Union.

Amendments to IAS 1 "Presentation of Financial Statements" (effective for annual periods starting on or after 01/01/2023)

In February 2021, the IASB issued narrow-scope amendments that pertain to accounting policy disclosures. The objective of these amendments is to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. More specifically, companies are required to disclose their material accounting policy information rather than their significant accounting policies. The Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (effective for annual periods starting on or after 01/01/2023)

In February 2021, the IASB issued narrow-scope amendments that they clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

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	up to 40 years
Plant and machinery	5-35 years
Motor vehicles	5-10 years
Furniture and other office Equipment	4-20 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 derecognized when they have been disposed. Gains or losses on disposals are determined by comparing proceeds with carrying amount and are recognized 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 up to 7 years and it is amortized using the straight line method.

B.6 Financial instruments

A financial instrument is any contract that creates a financial asset in one company and a financial liability or equity in another business. Financial assets are classified into one of the following three categories, which determines their subsequent measurement:

a. In amortized cost,
b. to fair value through the other fair value values (fair value through OCI) and
c. to fair value through profit or loss.

Measurement of amortized costs

A financial asset insists on amortized costs when both of the following conditions apply:
a. the asset is held for the purpose of its retention and collection of the conventional cash flows it incorporates and
b. The contractual terms of the asset are led, on specific dates, to cash flows that are solely capital and interest payments on the balance of capital.

Measurement of fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income when both of the following conditions apply:
a. the asset is held for the purpose of both the collection of the conventional cash flows it incorporates and for sale and
b. The conventional terms of the asset lead, on specific dates, to cash flows that are solely capital and interest payments on the balance of capital. The category classifies debt instruments that meet the above two conditions.

Measurement in fair value through P&L

A financial asset insists on fair value through profit and loss statement when it is not classified in the two previous categories. That is, when the criteria required for classification in the two previous categories cannot be met.

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 Inventories

Inventories are stated at the lower of cost and net realizable 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 realizable 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.9 Trade receivables

Trade receivables are recognized initially at their fair value, which corresponds to the currying 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.10 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.11 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. Upon the acquisition of own shares, the cost of acquisition is shown as a deduction from the equity, in a separate "Reserve of own shares". The Own Shares do not incorporate voting rights.

B.12 Borrowings

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

B.13 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 capitalization.

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

B.14 Government grants

Government grants are recognized 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.15 Taxation (current and deferred)

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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.16 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 recognized 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 recognized 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 recognizes 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 recognizes 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.17 Leases

(a) The Company as a Lessee

The Company evaluated on 01.07.2019, during the application of IFRS 16 "Leases" which replaced IAS 17 and its related interpretations, whether the active contracts it had concluded are a lease according to the new Standard and from now on will conduct the relevant evaluation the initial conclusion of each new contract.

A contract constitutes or contains a lease if the contract transfers the right to control the use of an identifiable asset for a specified period of time in return for consideration. In these cases the new Standard requires the lessee to recognize the right to use assets and the obligation to lease.

Under IFRS 16, the distinction between operating and finance leases is eliminated and all leases are recognized by a single model, except in the case of leases of 12 months or less, with no purchase option and low value leases. The recognition of these rents are carried out as an expense.

At the effective date of the lease, the Company recognizes the present value of future lease payments as a lease liability. Lease liabilities are divided into short-term and long-term, depending on the repayment period.

For the valuation of the lease liability are included mainly: fixed payments, variable payments based on index or rate, purchase option price if this is certain to be exercised. These payments are calculated for the duration of the contract, which is the non-cancellable lease period. Periods covered by an option on the part of the Company are included as a lease only if it is reasonable that the options will be exercised.

Future rent payments are discounted for the duration of the lease, using the imputed lease rate, or if this rate cannot be easily determined, the differential lending rate. This is the interest rate that the lessee would have to pay on the date of commencement of the lease, for a loan of similar duration and with similar security, in order to acquire an asset of similar value with the right of use, in a similar economic environment. The Company mainly uses the differential lending rate as a discount rate. The book value of lease liabilities is remeasured using a renewed discount rate, where required, in cases where there is an amendment to the contract.

The right to use the assets is initially valued at the amount of the initial measurement of the lease liability adjusted for any lease payments made at the date of the lease term or earlier, plus the initial direct cost and the estimate of the dismantling cost or removal of the asset, or its restoration, in the event of a contractual obligation, less any lease incentives received. Asset usage rights are valued at cost less accumulated depreciation which is calculated using the straight-line method over the contract, less any impairment losses and adjusted for any recalculations that occur after the start of the contract.

(b) The Company as a Lessor

When property, plant and equipment are leased under a finance lease, the present value of the leases is recognized as a receivable. The difference between the gross amount of the receivable and the present value of the receivable is recognized as deferred financial income. Rental income is recognized in profit or loss on the lease using the equity method, which represents a fixed periodic return. Leases to which the Company does not transfer substantially all the risks and rewards of the asset are classified as operating leases. The Company does not contract as a lessor.

B.18 Contingent receivables and liabilities

Provisions are recognized when the Company has present legal or presumed liabilities as a result of past events, they are likely to be settled through outflows and the estimate of the exact amount of the liability can be made reliably. Provisions are reviewed at the date of preparation of each statement of financial position and are adjusted to reflect the present value of the expenditure that is expected to be required to settle the liability.

Contingent liabilities are not recognized in the financial statements but are disclosed, unless the likelihood of an outflow of resources embodying financial benefits is minimal. Contingent assets are not recognized in the financial statements but are disclosed if an outflow of financial benefits is probable.

B.19 Revenue 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 recognized 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 recognized using the effective interest method.

(d) Dividend income

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

B.20 Expenses

Operating expenses and interest expense are recognized in profit or loss on an accrual basis.

B.21 Profits per share

Basic earnings per share are calculated by dividing the net earnings attributable to the company shareholders by the weighted average number of common shares outstanding during each accounting period, excluding the average of common shares acquired as own shares.

The weighted average number of ordinary shares outstanding during the accounting period and for all periods presented are adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

B.22 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.23 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.24 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).

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 31.12.2020, the amount of € 2.700.000 is related to a fixed interest rate and the amount of € 8.229.837 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
1/1-31.12.2020	+1%	(42.300)
	-1%	42.300
1/1-31.12.2019	+1%	(67.725)
	-1%	67.725

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, in some cases our receivables are secured with collaterals. For example from the company domestic customers-distributors, the Company receives personal guarantees amounting the double of two months turnover, hence consistently applying its credit policy. Finally, receivables of specific supermarket chains are credit insured with a contract covering credit losses, occurring from insolvency, up to 90%.

Receivables from foreign customers, are credit insured with a contract covering credit losses, occurring from insolvency, up to 95%. Credit limits per customer are established by the insurance company. Therefore, the credit risk exposure is limited to 5% of the insured credit limit, plus any excess.

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 2020				
Debt	2.249.837	3.480.000	5.200.000	0
Trade and other payables	17.844.706	0	0	0
31 December 2019				
Debt	2.192.565	2.200.000	7.830.000	0
Trade and other payables	18.113.352	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 overall stock management, in a way that allows meeting the demand, without 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.

Product contamination

Risk of product contamination may result in product recall and, consequently, negative publicity that damages brand reputation. Product recall, depending on the size, can have a significant negative economic impact. The same can happen from the negative publicity that usually results from such an event, whether it is due to the fault of the Company or not.

The Company's Management estimates that the quality assurance and quality control system it applies drastically reduces this risk.

Changes in the nutritional behavior of consumers

Possible changes in the nutritional behavior of consumers can lead to the replacement of the consumption of the company's products with substitutes or competing products. The above can lead to a decrease in sales and a burden on the Company's results.

The Company tries to closely monitor market trends, in order to adapt as quickly as possible to the new conditions.

Possible insufficiency or unavailability of insurance coverage

Despite the insurance policy against the basic risks related to the facilities, equipment and stocks, in case of their partial or total destruction or exceeding the existing limits, no guarantee can be provided that the Company will be immediately and fully compensated by the insurance companies. Also, in case of partial or total disaster, the Company may have a loss of profits and cash flows, resulting in a corresponding impact on its financial figures.

Full insurance coverage of all the above risks cannot be guaranteed in advance. In addition, it cannot be guaranteed that insurance services will be available at all times and at a reasonable cost for the specific object of the Company's activity. If the Company suffers losses that are not covered by insurance policies or losses that significantly exceed the limits of their insurance coverage, the resulting costs will adversely affect the activity, financial situation and results of the Company.

The Management ensures in a timely manner that the Company has insurance coverage against the main risks related to its business activity, which is subject to exemptions, coverage limits and coverage restrictions / exceptions in accordance with the usual market practice.

Extraordinary events

The possibility of an event occurring, which, to a large extent, is beyond the control of the Company, could potentially affect the normal conduct of its business activities. Indicatively, the following cases can be mentioned:

• Natural Disaster,

• Accidents at work, which may be related to employees of the Company, suppliers, or even third parties.

• Problems / Insufficiency in the operation of information systems,

• Significant mechanical damage, which may result in delay or even cessation of production,

• Fraud,

• Termination of contracts with customers / suppliers.

In such a case, any disruption in the conduct of the Company's business activities could have a negative effect on sales, costs and, in general, on its financial results.

The Management tries to take all the necessary actions, in order to limit, both the chances of the occurrence of the specific risk, and, in case it happens, its effects on the smooth conduct of its business activities.

B.25 Macroeconomic risks in Greece and United Kingdom

Following the country's official exit from the economic adjustment program, the macroeconomic and financial environment in Greece was showing signs of stabilization. However, the current health crisis, as a result of COVID-19, exacerbates uncertainty about the macroeconomic impact of the variations in external environment.

In March 2020, the World Health Organization (WHO) declared COVID-19 as a pandemic. The Management of the Company has taken a number of measures to manage the health crisis and minimize the negative effects on its activities. At this stage, employees safety is a top priority. To this end, the Company has developed the following initiatives through the establishment of a task force (hereinafter referred to as the "Team"), which reports to the top management, monitoring all relevant developments and evaluating the possible effects of COVID-19.The Team, in line with all protocols of the WHO and other competent authorities, has already prepared and fully implemented a plan to ensure operational continuity. This plan also includes additional provisions for staff performing critical functions for production and business continuity in general, in order to minimize the risk of downtime. Also, business trips have been kept to a minimum and systems for remote work (teleworking) are applied where possible. Finally, emergency arrangements have been put in place for employees belonging to vulnerable groups and policies requiring staff to report any suspicious symptoms.

Now, from the experience we have gathered, it seems that the Company can manage the risks posed by the health crisis of covid-19 in an effective way.

With regard to the United Kingdom's exit from the European Union (Brexit), as expected, it did not have a materially negative effect on our activity.

B.26 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 on 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 2020, the Company's strategy, like 2019, was to maintain low gearing ratio. The gearing ratios at December 31, 2020 and 2019 were as follows:

	2020	**2019**
Total debt (note C23)	10.929.837	12.222.565
Less: Cash and cash equivalent (note C20)	9.737.271	10.916.735
Net debt	**1.192.566**	**1.305.830**
Equity	75.882.997	66.106.420
Total capital employed	**77.075.563**	**67.412.250**
Net gearing ratio	**1,55%**	**1,94%**

B.27 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	8.821.609

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.28 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 final tax determination is uncertain. The Company does not recognize provisions for expected tax audits as it has received a tax certification from statutory auditors until the fiscal year 2019 (as provided in par. 5 of article 82 of L.2238 / 1994 and 65a of N. 4174/2013, as in force) in the context of which no tax liabilities arose other than those recognized in the financial statements. For the current year, the tax certification procedure is in progress and it is estimated that any additional tax obligation that may arise would be immaterial.

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 C25.

c) Inventories

Inventories are valued at the lowest price between historical cost and net realizable value. For the assessment of net realizable value, Management considers the most reliable evidence available at the time the assessment is made.

d) Useful life of depreciable items

The Company's Management examines the useful lives of depreciable assets in each year. As of 31/12/2020 the Company's Management estimates that the useful lives represent the expected usefulness of the assets.

e) Contingent events

The Company is involved in legal claims and compensations during the normal course of its operations. Management considers that any arrangements would not materialy affect the Company's financial position as at

31/12/2020. However, the determination of contingent liabilities related to litigation and receivables is a complex process involving judgments regarding the possible consequences and interpretations of laws and regulations.

Significant accounting judgements in the application of accounting policies.

Trade receivables

On 31/12/2020 trade receivables totaling €2.410.695 appear to be impaired. Impairment losses are recognized on the basis of a model of expected losses**.** This model groups the receivables according to the credit rating of each customer, links the rating to the probability of default and calculates the expected credit losses. It is estimated that parts of these impairment losses to be recovered in the future.

B.29 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. 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 2020 and 2019 are analyzed as follows:

1/1-31/12/2020	Revenue	Gross Profit	Distribution Expenses	Operating Earnings	EBIT
Ice-Cream	**25.396.571**	**11.330.803**	**(6.368.247)**	**4.962.556**	**4.198.902**
Greece	20.704.965	10.272.376	(5.756.960)	4.515.417	3.974.247
Other countries	4.691.607	1.058.427	(611.287)	447.140	224.656
Dairy-Yogurt	**99.772.625**	**29.003.109**	**(12.410.740)**	**16.592.368**	**14.124.577**
Greece	49.978.323	15.206.340	(7.314.289)	7.892.052	6.677.983
Other countries	49.794.303	13.796.768	(5.096.451)	8.700.317	7.446.594
Rest	813.683	96.028	(70.986)	25.042	284.106
Total	**125.982.880**	**40.429.940**	**(18.849.973)**	**21.579.967**	**18.607.586**

1/1-31/12/2019	Revenue	Gross Profit	Distribution Expenses	Operating Earnings	EBIT
Ice-Cream	**28.107.406**	**13.509.388**	**(7.917.802)**	**5.591.586**	**4.783.506**
Greece	21.702.363	11.650.110	(7.004.807)	4.645.303	4.092.174
Other countries	6.405.043	1.859.278	(912.995)	946.283	691.332
Dairy-Yogurt	**84.438.192**	**25.816.180**	**(11.043.903)**	**14.772.277**	**12.792.833**
Greece	44.284.626	14.538.079	(7.036.945)	7.501.134	6.468.403
Other countries	40.153.567	11.278.101	(4.006.958)	7.271.143	6.324.430
Rest	357.363	(223.776)	(64.378)	(288.154)	258.582
Total	**112.902.961**	**39.101.792**	**(19.026.083)**	**20.075.709**	**17.834.921**

The "Operating Earnings" index is an Alternative Performance Measure (APM) and is calculated as follows: Gross Profit minus Distribution Expenses.

C2. Earnings before interest, taxes, depreciation and amortization

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

	1/1-31/12/2020	1/1-31/12/2019
Net profit for the period	15.862.612	15.015.184
Adjustments for:		
Income tax	2.559.397	2.554.404
Financial income (net)	185.576	265.331
Depreciation and amortization	4.125.198	3.773.167
Amortization of government grants relating to capital expenses	(448.280)	(488.260)
EBITDA	**22.284.503**	**21.119.827**

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. Company's management, for the purpose of these financial statements, assumes that EBITDA represents the sum of Profit after tax plus income tax, net financial results and depreciation/amortization minus amortization of government grants relating to capital expenses. 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.

C3. Expenses by type

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

1/1-31/12/2020	Cost of Sales	Distribution	Administration	Research& Development	Total
Raw materials and consumables used	74.881.683	586.198	8.906	47.102	75.523.889
Staff costs (C9)	5.507.068	4.320.824	1.733.383	197.052	11.758.327
Energy costs	1.338.855	599.613	26.202	0	1.964.670
Maintenance expenses	540.714	358.501	346.896	1.281	1.247.392
Transport & trips expenses	520.946	4.966.773	9.493	74	5.497.286
Advertising/marketing expenses	29.522	4.978.793	35.522	1.371	5.045.208
Freelancers fees	129.038	469.466	414.356	26.655	1.039.516
Depreciation (C10)	2.104.742	1.499.259	507.477	13.720	4.125.198
Bad debt provision	0	(37.304)	0	0	(37.304)
Other expenses	500.372	1.107.852	488.863	8.184	2.105.271
	85.552.940	**18.849.973**	**3.571.098**	**295.440**	**108.269.452**

1/1-31/12/2019	Cost of Sales	Distribution	Administration	Research& Development	Total
Raw materials and consumables used	64.061.349	598.425	55.075	40.671	64.755.520
Staff costs	5.024.219	4.640.448	1.561.182	171.638	11.397.487
Energy costs	1.513.652	596.021	20.891	0	2.130.564
Maintenance expenses	402.108	351.435	244.025	2.116	999.684
Transport & trips expenses	432.775	5.017.309	16.614	920	5.467.619
Advertising/marketing expenses	3.506	5.052.124	17.867	297	5.073.794
Freelancers fees	118.731	517.331	317.812	14.626	968.499
Depreciation	1.817.544	1.485.872	458.522	11.909	3.773.848
Bad debt provision	0	(336.525)	0	0	(336.525)
Other expenses	427.285	1.103.646	483.116	5.336	2.019.383
	73.801.169	**19.026.084**	**3.175.104**	**247.513**	**96.249.872**

C4. Other income

Other income are analyzed by type as follows:

	1/1-31/12/2020	1/1-31/12/2019
Income from subsidies	17.135	5.258
Income from services	265.446	285.093
Rental income	8.690	16.106
Amortization of government grants relating to capital expenses	448.280	488.260
Total	**739.551**	**794.718**

C5. Other gain/(loss) net

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

	1/1-31/12/2020	1/1-31/12/2019
Gains on disposal of property, plant and equipment	53.148	32.889
Other income	113.792	84.720
Extraordinary gains from VAT return*	0	350.000
Losses on disposal of property, plant and equipment	(5)	(21.181)
Tax related fines and penalties	(4.424)	(1.268)
Foreign currency exchange differences	4.402	(38.076)
Other expenses	(12.308)	(19.973)
Total	**154.606**	**387.111**

*In the previous year 2019, the Company based on a decision of Greek Tax Authority, recognised the return of VAT of €350.000 that relates to a past write-off of the 50% of receivables from a Greek super market, Marinopoulos group.

C6. Financial income - expenses

Financial income-expenses are analyzed by type as follows:

FINANCIAL INCOME	1/1-31/12/2020	1/1-31/12/2019
Interest income	25.174	67.955
Other capital gains	85.584	77.753
Profits from the valuation of bonds at fair value	11.832	10.940
Profits made from sale of bond	2.560	16.530
Profits made from sale of derivative	0	30.070
Total financial income	**125.150**	**203.248**
FINANCIAL EXPENSES		
Interest expense	243.002	290.641
Bank fees and charges	40.374	72.062
Losses from derivatives	0	72.016
Other financial expenses	599	0
Total financial expenses	**283.975**	**434.719**
FINANCIAL COST OF LEASING		
Financial cot of leasing	26.752	33.859
Financial income - expenses (net)	**(185.576)**	**(265.331)**

C7. Income tax expense

Income tax expense is analyzed as follows

	1/1-31/12/2020	1/1-31/12/2019
Current tax	2.118.592	2.380.168
Deferred tax	458.172	184.583
Tax differences of prior fiscal years	(17.366)	(10.347)
Total	**2.559.398**	**2.554.405**

The income tax was calculated at 24% on the tax profit of the year.

Reconciliation of income tax expense:

	1/1-31/12/2020	1/1-31/12/2019
Profit before tax	18.422.010	17.569.589
Tax calculated at the statutory tax rate of 24%	4.421.282	4.216.701
Expenses not deductible for tax purposes	39.272	(24.873)
Difference from income tax finalization	18.102	10.078
Effect of tax rates change	0	(443.954)
Expenses for which no deferred tax asset is recognized	(17.366)	(10.347)
Investment grant with tax exemption*	(1.901.892)	(1.193.200)
Income tax expense	**2.559.398**	**2.554.404**

* In the current financial year, the amount of income tax has been reduced by €1.901.892, by exercising the option of tax exemption, which we were granted after the certification of 50% completion of such a project. In the previous financial year, the amount of income tax has been reduced by €1.193.200, by exercising the option of tax exemption, which we were granted after the certification of 50% completion of such a project.

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.

C8. 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.

	1/1-31/12/2020	1/1-31/12/2019
Net profit attributable to parent's shareholders	15.862.612	15.015.184
Weighted average number of ordinary shares	33.063.986	33.065.136
Basic and diluted earnings per share (€ per share)	**0,4798**	**0,4541**

C9. Staff costs

Staff costs are analyzed as follows:

	1/1-31/12/2020	1/1-31/12/2019
Salaries and wages	8.420.855	8.162.492
Social security costs	1.906.174	1.925.936
Retirement and termination benefits	231.419	196.427
Other staff costs	817.808	746.029
Total	**11.376.256**	**11.030.884**
Board of directors remuneration	382.071	366.602
Total Staff costs	**11.758.327**	**11.397.486**

Personnel headcount:

31/12/2020	31/12/2019
433	412

C10. Depreciation

Depreciation of assets, that has been recorded to the profit and loss statement, is analyzed below:

	1/1-31/12/2020	1/1-31/12/2019
Buildings	433.411	383.746
Plant and equipment	3.066.157	2.770.118
Motor vehicles	65.413	77.692
Furnitures and other assets	154.291	142.741
Rights of use of buildings	28.913	26.786
Rights of use of motor vehicles	226.143	230.184
Software licenses	150.871	137.739
Trademarks	0	4.161
Total	**4.125.198**	**3.773.167**

C11. 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 2019	1.509.927	12.675.863	58.343.466	1.355.291	2.437.948	76.322.495
Additions	78.982	3.303.006	12.039.593	11.520	187.713	15.620.814
Disposals	0	0	(259.113)	(93.221)	(14.052)	(366.386)
Write-offs	0	0	(173.191)	0	0	(173.191)
Balance at 31.12.2019	1.588.909	15.978.869	69.950.755	1.273.590	2.611.609	91.403.732
ACCUMULATED DEPRECIATION						
Balance at 1 January 2019		(3.522.739)	(24.824.045)	(1.028.529)	(1.722.897)	(31.098.210)
Depreciation expense		(383.746)	(2.770.118)	(77.692)	(142.741)	(3.374.297)
Disposals		0	255.747	44.685	14.052	314.484
Write-offs		0	173.187	0	0	173.187
Balance at 31.12.2019		(3.906.485)	(27.165.229)	(1.061.536)	(1.851.586)	(33.984.836)
Net book value at 31.12.2019	**1.588.909**	**12.072.384**	**42.785.526**	**212.054**	**760.023**	**57.418.896**
COST						
Balance at 1 January 2020	1.588.909	15.978.869	69.950.755	1.273.590	2.611.609	91.403.732
Additions	202.492	2.170.616	8.415.899	18.750	314.624	11.122.381
Disposals	0	(63)	(222.089)	(16.662)	0	(238.814)
Transporation	0	(60.396)	5.750	0	54.646	0
Write-offs	0	0	(233.893)	0	0	(233.893)
Balance at 31.12.2020	1.791.401	18.089.026	77.916.422	1.275.678	2.980.879	102.053.406
ACCUMULATED DEPRECIATION						
Balance at 1 January 2020		(3.906.485)	(27.165.229)	(1.061.536)	(1.851.586)	(33.984.836)
Depreciation expense		(433.411)	(3.066.157)	(65.413)	(154.291)	(3.719.272)
Disposals		0	207.874	16.662	0	224.536
Write-offs		0	233.893	0	0	233.893
Balance at 31.12.2020		(4.339.896)	(29.789.619)	(1.110.287)	(2.005.877)	(37.245.679)
Net book value at 31.12.2020	**1.791.401**	**13.749.130**	**48.126.803**	**165.391**	**975.002**	**64.807.728**

There are no pledges on fixed assets.

C12. Rights of use of assets

Investment properties are analyzed as follows:

	Buildings	Motor Vehicles	Total
COST			
Recognized at 1 January 2019 in acc. with IFRS 16	218.496	548.839	767.335
Additions	12.625	55.602	68.227
Balance at 31.12.2019	231.121	604.441	835.562
ACCUMULATED DEPRECIATION			
Balance at 1 January 2019	0	0	0
Depreciation expense	(26.786)	(230.184)	(256.970)
Balance at 31.12.2019	(26.786)	(230.184)	(256.970)
Net book value at 31.12.2019	**204.335**	**374.257**	**578.592**
COST			
Balance at 1 January 2020	231.121	604.441	835.562
Additions	11.748	136.432	148.180
Derecognition	0	(57.062)	(57.062)
Balance at 31.12.2020	242.869	683.811	926.680
ACCUMULATED DEPRECIATION			
Balance at 1 January 2020	(26.786)	(230.184)	(256.970)
Depreciation expense	(28.913)	(226.143)	(255.056)
Balance at 31.12.2020	(55.699)	(456.327)	(512.026)
Net book value at 31.12.2020	**187.170**	**227.484**	**414.654**

C13. Investment properties

Investment properties are analyzed as follows:

	Land
COST	
Balance at 1 January 2019	10.082
Balance at 31.12.2019	10.082
Net book value at 31.12.2019	**10.082**
COST	
Balance at 1 January 2020	10.082
Balance at 31.12.2020	10.082
Net book value at 31.12.2020	**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.

C14. Intangible assets

Intangible assets are analyzed as follows:

	Software licenses	Trademarks	Total
COST			
Balance at 1 January 2019	1.268.631	38.405	1.307.036
Additions	69.600	0	69.600
Balance at 31.12.2019	1.338.231	38.405	1.376.636
ACCUMULATED DEPRECIATION			
Balance at 1 January 2019	(720.466)	(34.245)	(754.711)
Depreciation expense	(137.739)	(4.161)	(141.900)
Balance at 31.12.2019	(858.205)	(38.405)	(896.611)
Net book value at 31.12.2019	**480.026**	**0**	**480.025**
COST			
Balance at 1 January 2020	1.338.231	38.405	1.376.636
Additions	57.225	0	57.225
Balance at 31.12.2020	1.395.456	38.405	1.433.861
ACCUMULATED DEPRECIATION			
Balance at 1 January 2020	(858.205)	(38.405)	(896.611)
Depreciation expense	(150.871)	0	(150.871)
Balance at 31.12.2020	(1.009.076)	(38.405)	(1.047.482)
Net book value at 31.12.2020	**386.380**	**0**	**386.380**

C15. Other non-current assets

Other non-current assets are analyzed as follows:

	31/12/2020	31/12/2019
Guarantees	43.334	41.234
Non-current Trade receivables	2.772	23.072
Total	**46.106**	**64.306**

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

C16. Inventories

Inventories are analyzed as follows:

	31/12/2020	31/12/2019
Merchandise	35.714	83.232
Finished goods	3.055.092	2.785.290
Raw materials	11.367.950	7.573.817
Less: Provisions for obsolete inventory	(434.564)	(96.129)
Total	**14.024.192**	**10.346.210**

The inventories amount recognized as expense in 2020 is €75.523.889 (2019: €64.755.520). The most important changes of the item "Inventories" are located in the line "Raw materials". This increase mainly relates to hedging against a rise of raw materials prices during 2021, but increased stocking.

Analysis of impairment of obsolete inventory:

	31/12/2020	31/12/2019
Opening balance	96.129	57.974
Additions	338.435	38.155
Ending balance	**434.564**	**96.129**

C17. Trade and other receivables

Trade and other receivables are analyzed as follows:

	31/12/2020	31/12/2019
Trade receivables	22.746.472	23.498.068
Less: Allowance for bad debts	(2.410.695)	(2.447.999)
	20.335.777	21.050.069
Creditors advances	100.008	248.718
VAT Receivables	3.565.011	4.492.022
Greek state -others	52.304	51.703
Other receivables	196.100	402.450
Total	**24.249.201**	**26.244.962**

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

At 31/12/2020 trade receivables totaling €18.461.502 were not overdue, trade receivables totaling €2.120.355 were overdue and trade receivables totaling €2.164.615 related to defaulted customers.

The aging analysis of trade receivables is as follows:

		31/12/2020	31/12/2019
Not past due		18.461.502	19.356.666
Past due			
	<30 days	1.750.475	1.525.904
	30-120 days	360.000	365.029
	>120 days	9.880	116.881
	Default	2.164.615	2.133.588
Total		**22.746.472**	**23.498.068**

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 customer, links the rating to the probability of default and calculates the expected credit losses.

In the current fiscal year, a reversal of bad debt provision of €37.304 was recognized. Therefore, on 31/12/2020, trade receivables totaling €2.410.695 appear impaired. It is estimated that parts of these impairment losses to be recovered in the future.

Bad debt provision analysis:

	31/12/2020	31/12/2019
Opening balance	2.447.999	2.784.524
Additions	0	9.844
Reversals	(37.304)	(346.369)
Ending balance	**2.410.695**	**2.447.999**

C18. Income Tax receivables / liabilities

Income tax receivables / (liabilities) are analyzed as follows:

	31/12/2020	31/12/2019
Income tax	(2.108.212)	(2.363.374)
Advance income tax	3.538.315	3.531.201
Total	**1.430.104**	**1.167.828**

C19. Investments in financial assets

Investments in financial assets are analyzed as follows:

	31/12/2020	31/12/2019
Opening balance	110.940	0
Additions	290.020	850.000
Proceeds	(110.940)	(750.000)
Revaluation of fair value	11.832	10.940
Ending balance	**301.852**	**110.940**

During the current year, the Company purchased bonds with a total value of €290.020, while at the same time it sold bonds amounting €110.940. On 31/12/2020, the Company holds bonds with a total nominal value of €290.020, which are valued at a fair value of €301.852 ("Level 1"). The difference in valuation was recognized in P&L (see note C6).

C20. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	31/12/2020	31/12/2019
Cash at bank and in hand	9.737.271	10.916.735
Total	**9.737.271**	**10.916.735**

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)	31/12/2020	31/12/2019
AA-	0	5.215
A-	2.272.369	5.007.278
B	7.416.475	5.374.619
B-	7.067	505.297
Counterparties without external credit rating S&P Global	742	1.752
Cash at bank	**9.696.653**	**10.894.160**
Cash in hand	40.619	22.575
Total	**9.737.271**	**10.916.735**

C21. Issued capital

Issued capital on 31.12.2020 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-19	33.065.136	0,38 €	12.564.752	12.564.752
31-Dec-20	**33.065.136**	**0,38 €**	**12.564.752**	**12.564.752**

The General Meeting as of 7/7/2020, decided to approve the Company's Own Shares Acquisition Program, which may amount up to 5% of the company's total shares.The purpose of the Program is, for the percentage up to 0.5% of the respective total shares, i.e. for a maximum number of shares 165,325 that can be acquired, to cover the Stock Options scheme, as decided in the context of the 11th issue of the Agenda, and up to 4.5% of the total shares, the reduction of the Company's share capital. The minimum purchase price was set at €0.50 per share and as a maximum purchase price was set at €9.00 per share, and the duration of the program twenty-four (24) months after the decision of this Annual General Meeting, i.e. from 07.07.2020 to 07.07.2022. The maximum amount expected to be allocated to the Program during the abovementioned period shall be EUR 14,879,304, including the relevant costs. Until 31/12/2020 20.882 own shares with an average purchase price of €6.43 per share and total cost of €134.311.

C22. Reserves

Reserves are analyzed as follows:

	31/12/2020	31/12/2019
Legal reserve	3.724.696	3.055.954
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
Tax exempt reserve L.4399/2016	1.193.200	0
Actuarial gains-losses reserve	185.937	185.937
Total	**22.437.778**	**20.575.835**

Statutory reserve

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 recognized.

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.

C23. Borrowings

Borrowings are analyzed as follows:

	31/12/2020	31/12/2019
NON-CURRENT BORROWINGS		
Bond loans	8.680.000	8.230.000
Long-term loans	0	1.800.000
Total non-current borrowings	**8.680.000**	**10.030.000**
CURRENT BORROWINGS		
Current liability of non-current loans	2.249.837	2.192.565
Total current borrowings	**2.249.837**	**2.192.565**
Total borrowings	**10.929.837**	**12.222.565**

Maturity of non-current bank borrowings:

	31/12/2020	31/12/2019
Between 1-2 years	3.480.000	2.200.000
Between 2-5 years	5.200.000	7.830.000
Total non-current borrowings	**8.680.000**	**10.030.000**

Changes on loans balances are analyzed as follows:

Balance at 1 January 2019	9.200.061
Loans received (cash item)	8.430.000
Loans paid (cash item)	(5.400.000)
Financial instruments valuation (non-cash item)	(7.496)
Balance at 31 December 2019	**12.222.565**
Balance at 1 January 2020	12.222.565
Loans received (cash item)	17.500.000
Loans paid (cash item)	(18.800.000)
Financial instruments valuation (non-cash item)	7.272
Balance at 31 December 2020	**10.929.837**

Analysis of current long-term loans:

Loaner	Type of loan	Date of agreement	Initial value	Balance at 31/12/2020
Major shareholders	Bonds / 5year / fixed interest rate	18/12/2013 Amended 16/11/2018	5.000.000	2.700.000
Piraeus Bank SA	Bonds / 3year / floating interest rate	10/4/2019	4.230.000	3.229.837
Piraeus Bank SA	Bonds / 4year / floating interest rate	3/12/2020	5.000.000	5.000.000

The fair value of long-term loans is calculated to €8.821.609 («Level 3»).

Effective interest rate of borrowings:

	1/1-31/12/2020	1/1-31/12/2019
Effective interest rate	2,31%	2,59%

C24. Leases

The finance lease relates to the discounted liability of lease payment, in accordance with IFRS 16:

	Rights of use of buildings	Rights of use of motor vehicles	Total
Long term portion of lease			
Recognized at 1 January 2019 in acc. with IFRS 16	218.496	548.839	767.335
Additions	12.625	55.602	68.227
Finance cost of lease	10.408	23.451	33.859
Lease payment	(32.681)	(245.072)	(277.753)
Transfer to current portion of lease	(28.556)	(209.532)	(238.089)
Balance at 31 December 2019	**180.292**	**173.288**	**353.580**
Short term portion of lease			
Current lease liability	28.556	209.532	238.089
Balance at 31 December 2019	**28.556**	**209.532**	**238.089**
Balance at 31 December 2019	**208.848**	**382.820**	**591.669**

	Rights of use of buildings	Rights of use of motor vehicles	Total
Balance at 1 January 2020	180.292	173.288	353.580
Additions	11.748	133.022	144.770
Derecognition	0	(57.062)	(57.062)
Finance cost of lease	9.858	16.894	26.752
Lease payment	(5.485)	(269.440)	(274.925)
Transfer to current portion of lease	(2.067)	52.365	50.298
Balance at 31 December 2020	**194.346**	**49.067**	**243.413**
Short term portion of lease			
Current lease liability	28.556	209.532	238.089
Additions	2.067	(52.365)	(50.298)
Balance at 31 December 2020	**30.623**	**157.167**	**187.790**
Balance at 31 December 2020	**224.969**	**206.234**	**431.203**

C25. 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:

	31/12/2020	31/12/2019
Present value of defined benefit obligation	604.307	599.942
Liability recognized in the statement of financial position	**604.307**	**599.942**

Charges in income statement:

	1/1-31/12/2020	1/1-31/12/2019
Current service cost	60.065	88.277
Interest cost	4.669	15.551
Previous service cost	0	502
Effect of cutting / settlement / termination benefits	0	8.617
Total expense	**64.734**	**112.947**

Charges in other comprehensive income:

	1/1-31/12/2020	1/1-31/12/2019
Actuarial gain/(loss)		
(a) Due to experience adjustments	0	16.431
(b) Due to assumption changes	0	(84.748)
(c) Due to other adjustments	0	356.346
Total charge in other comprehensive income	**0**	**288.029**

Liabilities' movement recognized in the statement of financial position:

	31/12/2020	31/12/2019
Opening balance	599.942	805.155
Charge in income statement	64.734	112.947
Compensations paid	(60.369)	(30.131)
Charge in other comprehensive income	0	(288.029)
Ending balance	**604.307**	**599.942**

Reconciliation of the present value of defined benefit obligation:

	31/12/2020	31/12/2019
Opening balance	599.942	805.155
Current service cost	60.065	88.277
Interest cost	4.669	15.551
Effect of cutting / settlement / termination benefits	0	8.617
Previous service cost	0	502
Actuarial gain/(loss)	0	68.317
Less: Benefits paid during the period	0	(356.346)
Compensations paid	(60.369)	(30.131)
Ending balance	**604.307**	**599.942**

The principal actuarial assumptions used are:

Mortality table	EVK 2000
Average remaining working life	25.75
Staff mobility	17.96
Discount rate	0.78%
Future salary increases	2.45%

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	31/12/2020
Present value of defined benefit obligation:	604.307
Calculation with discount rate +0,5%:	553.484
Calculation with discount rate -0,5%:	661.232

C26. 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:

	31/12/2020	31/12/2019
Opening balance	(2.924.045)	(2.671.403)
Charge in income statement	(458.172)	(184.584)
Deferred tax on equity	0	(68.058)
Ending balance	**(3.382.217)**	**(2.924.045)**

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 2019	(3.195.729)	(27.697)	(3.223.426)
Charge in income statement	5.764	(31.142)	(25.378)
Balance at 31 December 2019	**(3.189.965)**	**(58.839)**	**(3.248.804)**
Charge in income statement	(487.030)	(6.301)	(493.331)
Balance at 31 December 2020	**(3.676.995)**	**(65.140)**	**(3.742.135)**

Movement of deferred tax assets

	Retirement and termination benefits	Allowance for doubtful debts	Rights of use of assets	Other	Total
Balance at 1 January 2019	233.183	316.940	0	1.899	552.023
Charge in income statement	(20.071)	(219.410)	61.673	18.602	(159.206)
Change in equity	(68.058)	0	0	0	(68.058)
Balance at 31 December 2019	**145.056**	**97.530**	**61.673**	**20.501**	**324.760**
Charge in income statement	1.047	(8.953)	(57.449)	100.513	35.159
Balance at 31 December 2020	**146.103**	**88.577**	**4.224**	**121.014**	**359.918**

The Deferred Tax Assets and Liabilities of the Company in the current financial year were calculated at a tax rate of 24%.

C27. Government grants

Movement of government grants relating to capital expenses:

	31/12/2020	31/12/2019
Opening balance	6.780.583	7.268.843
Charge in income statement	(448.280)	(488.260)
Ending balance	**6.332.303**	**6.780.583**

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

C28. Trade and other payables

Trade and other payables are analyzed as follows:

	31/12/2020	31/12/2019
Trade payables	14.634.099	15.014.782
Cheques payables	487.360	425.033
Social security	424.082	409.502
Other Taxes and duties	296.486	316.092
Dividends payables	384.702	13.028
Customers' advances	652.643	794.608
Other payables	965.334	1.140.307
Total	**17.844.706**	**18.113.352**

C29. Dividends

For the financial year 2020, the Board of Directors decided to propose to the General Meeting of shareholders the distribution of dividend of gross value €0,20 per share (2019: €0,18 per share). The distribution is subject to the approval of the General Meeting of shareholders.

For the previous fiscal year 2019, the General Meeting of shareholders as of 7/7/2020 decided the distribution of gross dividend of €0,18 per share totaling €5.951.724, of which an amount of €5.580.051 was paid.

C30. 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 are not expected to have a material impact on the Company's financial position or operation.

Income tax

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 and article 65a of Law 4174/2013. 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 2014-2019 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 2020 the Company has been subject to tax audit of the Auditors, as previewed from the tax provisions of Article 65a of Law 4174 / 2013 (ITC), as amended in accordance with Law 4410/2016. This audit is in progress and the related tax certificate is to be granted after publication of the financial statements for 2020. and it is estimated that any additional tax obligation that may arise would be immaterial.

Guarantees

The company on 31/12/2020 had issued letters of guarantee for a total amount of €172.626 (2019: €164.874).

C31. Related party transactions

Related party transactions are analyzed as follows:

	31/12/2020	31/12/2019
Income from rents (IEG)	0	150
Payment of interest on a bond loan*	99.792	152.083

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

	31/12/2020	31/12/2019
Receivables from related parties (IEG)	0	150
Payables to related parties*	2.700.000	5.000.000

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

COMPENSATION OF DIRECTORS	31/12/2020	31/12/2019
Remuneration of the members of the Board of Directors	388.299	366.602
Salaries of the members of the Board of Directors	162.338	153.323
Total	**550.637**	**519.925**

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY MANAGEMENT PERSONNEL	31/12/2020	31/12/2019
Transactions with the members of the B.O.D and key management personnel	76.250	76.042
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

C32. Statutory audit and other fees

The certified auditors fees for the Company in 2020 are analyzed as follows:

	1/1-31/12/2020	Share of total fees
Statutory audit fees	35.000	70%
Statutory audit fees (Tax Certification)	11.000	22%
Fees not related to statutory audit	4.000	8%
Total fees	**50.000**	100%

From the above amounts, within the fiscal year 2020, an amount of € 25.000 has been invoiced, which relates fees of statutory and tax audit and is included in the administration expenses of the Company. Expenses for the year ended 31/12/2020 do not include fees for other services.

C33. Post balance sheet events

Purchase of own shares

In the year 2021, the Company acquired an additional 3.828 own shares with an average purchase price of €6.60 per share. The total acquisition value of the own shares amounted to €25.257.

Therefore, today, on 20.4.2021, the Company holds 24.710 own shares, with a total acquisition value of €159.568 and an average acquisition price of €6.46 per share.

Changing the composition of the Board of Directors

Following the as of 13/1/2021 resignation of the independent non-executive member, Mr. Xentes Theodoros, as a member of the Board, as a member of the Remuneration and Benefits Committee, and as a member of the Audit Committee, the Board of Director at its as of 13/1/2021 meeting, elected Mr. Moudios Anastasios, who meets the criteria of independence of art. 4 of Law 3016/2002 and of art. 9 par of Law 4706/2020 (not yet valid), replacing Mr. Xentes Theodoros, for the remainder of his term, i.e. until 28/6/2022. The election of the new member of the Board of Directors will be announced on the forthcoming General Meeting of shareholders, which will decide according to art. 3 par. 1 of Law 3016/02, either re-electing him or appointing a new independent member.

Serres, 20 April 2021

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