ANNUAL FINANCIAL REPORT

FOR THE YEAR 2017
(1/1/2017-31/12/2017)

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LOULIS mills

1782

LOULIS MILLS SA
GEMI (GENERAL COMMERCIAL REGISTER) NO: 50675444000
(FORMERLY SA REGISTER NO: 10344/06/B/86/131)
LOULIS HARBOUR, 370 08, SOURPI MAGNESIA MUNICIPAL DISTRICT

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Financial Statement & Information for the Year 2017

STATEMENTS OF REPRESENTATIVES OF THE BOARD OF DIRECTORS
(Pursuant to article 4, par. 2 of Law 3556/2007)

The herein below members of the Board of Directors of LOULIS MILLS SA:

1. Mr Nikolaos K. Loulis - Chairman of the Board of Directors

2. Mr Nikolaos S. Fotopoulos - Vice- Chairman of the Board of Directors & CEO

3. Mr Konstantinos N. Dimopoulos - Member of the Board of Directors, specifically appointed as per decision of the Company's Board of Directors (25 April 2018),

DO HEREBY DECLARE THAT

To the best of our knowledge:

a. The accompanying Annual Financial Statements for the Company and the Group, which have been prepared in accordance with the applicable Accounting Standards, fairly represent the information in the assets and liabilities, the equity and operating results for LOULIS MILLS SA, as well as of the companies included in the consolidation as a whole and

b. The Annual Report of the Board of Directors fairly represents the development, performance and position of LOULIS MILLS SA, as well as of the consolidated companies as a whole, including of the description of the main risks and uncertainties that they are facing.

The Chairman of the BoD	The Vice-Chairman of the BoD & CEO	The BoD Member
NIKOLAOS K. LOULIS	NIKOLAOS S. FOTOPOULOS	KONSTANTINOS N. DIMOPOULOS

LOULIS MILLS SA
ANNUAL REPORT OF THE BOARD OF DIRECTORS
For the fiscal year from 1st January to 31st December 2017
(Pursuant to Law 3556/2007 and the applicable Hellenic Capital Market Commission provisions)

This report of the Board of Directors of LOULIS MILLS SA (hereinafter referred to as the "Company") has been prepared in accordance with current legislation and applicable Hellenic Capital Market Commission provisions and is referred to the Annual Financial Statements (Consolidated and Separate) of December 31, 2017 and for the year then ended. The LOULIS MILLS Group (hereinafter the "Group"), beyond the Company includes subsidiaries which the Company controls directly or indirectly. Consolidated and Separate Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

This report contains the financial review from January 01, 2017 to December 31, 2017 the important events that took place in 2017, the planned growth and development, the description of the most significant risks and uncertainties for next year, the Corporate Governance Statement, the Group's and Company's significant transactions with their related parties, the most important facts that have been occurred until the date of the preparation of the financial statements and any other additional information required by legislation.

A. Financial review 2017

The Group's **Turnover (Sales**) for 2017 amounted to € 97,66 million, reduced by 3,62% compared to € 101,33 million in 2016. At the same time, the Company's turnover amounted to € 92,15 million compared to € 96,54 million in the previous period, having decreased by 4,55%.

Regarding the **Sales per segment**, we recognize an increase of 13,42% in the sold quantities of consumer products, which accounted for the current period to 26,2 thousand tonnes compared to 23,1 thousand tonnes in the previous year. That increase was due to the rise in the sales of consumer products by 2,95%. At the same time, even though the sold quantities of business products in the current year compared to the prior year increased by 1,30%, the sales of business products decreased by 5,81% in 2017 compared to the prior year. Finally, the sales of mixtures for bakery and pastry, for 2017, performed total sales of € 6,31 million compared to € 5,35 million in the previous year, increased by 17,94% whereas the Group's new activity of training services, after completing the two cycles of seminars for 2017, performed total sales € 0,10 million compared to € 0,02 million in the previous year.

The Group's **Cost of Sales** for 2017 amounted to € 75,93 million, decreased by 0,34% compared to € 76,19 million in the previous year. At the same time, the Company's cost of sales amounted to € 72,25 million compared to € 72,72 million for 2016, having decreased by 0,65%. In addition, the Group's **Gross Profit** for 2017 amounted to € 21,73 million for the Group and € 19,91 million for the Company, decreased by 13,57% compared to € 25,14 million in 2016 for the Group and decreased by 16,42% compared to € 23,82 million in the previous year for the Company. On the contrary, the ratio of cost of sales to sales from 24,81% for 2016 for the Group and 24,67% for the Company, decreased, for 2017, to 22,25%, for the Group and to 21,60% for the Company. That reduction of that ratio resulted from the decrease of sales in 2017 compared to the previous year whereas, at the same time, the sales volume has been retained at the previous year's level.

The Group's **Administrative Expenses and Distribution Costs** amounted for 2017 to € 18,92 million increased by 1,99% compared to the previous year, while they increased as a percentage to sales since in the previous year they represented 18,31% of sales compared to 2017 when they represent 19,37%. Respectively, the Company's administrative expenses and distribution costs amounted to € 16,97 million for the current year decreased by 2,58% compared to € 17,42 million for the previous year, while the Company's ratio of administrative expenses and distribution costs to sales increased to 18,42% for 2017, compared to 18,04% for 2016. In particular, the Group's Distribution Costs, as a percentage to total sales, increased, since in the 2016 they represented 14,69% of sales compared to 15,52% for the current year whereas the Administrative Expenses amounted to € 3,76 million for 2017 having increased by 2,73% compared to the previous year. Similarly, the Company's Distribution Costs, as a percentage to total sales, increased, since in 2016 they represented 14,58% of sales compared to 14,87% for the current year whereas the Administrative Expenses amounted to € 3,27 million for 2017 having decreased by 2,39% compared to the previous year. The decrease of Administrative Costs combined with the keeping of the product transport-costs at the same levels as 2016 (since as a percentage to total sales they remained slightly under 6% for both current and previous years), verifies the continuous effort of the company to keep at low levels its operating costs.

The Group's **Financial Expenses** amounted to € 2,04 million for 2017 having decreased by 22,73% compared to the previous year when they amounted to € 2,64 million, while as a percentage to sales they decreased from 2,60% to 2,09%. Correspondingly, the financial expenses of the Company amounted to € 1,90 million decreased by 25,49% compared to the respective year of 2016.

The **Total Depreciation** for 2017 for the Group amounted to € 4,00 million and € 3,98 million for the Company, compared to € 3,92 million for the Group and € 3,91 million for the Company for the prior period, having increased by 2,10% for the Group and 1,78% for the Company, while they also increased as a percentage to sales from 3,87% for the Group and 4,05% for the Company in the previous period to 4,10% for the Group and 4,32% for the Company for the current year.

The **Group's Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)** amounted for 2017 to € 10,49 million having decreased by 6,59% compared to € 11,23 million for 2016 and having also decreased as a percentage to sales from 11,08% to 10,74%. Respectively, for the Company, EBITDA decreased by 4,80% from € 11,04 million in the previous year to € 10,51 million for 2017 and also decreased as a percentage to sales from 11,44% to 11,41%.

After having taken into account all the above, the Group's **Net Profit before Tax** amounted to € 4,39 million for the current year compared to € 4,64 million for the prior year, representing a decrease of 5,39%. As a percentage to sales it also decreased from 4,58% to 4,50%.

Respectively, for the Company the **Net Profit before Tax** amounted to € 4,56 million for 2017 compared to € 4,59 million in the previous period, showing a decrease of 0,65%. As a percentage to sales, it increased from 4,75% for 2016 to 4,95% for 2017.

Income tax for the Group amounted to € 1,62 million for 2017 compared to € 1,79 million for the previous year and for the Company it amounted to € 1,65 million compared to € 1,69 million for 2016.

Following the above, the Group's **Net Income Statement after tax** amounted to € 2,87 million for the current year compared to € 2,85 million for the previous period and as a percentage to sales it amounted to 2,83% for 2017 from 2,81% for 2016. Similarly, the Company's net profit after tax amounted to € 2,91 million for 2017 compared to € 2,90 million in the previous year and as a percentage to sales it amounted from 3,00% for 2016 to 3,16% in the current year.

The Group's profit attributable to **Non-controlling Interests** for 2017 amounted to € 0,01 million compared to € 0,07 million for the previous year.

As a result of all the above, the Group's **Net Profit after Taxes** to return to the Company's shareholders for the current year amounted to a profit of € 2,76 million over profit € 2,78 million in the previous year.

For the year 2017, the **Operating cash flows** for the Group and the Company amounted to € -2,82 million and € -3,50 million, respectively, while in the previous year it amounted to € 4,87 million for the Group and € 5,43 million for the Company.

The **Purchases of Tangible and Intangible Assets** for the Group for the current year amounted to € 5,33 million compared to € 1,91 million for the prior year. The increase is mainly due to the new investments carried out by the Group and specifically new investments for the purchase of new equipment, upgrading of the existing one and the purchase of land.

The Group's **Total Net Borrowing** at December 31, 2017 amounted to € 37,47 million compared to € 28,18 million at December 31, 2016, i.e. increase of 32,97%, while the Company's total borrowings at December 31, 2017 amounted to € 35,45 million compared to € 27,59 million December 31, 2016, having increased by 28,49%.

In summary, the financial results of the Group and the Company are reflected through some key financial ratios and are compared to the objectives set by the Company's management, based on the size of the company, the sector in which it operates, the conditions prevailing in the market and the average figures of the sector where the data are available, as follows:

Basic Group's Ratios

	Ratio	01.01.2017 31.12.2017		01.01.2016 31.12.2016		01.01.2015 31.12.2015		Target
1	Total Net Borrowing / EBITDA	37.473.394 / 10.491.032	3,57	28.180.140 / 11.227.086	2,51	29.862.699 / 9.170.069	3,26	(≤4,00)
2	EBITDA / Interest Paid	10.491.032 / 2.024.826	5,18	11.227.086 / 2.621.402	4,28	9.170.069 / 2.224.203	4,12	(≥4,00)
3	Non-Current Assets / Total Net Borrowing	97.065.453 / 37.473.394	2,59	97.459.451 / 28.180.140	3,46	99.207.707 / 29.862.699	3,32	(≥2,50)
4	Total Net Borrowing / Total Equity	37.473.394 / 92.212.487	0,41	28.180.140 / 90.880.088	0,31	29.862.699 / 88.731.884	0,34	(≤0,60)
5	Total Current Assets / Total Current Liabilities	71.427.424 / 26.991.938	2,65	68.280.665 / 56.138.995	1,22	67.223.561 / 52.727.414	1,27	(≥1,00)
6	Total Liabilities / Total Equity	76.280.390 / 92.212.487	0,83	74.860.028 / 90.880.088	0,82	77.699.384 / 88.731.884	0,88	(≤1,00)

Basic Company's Ratios

	Ratio	01.01.2017 31.12.2017		01.01.2016 31.12.2016		01.01.2015 31.12.2015		Target
1	Total Net Borrowing / EBITDA	35.452.430 / 10.513.295	3,37	27.590.609 / 11.039.252	2,50	29.951.547 / 9.055.417	3,31	(≤4,00)
2	EBITDA / Interest Paid	10.513.295 / 1.883.017	5,58	11.039.252 / 2.533.131	4,36	9.055.417 / 2.181.235	4,15	(≥4,00)
3	Non-Current Assets / Total Net Borrowing	95.839.839 / 35.452.430	2,70	98.286.927 / 27.590.609	3,56	100.000.316 / 29.951.547	3,34	(≥2,50)
4	Total Net Borrowing / Total Equity	35.452.430 / 88.123.153	0,40	27.590.609 / 86.504.760	0,32	29.951.547 / 84.267.570	0,36	(≤0,60)
5	Total Current Assets / Total Current Liabilities	63.885.848 / 22.390.689	2,85	60.936.173 / 52.368.211	1,16	61.805.454 / 50.938.748	1,21	(≥1,00)

6	Total Liabilities / Total Equity	71.602.534 / 88.123.153	0,81	72.718.340 / 86.504.760	0,84	77.538.200 / 84.267.570	0,92	(≤1,00)

Note: For explanations and the calculation of the indicators see section "Alternative Performance Measures (APMs)"

B. Group's Companies and Branches

Name	Head office	Branches	% Parent's participaton	Basis for the consolidation
LOULIS MILLS S.A.	Sourpi, Magnisia	Athens, Kavala, Thessaloniki	-	Parent
NUTRIBAKES S.A.	Keratsini, Attica	Thebes, Athens, Kavala,Thessaloniki,	70%	Direct
GREEK BAKING SCHOOL S.A.	Keratsini, Attica	-	99,67%	Direct
LOULIS LOGISTICS SERVICES S.A.	Sourpi, Magnisia	-	99,67%	Direct
LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) Ltd.	Nicosia, Cyprus	-	100%	Direct
LOULIS MEL- BULGARIA EAD	Sofia, Bulgaria	-	100%	Indirect
GRINCO HOLDINGS Ltd.	Nicosia, Cyprus	-	100%	Direct

C. Significant Events that took place during 2017

The most significant events that took place during 2017 are as follows:

Expiration of the own share buy-back program

On January 8, 2017 the own share buy-back program expired. The Program, pursuant to article 16 of Corporate Law 2190/1920 as applies and the Regulation 2273/2003 by the European Communities Commission, has been approved by the Extraordinary General Meeting the Company's Shareholders of 08/01/2015. That Extraordinary General Meeting decided, among other issues, the purchase, through Athens Stock Exchange, within a period of twenty four (24) months starting from the date of that decision, of 1.712.506 common registered shares which represent 10% of the total number of shares of the Company. The minimum purchase price is one euro (€ 1) per share and the maximum purchase price is five (€ 5) per share.

During the aforementioned program and in accordance with the above Extraordinary General Meeting's Decision, the Company purchased overall 4.782 common registered shares with an average purchase price € 1,9254 per share which represent 0,028% of the share capital.

Business Developments of a subsidiary of the Group under the name "NUTRIBAKES S.A."

Following the preliminary transfer contract of shares, by date February 6, 2015, between "NUTRIBAKES S.A.", 70% subsidiary of "LOULIS MILLS S.A." and the shareholders of "KENFOOD TROFOGNOSIA SA", the Board of Directors of "NUTRIBAKES SA" decided on February 6, 2017, the merge by absorption of the company " KENFOOD TROFOGNOSIA S.A.", in accordance with the provisions of articles 68-77a of the Law 2190/1920 and No. 54 of Law 4172/2013. The transformation balance sheet will be prepared by 31 December 2016. The absorption mentioned above is contingent upon taking the legal decisions by the competent bodies of the absorbing companies as well as the granting of the necessary authorizations and approvals of the relative supervisory authorities.

Bond Loan Disbursement

Pursuant to the decision of the Board of Directors of 28 December 2016, two contracts of jointly secured syndicated bond loans amounting to € 30 million and € 10 million respectively were signed with ALPHA BANK SA, as the coordinating and managing bank. Over the Company's fixed assets mortgages and advance notices were signed for a total amount of € 48 million to secure these syndicated bond loans. Both loans are of five years duration and their purpose is to refinance existing bank loans, as well as to finance general business purposes of the Company.

Specifically, the first bond loan of € 30 million was disbursed in two series of bonds. The First Bond Series was up to a maximum of €20 million and on February 20, 2017 was fully disbursed and used to refinance the Company's existing bank borrowing. The Second Bond Series was up to a maximum of € 10 million and a) bonds of € 5 million were issued on 20 February 2017. b) € 1 million on 3 April 2017 and c) € 2 million on 16 August 2017 leaving a balance for disbursement of € 2 million. The bonds issued under the Second Bond Series were used to achieve the general business purposes of the Issuer.

The second bond loan amounting to € 10 million was disbursed entirely on 20 February 2017 and an amount of € 7 million was used to refinance existing Company borrowing and an amount of € 3 million to meet the General Business Purposes of the Issuer.

Decisions of the Annual General Meeting of Shareholders

On June 13, 2017 the Annual General Meeting of Shareholders took place where 75,50% of the share capital was represented, i.e. the shareholders and the shareholders' representatives who attended and voted represented 12.928.651 shares and 12.928.651 votes.

The Annual General Meeting of Shareholders of the Company made the following decisions on the agenda items, as those are being presented according to the vote results, which have been published also on the legally registered site of the Company to the General Commercial Registry (G.E.MI.) (www.loulismills.gr).

1. The Annual Financial Statements for the Company and the Group in accordance with the international financial reporting standards, for the fiscal year 01.01.2016 to 31.12.2016 have been approved unanimously by 12.928.651 votes, i.e. 75,5% of the share capital after the hearing and approval of the relative Reports of the Board of Directors and the Certified Auditor. At the same General Meeting it was decided by 12.928.651 votes, i.e. 75,5% of the share capital, not to distribute dividends to shareholders.

2. Both the Board of Directors members and the Certified Auditor were discharged unanimously by 12.928.651 votes, i.e. 75,5% of the share capital from any liability for indemnity during the fiscal year 01.01.2016- 31.12.2016.

3. The company "BDO Certified Public Auditors and Accountants SA" with registration number ELTE 173, which shall nominate the members of the regular Auditor – Accountant and the alternate Auditor - Accountant for auditing the annual financial statements of the Company and the Consolidated Financial Statements in accordance with International Financial Reporting Standards for the fiscal year 2017 (from 01.01.2017 to 31.12.2017) was unanimously elected by 12.928.651 votes, i.e. 75,5% of the share capital.

4. The distribution of remuneration to the Members of the Board of Directors for the fiscal year 2016 (from 01.01.2016 - 31.12.2016) was approved unanimously, by 12.928.651 votes, ie 75,5% of the share capital.

5. The amount of money paid for the next fiscal year to cover salary and other remuneration to the Members of the Board of Directors associated with the Company with an employment relationship, the non-executive members of the BoD and the Audit Committee was pre-approved unanimously by 12.928.651 votes, i.e. 75,5% of the share capital.

6. The increase of the share capital of the Company by € 941.878,41 was approved unanimously, by 12.928.651 votes, i.e. 75,5% of the share capital, by increasing the nominal value of each share by € 0,055 with capitalization of the reserves "Difference From Share Issue Premium" and unanimously approved the decrease of the share capital of the Company by the same amount (€ 941.878,41) by decreasing the nominal value of each share by € 0,055, in order to return capital in cash to shareholders. Furthermore, the Annual General Meeting provided the authorization to the Board of Directors to settle all questions of procedure for the execution and implementation of this decision on the increase and reduction of the share capital.

7. The cancellation of 4.782 common registered shares of the Company, in accordance with Article 16 § 6 of CL 2190/1920 and the decrease of the share capital of the Company accordingly, was approved unanimously, by 12.928.651 votes, i.e. 75,5% of the share capital.

8. The Amendment of the Article 5 of the Articles of Association of the Company, in accordance with the above mentioned decisions under number 6 and 7 was approved unanimously, by 12.928.651 votes, i.e. 75,5% of the share capital.

9. The election of the members of the new Board of Directors with a four-year tenure and the appointment of the independent non-executive members of the BoD according to Law No 3016/2002 on corporate governance, as it applies, were approved unanimously, by 12.928.651 votes, i.e. 75,5% of the share capital, as follows :

1) Nikolaos Loulis, son of Konstantinos and Olga
2) Nikolaos Fotopoulos, son of Spiridon and Athanasia
3) Konstantinos Dimopoulos, son of Nikolaos and Efrosini
4) Khedaim Abdulla Saeed Faris Alderei son of Abdulla and Sabha Mohamad
5) Georgios Mourelatos, son of Apostolos and Maria, Independent Non - Executive Member
6) Andreas Koutoupis son of Georgios and Marianthi, Independent Non - Executive Member

10. The election of the new members of the Audit Committee with a four-year tenure according to article 44 of Law No 4449/2017 was approved unanimously, by 12.928.651 votes, i.e. 75,5% of the share capital, as follows :

1) Andreas Koutoupis son of Georgios and Marianthi, Independent Non - Executive Member of the Board of Directors, as Chairman of the Audit Committee
2) Georgios Mourelatos, son of Apostolos and Maria, Independent Non -Executive Member of the Board of Directors.
3) Khedaim Abdulla Saeed Faris Alderei son of Abdulla and Sabha Moohamad

11. The appointment of Mr Konstantinos Loulis, son of Nikolaos as unpaid counselor of the Company, pursuant to Article 23A of Law 2190/1920, was approved unanimously, by 12.928.651 votes, i.e. 75,5% of the share capital.

12. The authorization, in accordance with Article 23 of CL 2190/1920, of both the Board of Directors members and the Company's Directors to participate in the Board of Directors or in the management of other affiliated companies as those companies are defined in article 32 of Law 4308/2014 and, therefore, to conduct on behalf of the affiliated companies of acts falling within the Company's purposes was approved unanimously, by 12.928.651 votes, i.e. 75,5% of the share capital.

At the same General Meeting and in accordance with the decision of the first item of the agenda the Company will not distribute dividend to shareholders for fiscal year 2016 (01.01.2016 - 31.12.2016).

<u>Capital return in cash to shareholders and reduction of the company's share capital due to cancellation of own shares</u>

On June 13, 2017, the general meeting of the company adopted the increase of the share capital by € 941.878,41 with an increase of the nominal value of each share at € 0,55 (from € 0,94 το € 0,995) with capitalization of the reserve "Difference From Share Issue Premium" and subsequently the simultaneous equal reduction of the share capital of the company at € 941.878,41, with reduction of the nominal value of each share at € 0,55 (from € 0,995 το € 0,94), with purpose of the capital return in cash to shareholders € 941.878,41, € 0,055 per share.

Following the increase and the simultaneous decrease mentioned above, the share capital remains at the amount of € 16.097.558,28, divided into 17.125.062 nominal shares, of an amount of € 0,94 per share.

Moreover, the Annual Ordinary General Meeting of the Company's Shareholders decided the reduction of the company's share capital by € 4.495,08 through reducing the number of shares from 17.125.062 to 17.120.280 common registered shares, due to cancellation of 4.7872 own shares, in accordance with article 16 of Corporate Law 2190/1920.

The own shares mentioned above were purchased during the period 08.01.2015 to 07.01.2017 pursuant to the 08.01.2015 decision of the Extraordinary General Meeting of the Company's Shareholders.

After the aforementioned reduction, the share capital of the Company amounts now to € 16.093.063,20 divided into 17.120.280 common registered shares of a par value of € 0,64 each.

On June 23, 2017 the decision N. 70235/23.06.2017 of the Ministry of Economy and Development which approved the modification of art. 5 of the Company's Articles of Association has been published on the General Commercial Registry (G.E.MI.) with registration number 1089393.

The Stock Markets Steering Committee of Hellenic Exchanges during its session on July 05, 2017, was informed about the equal increase and reduction of the par value of the Company's shares, the capital return in cash to shareholders of € 0,055 per share and the aforementioned reduction of the share capital of the Company through cancelation of own shares.

In the light of the ab/ove, as of the following date of July 07, 2017, the shares of the Company will be will be traded on the ATHEX under their final par value of € 0,94 per share without the right to the benefit of the capital return in cash of € 0,055 per share. From the same above date, the upset price of the Company shares in the Athens Stock Market shall be formed in accordance with the Bylaws of Athens Stock Exchange, in combination with decision no. 26, issued by the BoD of the Athens Stock Exchange, as now in force.

Shareholders entitled to receive the capital return are those registered in the electronic registry of the Dematerialized Securities System (DSS) on July 10, 2017. Moreover, the Company decided that from July 11, 2017 the 4.782 shares, which were cancelled, shall no longer be traded in the Athens Stock Exchange. The payment date of the capital return was set to be July 14, 2017 through ALPHA BANK.

Share capital increase of the subsidiary named "LOULIS MEL-BULGARIA EAD" with non-monetary contribution

On November 8, 2017 the share capital increase of the Group's 100% indirectly subsidiary "LOULIS MEL-BULGARIA EAD" was completed through the non-monetary contribution of the sole owner, which was receivables from loans granted to the company. The share capital of the company "LOULIS MEL-BULGARIA EAD" increased from 50.000 BGN to 582.000 BGN. The difference between the issuance value of the new shares of an amount of 6.916.000 BGN and their nominal value of 532.000 BGN, which amounted to 6.384.000 BGN, was credited to the account "Reserve From Share Issue Premium".

Compulsory expropriation of Company's property

The property of the Company, which is located at the side street of Iera Odos, 131 (Em. Pappas st.) in the Municipality of Egaleo, Attica, was declared for compulsory expropriation under No. D12 / 6959 / 3.12.2013 decision of the Minister of Infrastructure, Transport and Networks (Government Gazette 446 / APAP Issue / 11.12.2013) for reasons of public utility and in particular for the construction of Athens Metro projects regarding the extension of the line to Egaleo for transfer station and parking facilities of the metro station "Eleonas" in the Municipality of Egaleo, Attica. The Decision No. 1052/2017 of the Athens Court of Appeal (single judge), determined the provisional unit price and ordered the expulsion of the Company from the expropriated area under the condition of the previous expropriation's expiration (Government Gazette 125 / APAP Issue / 09.06.2017). The issuance of the decision of the Athens Tripartite Court of Appeal regarding the final determination of the unit price of the aforementioned expropriated area is still pending.

D. Future Performance and Development

The vision of LOULIS MILLS SA is "to be pioneers, respecting the values, tradition, humanity and environment". The continuous commitment of the Management is the fulfillment of this vision with respect and responsibility towards the family values, the human resources, the business partners and the customers of LOULIS MILLS SA. In particular, Management's goal is the further development of the Group "LOULIS MILLS SA", in Greece and abroad, through investment and innovation, aiming in high quality products, excellent customer service and producing value for our people, partners, shareholders and society. Particularly, in the previous years, the Company has carried out significant investments in equipment and human resources, and developed its production process in order to produce products of the highest quality with respect and responsibility to the environment and the consumer.

For the next years the objectives remain high. In economic level, the Management will put all its efforts to maintain the leading position of the Company and preserve the positive results of the recent years. Specifically, the goal for the next year is to further strengthen the company's position in the market by securing its existing market shares and also increasing them, to develop new products, to provide its customers with excellent services and high quality products, to enhance the value being created for the shareholders, to develop its personnel, to attract competent and skilled personnel and finally, to make its working environment one of the best in Greece.

In addition, the purpose of the Management for 2018 is both to achieve the business objectives and lay the foundations for the Group's strategy implementation, emphasizing on the further development of the markets of mixtures and raw materials for bakery and pastry and in the effective use of synergies within the Group so as to better control the operating expenses.

Main keystones and actions for the future years:

- Securing and maintaining its leading position in the market for flour and further growing in the market of mixtures.

- Growing in foreign markets.

- Development of new products.

- Determination of the pillars and action plan for Human Resources.

- Maintaining the high quality of production and continuation of the upgrading of the quality of management and control systems.

- Focusing on sustainable development issues.

The foreseen performance for 2018 depends to a great extent on the increased uncertainty and volatility in the local market, yet the strong capital structure of the Group, combined with its well-operating and organizational structures, gives Management the ability to manage effectively any difficulties, which are likely to arise and continue uninterruptedly the implementation of its strategic plan.

E. Main risks and uncertainties for the next year

The main risks that the Group is exposed to and is likely to face next year are as follows:

Macroeconomic environment and risks from the imposition of capital controls in Greece

The macroeconomic and financial environment in Greece seems to appear signs of stability however uncertainty continues to exist. The imposition of capital controls in Greece, by Decree Law, on 28th June 2015 affected initially the liquidity of the financial system and the collection of receivables, asset impairment, revenue recognition, serving its existing debt liabilities and/or to satisfy the loan terms and the relevant financial ratios, recoverability of deferred tax benefits, valuation of their financial instruments, the adequacy of predictions and the continued unrestricted business activity. However, that situation has normalized to a great extent since the initially imposed restrictions have been considerably mitigated.

In the context of that uncertain economic environment the Management constantly evaluates the conditions and potential future impacts, in order to ensure that all necessary actions and initiatives for minimizing any impact on the domestic activities of the Group have been taken. However, Management is not able to predict precisely the possible developments in the Greek economy and their effect on the Group's activities. Despite this, based on the Management's estimation and assuming that capital controls would be lifted over the medium to longer term and that the agreed terms and conditions of the third rescue program will be implemented, no significant negative impact is expected in the activities of the Group in Greece.

Therefore, the Management has concluded that no additional impairment provisions of financial and non-financial assets of the Group are needed at December 31, 2017.

Credit Risk

The Group does not have a significant concentration of credit risk in any of its contracting parties, mainly due to the large number of customers and the great dispersion of the Group's customer base.

The Management of the Group has adopted and applies credit control procedures to minimize its doubtful receivables through the evaluation of the credit ability of its customers and the effective management of the receivables before they become overdue. For the monitoring of credit risk, customers are classified according to their credit profile, the maturity of their receivables and the historical background of their collection.

Additionally, the Group's companies have an insurance contract that covers most of their claims. This contract cannot be sold or transferred. Customers considered to be unreliable are reevaluated at every reporting date and when a likelihood of non-recovery of these receivables occurs, a provision for doubtful debts is formed.

Liquidity Risk

The Group keeps its liquidity risk at low levels through the availability of adequate cash or/and approved bank credit limits ensuring the fulfillment of the Group's short-term financial liabilities. The Group's liquidity ratio (current assets to current liabilities) amounted to 2,68 at December 31, 2017 towards 1,22 for the previous year.

For the monitoring and management of liquidity risk the Group forms cash flow projections on a regular basis.

Interest Rate Risk

The Group's exposure to the risk of changes in the interest rates relates to its short-term and long-term loans. The Group manages Interest Rate Risk through keeping the total of its loans at variable interest rates. Since the Company's loans are linked with the Euribor index, the maintenance of the latter at low levels has a direct positive impact on the financial cost of the Group.

The table below presents the sensitivity of the Earnings Before Tax of the Group and the Company if the interest rates change by a percentage point:

Sensitivity analysis on interest rate changes

	Interest Rate Volatility	**Impact on Company's EBT**	**Impact on Group's EBT**
Amounts 2017	1,00%	-390.614	-417.579
	-1,00%	390.614	417.579
Amounts 2016	1,00%	-322.757	-342.680
	-1,00%	322.757	342.680

Exchange Rate Risk

The Group operates in Southeast Europe and as a result any change in the operating currencies of those countries towards the other currencies exposes the Group to risk of exchange rate. The main currencies involved in the Group's transactions are Euro and Bulgarian Lev.

The Group's Management continuously monitors the foreign exchange risks that may arise and assesses the need for action, yet at the moment there is no such risk since the exchange rate between the two currencies is stable from 1 January 1999 (BGN 1.95583 = EUR 1).

Risk of Inventory Loss

The Management of the Group takes all the necessary measures (insurance, storage) in order to minimize the risk and the contingent loss due to inventory loss from natural disasters, thefts, etc. Moreover, due to the inventory's high turnover ratio and the simultaneous inventory's long duration (expiry date), the risk of their obsolescence is very limited.

Decrease in demand due to the general consumer recession

The Group operates in the food industry and the demand within that industry remains at the moment comparatively stable and strong despite the overall consumer recession which does not seem to greatly recover.

In any case, with a view to the general conditions, the endurance and the intensity of the economic crisis, that risk is expected to affect the Group's performance since the decline in demand is expected to continue, as long as the general conditions of the economic recession continue with the same intensity. In the light of the above, that risk is considered as significant since it is expected to affect the Group's performance and results.

Risk of increase in the price of raw materials

The fluctuation in prices of both imported and local raw materials for the last five years as well as the general economic crisis lead us to the conclusion that this fluctuation will continue to exist. Therefore, exposure to that risk is considered high and for that reason the Group's Management takes all the necessary measures in order, firstly, to limit the Group's exposure to that risk through achieving appropriate agreements with its suppliers as well as the use of derivative financial instruments and secondly, to quickly adjust its pricing and commercial policy.

F. Information about labour and environmental policy

Human resources

Within Loulis Mills, we invest in our people, since we recognize their contribution to our business success and future growth. In particular, a strong family culture has been formed which is based on the values of Loulis Mills and the mutual respect, trust, cooperation and team spirit. Our key priority and vision is to create, develop, evolve and take care of the leading team.

Health and Safety

Within Loulis Mills, we spend all the necessary efforts and attention in the protection of our employees and all of those involved in the chain value of the Group. We believe that no other component of our business activity can be more important than the people who contribute with their daily work in our culture and business performance. Specifically:

- We provide a safe and healthy working environment consistent with the applied legislation, regulations and the internal health and safety requirements
- We focus on maintaining a productive, pleasant and safe working environment minimizing the risk of accident, injury and exposure to health hazards.
- We make continuous efforts for the improvement of the working conditions for each position through conducting daily inspections in the working areas and training the employees about the practices they have to follow in order to remain safe within a healthy working environment.
- We commit ourselves, for the interest of the employees, to the continuous improvement of health and safety in the working areas, though, among other things, identifying safety hazards and addressing health and safety issues.
- We apply strict prevention procedures in order to eliminate accidents and minimize days of absence from work due to working accident.
- We keep on improving our performance in health and safety issues.

Relations between Management and employees

Within Loulis Mills, we traditionally operate like a big family. It is not by chance that beyond the owners, someone will come across executives and employees of second or/and third generation. This has formed a common culture and a common vision based on our tradition, our principles, our values and the love for our product. Particularly:

- The applied policy of the "open door" ensures a climate of mutual trust and understanding since all the employees are able to communicate directly with the Management regarding the solution of any working or not-working problem.

Development and training of employees

Within Loulis Mills, we recognize employees as the most valuable asset of the company and the most crucial factor leading to our success. Therefore, the development and the training of the employees is our key priority. Our goal is the employees' personal development and evolution as well as the development of their skills so as to provide perfect products and of high-quality services to our customers and consumers.

Human rights policy

The respect of human rights is fundamental principle for the sustainable development of Loulis Mills and its social partners. We commit ourselves to ensuring that our people are treated with the appropriate dignity and respect. For that reason:

- We apply human rights policy which is based on the human rights international principles as included in the Universal Declaration of Human Rights, the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work, the UN Global Compact and the UN Guidelines for Labour.
- We respect human rights and commit ourselves to identify and prevent any actions against human rights, regarding our business activities, through due diligence procedures for human rights and preventive compliance.
- We are committed to keep the working environment free of violence, bullying, intimidation or any other inappropriate or disturbing conditions caused by internal or external threats.
- We provide security assurance to our employees, as it is considered necessary, with respect to the employees' confidentiality and dignity.

Benefits to employees

The contribution of our people to the Group's development is continuously recognizable through providing the employees several benefits. In particular:

- We ensure providing competitive salaries so as to attract competent staff and securing a decent standard of living for all employees.
- The applied benefit policy supports effectively our employees and their families (loans to employees, medical insurance, accident insurance, transfer of the employees to the industrial area of Sourpi with a Company's bus, providing products (flour) free of charge, reduced prices for the purchase of extra products).

Environmental issues

The efforts of Loulis Mills for the protection of the environment is not limited to the implementation of the legislation and requirements and adoption of the appropriate measures in each case. Yet, it is expressed through the continuous efforts for reducing the environmental impact of the Company's operations, focusing on achieving efficient energy consumption within the production process, reducing the disturbance caused to the local areas and the implementation of Environmental Management System. Furthermore, within Loulis Mills, we apply specific Environmental Policy which sets the conditions for the integrated management of the environmental impacts caused by the Company's operations and we adopt and apply practices that ensure the best environmental protection and management. Namely:

- We fully comply with the environmental legislation and regulations.
- We apply certified Environmental Management Systems (ISO 14001).

- We continuously train the employees involved in the production process regarding environmental protection issues.
- We apply dry technology in the process of wheat cleaning so as to achieve zero water consumption and zero liquid waste.
- We cater for efficient energy consumption and the continuous upgrading of the used technologies in order to achieve higher energy efficiency and και the lowest possible consumption respectively per tonne of obtained product.
- We take action for the reduction of noise and dust levels of the production facilities to the lowest possible levels as well as the elimination of the citizens' disturbance of local areas.
- We use the best practices for the solid waste management and recycle having achieved zero waste of any type within our production process.
- We try to minimize the environmental impact from the transfer of raw materials, products and employees.

G. Alternative Performance Measures (APMs)

According to the ESMA/2015/1415en Guidelines on Alternative Performance Measures (APMs) of the European Securities and Markets Authority, an Alternative Performance Measure (APM) is a financial measure of historical or future financial performance, financial position or cash flows, which is not defined or provided in the current Financial Reporting Framework (IFRS). APMs typically arise from or are based on financial statements prepared in accordance with the current Financial Reporting Framework (IFRS), primarily with the addition or deduction of amounts from the figures presented in the financial statements.

The Group uses to a limited extent Alternative Performance Measures (APMs) when publishing its financial performance, in order to understand better the Group's operating results and financial position.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

The indicator Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) ,which aims to a better analysis of the Group's and Company's results, is estimated as follows: Profit/(Loss) before tax, as adjusted by the addition of "Financial Expenses" and "Depreciation", without including the items "Financial Income" and " Fair Value valuation of bonds and participations". The margin of this indicator is calculated as the ratio of the "Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)" with the total of "Sales".

	Group		Company	
	2017	2016	2017	2016
Sales	**97.659.669**	**101.330.254**	**92.153.609**	**96.536.741**
Profit/(Loss) before tax	4.389.940	4.638.036	4.561.579	4.586.228
Fair Value valuation of bonds and participations	95.310	102.570	95.310	102.570
Financial Income	(33.861)	(68.774)	(18.531)	(106.264)
Financial Expenses	2.037.748	2.635.747	1.895.939	2.547.476
Depreciation	4.001.895	3.919.507	3.978.998	3.909.242
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	**10.491.032**	**11.227.086**	**10.513.295**	**11.039.252**
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) margin	**10,74%**	**11,08%**	**11,41%**	**11,44%**

Earnings before Interest and Tax (EBIT)

The indicator Earnings before Interest and Tax (EBIT), which serves the better analysis of the Group's and Company's results, is estimated as follows : Profit/(Loss) before tax, as adjusted by the inclusion of "Financial Expenses" , without taking into account the items "Financial Income" and "Fair Value valuation of bonds and participations". The margin of this indicator is calculated as the ratio of the "Earnings before Interest and Tax (EBIT)" with the total of "Sales".

	Group		Company	
	2017	**2016**	**2017**	**2016**
Sales	**97.659.669**	**101.330.254**	**92.153.609**	**96.536.741**
Profit/(Loss) before tax	4.389.940	4.638.036	4.561.579	4.586.228
Fair Value valuation of bonds and participations	95.310	102.570	95.310	102.570
Financial Income	(33.861)	(68.774)	(18.531)	(106.264)
Financial Expenses	2.037.748	2.635.747	1.895.939	2.547.476
Earnings before Interest and Tax (EBIT)	**6.489.137**	**7.307.579**	**6.534.297**	**7.130.010**
Earnings before Interest and Tax (EBIT) margin	**6,64%**	**7,21%**	**7,09%**	**7,39%**

Total Net Borrowing

The "Total Net Borrowing" is one ESMA that the Management uses so as to evaluate the capital structure of the Group and the Company. It is estimated as the sum of the items "Long-term Borrowing Liabilities "and "Short-term Borrowing Liabilities", minus the item "Cash and cash equivalents".

	Group		Company	
	2017	**2016**	**2017**	**2016**
Long-term Borrowing Liabilities	30.693.617	533.299	30.693.617	533.299
Short-term Borrowing Liabilities	11.064.319	33.734.678	8.367.814	31.742.392
Cash and cash equivalents	(4.284.542)	(6.087.837)	(3.609.001)	(4.685.082)
Total Net Borrowing	**37.473.394**	**28.180.140**	**35.452.430**	**27.590.609**

H. Corporate Governance Statement

Introduction

LOULIS MILLS SA is committed and adhere to standards of corporate governance. Within this context, the Company has implemented the principles set out by the Corporate Governance Code introduced by the Hellenic Federation of Enterprises (SEV) with some exceptions, but always in accordance with the current legislation. The code can be found at the following Web address:

http://www.helex.gr/el/web/guest/esed-hellenic-cgc

1. Internal Audit and Risk Management

1.1 Main features of Internal Audit

Internal audit is performed by the Internal Auditing department according to the Audit Program as described in the Company's Business Rules and Procedure.

It is noted that the audit, on the basis of which the relevant report is prepared, is carried out within the regulatory framework in line with Law 3016/2002, as now in force, and specifically in accordance with articles 7 and 8 of the same Law, and the provisions of the Resolution 5/204/2000 of the Board of Directors of the Hellenic Capital Market Commission (HCMC), as amended by HCMC Board of Directors decision Nr. 3/348/19.7.2005.

During the audit, the internal audit department takes into account the necessary journals, documents, files, bank accounts and portfolios of the Company and requests the Management's absolute and continuous cooperation, in order to obtain all the requested information and data so as to obtain reasonable assurance for the preparation of the report free of essential misstatements with respect to the information and conclusions included therein. The Internal Audit does not include any assessment regarding the appropriateness of the accounting policies that were implemented, as well as the reasonableness of the assessments that were made by Management, since these are goals of the audit carried out by the Company's certified auditor.

The aim of the Internal Audit is the assessment of the general conditions and the operating procedures of the internal audit system. During every audit period, certain audit areas – fields are selected, while the audit and the examination of the operation and organisation of the Company's Board of Directors and the operation of the two main Departments operating on the basis of the provisions pursuant to Law 3016/2002, i.e. the Department for Servicing Shareholders and the Corporate Announcements Department, are being audited on a fixed and permanent basis.

1.2 Managing the Company's risks in relation to the procedure for preparing the Financial Statements

The Company has developed and applies policies and procedures for the preparation of the financial statements to ensure their credibility and compliance with legislation and regulations that affect their preparation and disclosure.

These procedures concern the proper audit and recording of revenue and expenditure, as well as the monitoring of the status and the value of the Company's assets. The policies and procedures that have been implemented, are being evaluated and readjusted in case they become inadequate or due to changes in the current legislation.

At the end of each accounting period, the Company's accounting department undertakes the actions that are required for the preparation of the financial statements according to the law.

The implemented policies and procedures which relate to the preparation of the Financial Statements, are:

- Procedures for closing periods that include the deadlines for submission, competencies, classification and analysis of the accounts and updates for the necessary disclosures.

- Reconciliation of the account balances of Customers and Suppliers and the receivables and liabilities, at regular time basis.

- Procedures that ensure that the transactions are recognised in accordance with the International Financial Reporting Standards.

- Reconciliation of the bank accounts and borrowing accounts kept by the Company at approved Banks on a monthly basis;

- Audit and reconciliation of the cheques receivable and cheques payable.

- Forming provisions for the Company's receivables and liabilities in cases where the supporting documents have not yet been obtained.

- Carrying out inventory physical counting and audit of the warehouse imports – exports on a monthly basis.

- Audit procedure for the reconciliation of sales with the documents issued.

- Existence of policies and procedures for areas such as significant purchases, payment and collection procedures, managing inventories, etc.

- Implementation of procedures for entries being made by different people within the context of segregation of duties.

- Approvals and procedures for the correct entry of the Company’s expenses into the accounts of the applied chart of accounts and the correct cost centre;

- Procedures for purchase approvals, register and monitoring of assets and charging of the proper depreciation amounts;

- Procedures for monitoring and managing staff and payroll liabilities.

- Procedures that ensure the appropriate use of the Company’s applied accounting policies and that the access and the changes made to it through the Company’s Information System are only carried out by authorised users in specified area of responsibility.

The Information System of the Company is continually being developed and upgraded in close cooperation with a competent IT Company in order to adjust to the Company’s continuously growing and specialised needs for the support of the Company’s long-term goals and prospects.

2 General Meeting of Shareholders

2.1 Operation and main authorities of the General Meeting:

The General Meeting is the supreme body of the Company, and may decide for each corporate case and rule on all matters submitted to it. The role, powers, convening, participation, the ordinary and extraordinary quorum and majority of runners, the Bureau, the agenda and the general operation of the General Meeting of Shareholders of the Company are described in the Articles of Association of the Company, as it has been updated on the basis of the provisions of law 2190/1920, as amended (having integrated the Law 3884/2010 concerning minority rights).

In particular, the General Meeting is exclusively responsible to decide on:

a) Amendments to the Articles of Association, as they considered, however, the increases or reductions in the capital. The decisions for the amendment of the Company’s Articles of Association are valid, if not prohibited by an explicit provision of it,

b) Electing BoD members and Auditors,

c) Approval of the company's balance sheet,

d) Distribution of annual profits,

e) Merge, split, convert, revival, extension of duration, or dissolution of the company and

f) Appointing liquidators.

Within the provisions of the aforementioned paragraph the followings are not included: a) increases decided in accordance with paragraphs 1 and 14 of article 13 of codified law 2190/1920 by the Board of Directors, as well as increases imposed by provisions of other laws, b) the amendment of the Articles of Association of the Board of Directors in accordance with paragraph 5 of article 11, paragraph 2 of article 13 and paragraph 13 of article 13 and paragraph 4 of article 17B of codified law 2190/1920, c) the appointment of the first Statute Governing Board, d) the election of Directors according to the Company’s Articles of Association, in paragraph 7 of article 18 of codified law 2190/1920, for the replacement of the resigned ones, deceased or lost their property in any other way, e) absorption of according to article 78 of law 2190/1920 limited company from another company that owns 100% of its shares and f) possibility of profit distribution or optional provisions within the current fiscal year by decision of the Board of Directors, if it has no authorization of the General Meeting.

The decisions of the General Meeting are binding for the shareholders who are absent or disagree.

The General Meeting of Shareholders shall be convened by the Board of Directors at all times and regularly convenes at the registered office of the Company or to another district of Municipality within the county of the registered office of the Company or other adjacent municipality of the registered office of the Company, at least once per fiscal year and always within the first six months of the end of each fiscal year.

The General Meeting can meet and at the district of the municipality where it is located the headquarters of the Athens Stock Exchange.

The Board of Directors may convene an extraordinary meeting of the General Meeting of shareholders when appropriate or if requested by shareholders representing over law and the Company's Articles of Association required percentage.

The General Meeting, with the exception of repetitive meetings and those assimilated, convened at least twenty (20) days before the date set for the meeting. It is clarified that non-working days are also counted. The day of publication of the invitation and the day of the meeting are not counted.

At the invitation of the shareholders in General Meeting, should be determined the date, the hour and the venue where the Meeting will be held, the agenda issues, shareholders who are entitled to participate, as well as precise instructions about the procedure in which shareholders will be able to participate in the meeting and to exercise their rights in person or through a representative or possibly remotely.

The convocation at shareholders meeting is not required when present or represented shareholders represent the entire share capital and none of them counters in actuality and in decision-making.

The General Meeting is to meet quorum and valid for agenda topics when they are present or are represented in that shareholders representing one fifth (1/5) of the paid-up share capital.

If this quorum is not reached the General Meeting shall meet and meet again within twenty (20) days from the day of the meeting that was aborted after invited shareholders before ten (10) days. Repeat this Meeting meets valid for threads of the original agenda for any part of the subscribed capital represented therein.

The decisions of the General Meeting are taken by absolute majority of votes represented therein.

In the case of decisions taken by the General Meeting concerning restrictively: a) change of nationality of the company, b) extend, merge, split, convert, revival or dissolution of the company, c) change of the object (purpose) of the company, d) increase of the share capital, which is not provided in the Company's Articles of Association, in accordance with paragraphs 1 and 2 of article 13 of codified law 2190/1920 unless required by law or is made by the capitalization of reserves, e) reduction of share capital, unless made in accordance with paragraph 6 of article 16 of law 2190/1920, f) change the way of distribution of profits, g) increase the liabilities of the shareholders, h) conversion of registered shares of the company in anonymous or anonymous nominal, i) provision or renewal of authority to the Board of Directors to increase the share capital in accordance with article 13 paragraph 1 of law 2190/1920, the General Meeting shall form quorum, meet valid and can take legitimate decisions on the agenda when present or represented in that shareholders up to two thirds (2/3) of the paid-up share capital.

The General Meeting is chaired temporarily, and until the election of president by the General Meeting, by the Chairman of the Board of Directors or his Deputy, or if they are not presented, by another member of the Board of Directors, or if not attended any Board Member, a person who is elected from the Meeting. The interim President shall appoint a temporary secretary who will count the votes. After the declaration of the list of the shareholders present as final, the General Meeting will proceed to the election of a President and a secretary, who will count the votes.

The discussions and decisions of the General Meeting are limited to matters which are on the agenda. Procedures for hearing and decision of the General Meeting are recorded in summary form in a special minute book and shall be signed by the Chairman and the secretary. The President of the General Meeting, on request of the shareholders, is obliged to record an accurate summary of the opinions expressed by those shareholders on the Company's record. The minutes should also include the list of shareholders who were present or represented at the meeting, as well as the number of shareholders and their vote. In case one (1) only shareholder is present at General Meeting, it is mandatory the presence of a notary, who subscribes to the Minutes.

<u>2.2 Rights of the shareholders and ways of exercising those rights</u>

<u>2.2.1 Rights of participation and voting</u>

The shareholders shall only exercise their rights, regarding the Company's management, at the General Meetings and in accordance with the provisions of the law and the Articles of Association. Every share represents one vote at the General Meeting, subject to the provisions of the article 16 pursuant to Codified Law 2190/1920, as in force.

Anyone that appears as a shareholder on the records of the intangible Securities System of the Company that is managed by the "Hellenic Exchange SA" (HESA), which keeps the Company's securities (shares), may participate at the General Meeting. The verification of the shareholder status is made with the submission of the relevant written certification that is issued by the aforementioned body or alternatively through the direct online connection between the Company and the records of the mentioned above body. The shareholder's capacity must exist upon the record date, namely at the beginning of the fifth (5th) day prior to the convening of the General Meeting, and the relevant certification or online certification regarding the shareholder capacity must have been obtained by the Company at the latest on the third (3rd) day prior to the convening of the General Meeting.

For the Company, the right to participate and vote at the General Meeting is only exercised by the person holding the shareholder's capacity upon the corresponding record date. In case of non-compliance with the provisions under article 28 (a) pursuant to Codified Law 2190/1920, the aforementioned shareholder may only participate in the General Meeting after it has received its permission.

It is noted that the exercise of the mentioned above rights (participation and voting) does not require the blocking of the holder's shares or the application of any other equivalent procedure, which restricts the capacity to sell and transfer these shares during the intervening period between the record date and the date of the General Meeting.

The shareholders may participate and vote at the General Meeting in person or via representatives. Every shareholder may appoint up to three (3) representatives. Legal entities may participate in the General Meeting by appointing up to three (3) natural persons as their representatives. Nevertheless, if the shareholder holds the Company's shares, which appear on more than one security accounts, that restriction does not prevent the shareholder from appointing different representatives for the shares that appear on each securities account in relating to the General Meeting. A representative that is acting for more than one shareholders may vote differently for each shareholder. The shareholder's representative is required to notify to the Company prior to the commencement of the General Meeting every specific fact that may be useful for the shareholders to evaluate the risk the representative to serve other interests apart from the interests of the represented shareholder. Within the definition of this paragraph, a conflict of interest may arise specifically when the representative:

a) Is a shareholder that is exercising control over the Company or another legal person or entity that is controlled by that shareholder;

b) Is a member of the Board of Directors or the Company's general management or a shareholder exercising control over the Company or shareholder of another legal person or entity that is controlled by a shareholder that is exercising control over the Company;

c) Is the Company's employee or Certified Auditor or a shareholder that is exercising control over the Company or shareholder of another legal person or entity that is controlled by a shareholder that is exercising control over the Company;

d) Is the spouse or a relative of 1st degree to one of the natural persons that subject to cases (a) to (c).

The appointment and revocation of the shareholder's representative shall be made in writing and communicated to the Company in the same way at least three (3) days prior to the date of the General Meeting.

2.2.2 Other rights of the shareholders

Ten (10) days prior to the Regular General Meeting every shareholder may receive copies of the Company's annual financial statements and reports by the Board of Directors and the Auditors. These documents must have been submitted in time in the Company's offices by the Board of Directors.

On request of the shareholders that represent one-twentieth (1/20th) of the paid up share capital the Board of Directors is obliged to convene an Extraordinary General Meeting of the shareholders, by appointing its date, which cannot be later than forty-five (45) days after the date upon which the request was submitted upon the Chairman of the Board of Directors. The application shall contain the objective of the agenda. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the submission of the relevant request, the meeting shall be convened by the petitioning shareholders at the Company's expense, by a resolution of the Single Member Court of First Instance where the Company's registered offices are based, which shall be issued under the interim relief proceedings. This decision shall specify the place and time for the meeting, as well as the agenda.

An application by the shareholders that represent one-twentieth (1/20th) of the paid up share capital shall compel the Board of Directors to enter additional matters on the agenda of the General Meeting that has already been convened, if the relevant application is received by the Board of Directors at least fifteen (15) days prior to the General Meeting. The additional matters must be disclosed or notified at the responsibility of the Board of Directors in accordance with article 26 pursuant to Codified Law 2190/1920, at least seven (7) days prior to the General Meeting. Where these matters are not disclosed, the petitioning shareholders are entitled to request the adjournment of the General Meeting in accordance with paragraph 3 under article 39 pursuant to Codified Law 2190/1920 and to personally proceed with the publication in accordance with the provisions of the previous section, at the Company's expense.

An application by shareholders that represent one-twentieth (1/20th) of the paid up share capital shall compel the Board of Directors to make available to the shareholders, in accordance with the determinations under article 27, paragraph 3 pursuant to Codified Law 2190/1920, at least six (6) days prior to the date of the General Meeting, drafts of resolutions on matters that have been included in the initial or the revised agenda, where the relevant application has been received by the Board of Directors at least seven (7) days prior to the date of the General Meeting.

Following an application by any shareholder, submitted to the Company at least five (5) clear days prior to the General Meeting, the Board of Directors is required to provide the General Meeting with the required specific information concerning the affairs of the Company, to the extent that this is useful for making an actual assessment of the matters on the agenda.

An application by shareholder/s that represent one-twentieth (1/20th) of the paid up share capital shall compel the Chairman of the Meeting to postpone the decision-making for only one time regarding all or specific matters by the Extraordinary or Regular General Meeting, by appointing a date for continuing the meeting for the making of those decisions that are specified in the application by the shareholders, which cannot however be greater than thirty (30) days after the date of adjournment. The General Meeting after an adjournment constitutes a continuation of the previous meeting and it is not necessary to repeat the formalities for publishing the invitation to the shareholders, wherein new shareholders may not participate therein in observation of the provisions under articles 27, paragraph 2 and 28 pursuant to Codified Law 2190/1920.

An application by shareholders that represent one-twentieth (1/20th) of the paid up share capital, which must be submitted to the Company five (5) clear days prior to the regular General Meeting, shall compel the Board of Directors to inform the General Meeting regarding the amounts that have been paid for any reason by the Company over the last two-year period to members of the Board of Directors or Managers or its other employees, as well as any other agreement that has been made for any reason between the Company and the same persons. Furthermore, an application by any shareholder, submitted in accordance with the aforementioned, shall compel the Board of Directors to provide specific information regarding the Company's affairs to the extent that this is useful for the actual assessment of the matters on the agenda. The Board of Directors may refuse to provide the requested information, for sufficient reason, while writing down the relevant explanation in the Minutes. Such reasons, under the circumstances, may be the representation of the petitioning shareholders on the Board of Directors, in accordance with paragraphs 3 or 6 under article 18 pursuant to Codified Law 2190/1920.

At request by the shareholders that represent one-fifth (1/5th) of the paid up share capital, which must be submitted to the Company within the deadline under the mentioned in the previous paragraph, the Board of Directors shall compel to provide information to the General Meeting in relation to the course of the corporate affairs and the Company's assets status. The Board of Directors may refuse to provide the requested information, for sufficient reason, while writing down the relevant explanation in the Minutes. Such reasons, under the circumstances, may be the representation of the petitioning shareholders on the

Board of Directors, in accordance with paragraphs 3 or 6 under article 18 pursuant to Codified Law 2190/1920 as long as the relevant members of the Board of Directors have been adequately informed.

If an application by shareholders that represent one-twentieth (1/20th) of the paid up share capital, resolutions upon any matter on the agenda of the General Meeting shall be passed with a roll call.

The Company's shareholders that represent one-twentieth (1/20th) of the paid up share capital have the right to request an audit of the Company from the Single Member Court of First Instance in the region where the Company is based, which shall adjudicate the matter on the basis of ex parte proceedings. The Audit shall be ordered where actions are conjectured that violate the provisions in the law or the Articles of Association or the resolutions by the General Assemble.

The Company's shareholders that represent one-fifth (1/5th) of the paid up share capital have the right to request an audit of the Company from the competent Court in the previous paragraph, where it is believed from the whole course of the corporate affairs that the Management of the corporate affairs is not being carried out as dictated by sound and prudent Management. This provision shall not be implemented on those occasions where the minority requesting the Audit is represented on the Company's Board of Directors.

3 Board of Directors

The Board of Directors manages the Company as a collective body, taking its decisions in accordance with the current SA legislation, the stock exchange legislation, the regulatory provisions of the ASE and the supervising authorities. The members of the Board of Directors shall acquire all relevant information regarding the operation of the Company. Moreover they must exercise the general administration and management of the corporate affairs, at the interests of the company and its shareholders.

The Board of Directors (BoD) shall primarily formulate the strategy and development policy, and also supervise and control the management of the Company's assets. The composition and duties of the members of the Board of Directors shall be determined by the Law and the Company's Articles of Association. The foremost obligation and duty of the members is to constantly reinforce the Company's long-term economic value and to promote the general corporate interest.

3.1 Composition and operation of the Board of Directors

According to article 17 of the Company's Articles of Association the BoD shall be comprised of five (5) to seven (7) members that are natural or legal persons, which are elected by the General Meeting of the shareholders by an absolute majority of the votes that are represented at the General Meeting. The members of the Board of Directors may be re-elected and freely revoked.

The tenure of the members on the Board of Directors shall be for a period of 4 years commencing from the meeting date of the General Meeting that elected the board and shall be extended until the expiry of the deadline, within the immediately following regular General Meeting must convene. That specific article of the Articles of Association has been amended and the tenure for the members of the Board of Directors shall be for four years.

The Board of Directors shall meet upon every occasion required under the law, the Articles of Association or the Company's needs, following an invitation by its Chairman or his/her deputy at the Company's registered offices or the Company's branch at Keratsini (1 Spetson Street). The invitation must necessarily state with clarity the matters on the agenda, or else the passing of resolutions shall only be permitted only if all of the members on the Board of Directors are present or represented and no one has objected to the decision-making.

The Board of Directors may validly convene outside its registered offices in any other domestic or location abroad, on condition that all its members are present or represented at that meeting and no one has objected to holding the meeting and the decision-making.

The Board of Directors may convene via teleconferencing. In that case the invitation to the members on the Board of Director shall include the necessary information regarding their participation at the meeting. The Chairman or his/her lawful deputy shall chair the meetings by the Board of Directors.

The Board of Directors shall be in quorum and validly convened where one half plus one of the directors are present or represented, however the number of the directors present can under no circumstances be less than three (3).

An absolute majority of the directors present and represented is required for the valid decision-making by the Board of Directors.

A director that is absent may be represented by another director through a simple letter or Telegraph that is addressed to the Chairman of the Board of Directors. Every director may only represent one other director and it is furthermore necessary that at least three members are present at every meeting.

The discussions and resolutions by the Board of Directors shall be entered in a précis form into a special Journal that may also be kept on a computerised system. Further to an application by the member of the Board of Directors, the Chairman is required to enter a precise summary of his/her opinion in the Minutes. A list of the members of the Board of Directors that were present or represented at the meeting shall also be entered into this Journal. The minutes of the Board of Directors shall be signed by the Chairman or Vice- Chairman (where one has been elected) or where a Vice- Chairman has not been elected then by the Managing Director. Copies of the Minutes shall be officially issued by these persons, without requiring any other ratification.

The Board of Directors has the right to transfer its authorities on every occasion by its specific resolution, which shall be entered into the Minutes, (excluding those in the forest that require collective action) on specific and individually determined matters to one or more members of the Board of Directors or to other persons that shall act alone or collectively. The Board of Directors may also assign the Company's internal audit to one or more persons that are not its members and to members of the Board of Directors where it is not prohibited by the law. These persons may further assign the exercise of the authorities that have been assigned to them or a section thereof to other members or third parties, where this is provided in the resolutions of the Board of Directors.

a) If a director's position is vacated due to death, resignation or under any whatsoever other cause, the remaining members on the Board of Directors, which must be at least three (3), may elect a replacement director. The tenure of the replacement director shall expire at the same date with the director's tenure who has been replaced would have expired. The resolution with the election shall be submitted to the publication requirements under article 7 (b) pursuant to Codified Law 2190/1920 and shall be announced by the Board of Directors at the immediately next General Assemble, which may replace the elected members, even where the relevant matter has not been entered on the agenda.

b) In the aforementioned case of resignation, death, or loss of the capacity as a member of the Board of Directors in any whatsoever manner, the remaining members may continue managing and representing the Company without replacing the missing members, in accordance with the hereinabove, on condition that their number exceeds one half of the members that were prior to the onset of the above events. In any case, these members cannot be less than three (3).

c) In any case, the remaining members of the Board of Directors, regardless of their number, may proceed with convening a General Meeting for the exclusive purpose of electing a new Board of Directors.

3.2 Information concerning the members of the Board of Directors

The Company's current Board of Directors is comprised of six (6) members, in respect of which three (3) are executive, two (2) are non-executive and independent, while one (1) member is non-executive and dependent and their tenure is for a period of four years (4 years) until **June 13, 2021**.

Specifically:

Mr Nikolaos Loulis, son of Konstantinos Loulis, Chairman of the Board of Directors – Executive Member

Mr Nikolaos Fotopoulos, son of Spyridon Fotopoulos, Vice- Chairman of the Board of Directors and Managing Director – Executive Member

Mr Konstantinos Dimopoulos , son of Nikolaos Dimopoulos, Member of the Board of Directors – Executive Member

Mr Khedaim Abdulla Saeed Faris Alderei, son of Abdulla, Member of the Board of Directors – Non-Executive Member

Mr Georgios Mourelatos, son of Apostolos Mourelatos, Member of the Board of Directors – Independent Non-Executive Member

Mr Andreas Koutoupis son of Georgios Koutoupis, Member of the Board of Directors – Independent Non-Executive Member.

The Board of Directors was convened on nineteen (19) occasions during 2017 and after having confirmed the legal quorum, members were present in person or represented at the meetings.

Brief resumes of the members of the Board of Directors are presented below:

Mr Nikolaos, son of Konstantinos Loulis, Chairman of the Board of Directors – Executive Member

Born in 1986 at Volos; Studied at the Business Administration Department of the Boston College where he majored in accounting, costing and the financial sector; graduated in 2008; since August 2009 he has studied at the Special School for Technical Mills in Switzerland from where he received his diploma in February 2010; speaks English and German.

Mr Nikolaos, son of Spyridon Fotopoulos, Vice- Chairman of the Board of Directors and Managing Director – Executive Member

Born in 1960; Graduated in 1983 from the Tertiary Faculty of Economics and Commercial Sciences in Athens and holds an MBA from Universitaet Mannheim in Germany (1986). In 1992 he was appointed as the Officer in Charge of the Athens branch at the "KYLINDROMYLOS LOULI SA" Company and in 1986 he became the Chief Financial Officer of that Company. Between 1999 and 2004 he served as the Chairman \ and Managing Director of the "SAINT GEORGE MILLS SA" Company (a subsidiary of "LOULIS MILLS SA").

Mr Konstantinos, son of Nikolaos Dimopoulos, Member of the Board of Directors – Executive Member

Born in 1929; held various positions between 1954 and 1988 at the "SAINT GEORGE MILLS SA" Company (1967-1974: Manager of the Thessaloniki branch, 1974-1982: Athens Sales Manager, 1982-1988: Attica Sales Manager). Between 1991 and 2004 he was a member of the Board of Directors for "SAINT GEORGE MILLS SA"

Mr Khedaim Abdulla Saeed Faris Alderei, the son of Abdulla, Member of the Board of Directors – Non-Executive Member

Is a member of the Royal family and government of the United Arab Emirates; he has studied in the USA and Lebanon; He has served as the Deputy Foreign Minister for the United Arab Emirates and has held other senior government positions; he was also the Managing Director of the A/Y Sheikh Hamdan Bin Zayed Al Nahyan Enterprises.

Mr Georgios Mourelatos, son of Apostolos Mourelatos, Member of the Board of Directors – Independent Non-Executive Member

He was born in Patras in 1954; he studied Political and Economic Sciences in Athens; during his career to date in both the Banking and the Food Sector, he has served in middle management and senior positions of responsibility as the Senior Officer of the Central Treasury Management in the Banking Sector, General Manager at SAINT GEORGE MILLS as well as the General Manager of LOULIS GROUP of Companies. He is currently employed as a consultant – internal associate at Eurobank.

Mr Andreas Koutoupis son of Georgios Koutoupis, Member of the Board of Directors – Independent Non-Executive Member.

He was born in 1974. Dr Andreas G. Koutoupis is Chartered and Certified Internal Auditor of the same name Consulting company providing Internal Audit services, Professional Trainer presenting Corporate Governance, Business Risk Management and Internal Audit and Head of Internal Audit Services (Director) of Mazars in Greece for the las 8 years.

He served as a Senior Manager within the Internal Audit Services department of PricewaterhouseCoopers of Greece for more than 10 years.

He owns PhD in Accounting and Auditing – Corporate Governance and Internal Controls, Degree of Master of Science in Internal Auditing and Management (City University Business School, London, UK) and he has been awarded a BSc in Public Administration (Panteion University).

He is Chartered Auditor in Risk Management, The Institute of Internal Auditors, holds an 'A' class Greek Accounting & Tax License, is Chartered Internal Auditor (CMIIA), Certified Internal Controls Auditor (CICA), Certified Internal Auditor (CIA). Moreover, he holds Accreditation in Internal Quality Assessment/ Validation και Certification in Control Self-Assessment (CCSA). Finally, he holds Advanced Diploma in Internal Auditing and Management (MIIA Internal Auditing Qualification, Professional Level), Diploma in Internal Audit Practice (PIIA Internal Auditing Qualification, Practitioner Level) and holds license to practice the profession of economist – Economic Chamber of Greece.

4 Audit Committee

The Company in full compliance of the Provisions and requirements under Law 3693/2008 appointed the Audit Committee at the annual Regular General Assemble of the shareholders that took place on June 13, 2017, which is comprised of the following non-executive members on the Company's Board of Directors:

1) **Mr Georgios Mourelatos, son of Apostolos Mourelatos**, Member of the Board of Directors – Independent Non-Executive Member.

2) **Mr Khedaim Abdulla Saeed Faris Alderei, the son of Abdulla**, Member of the Board of Directors – Non-Executive Member

3) **Mr Andreas Koutoupis son of Georgios Koutoupis,** Member of the Board of Directors – Independent Non-Executive Member.
of Directors.

The responsibilities and duties of the Audit Committee consist of:

a) Monitoring the financial reporting processes;

b) Monitoring the effective operation of the internal audit system and the risk management system, as well as monitoring the proper functioning of the Company's internal auditing department;

c) Monitoring the course of the statutory audit of the Company's financial statements; and

d) Reviewing and monitoring issues relating to the existence and maintenance of objectivity and independence by the statutory auditor or auditing firm, especially in relation to the provision of other services by the statutory auditor or auditing firm to the Company.

The proposal by the Company's BoD to the General Meeting regarding the appointment of the statutory auditor or auditing firm occurs following to the Audit Committee's recommendation.

The mission of the Audit Committee is to ensure the effectiveness and efficiency of the corporate operations, examine the credibility of the financial reporting that is provided to investors and the Company's shareholders, the Company's compliance to the current legislative and regulatory framework, secure the Company's investments and assets and identify and address the most significant risks.

It should be clarified that the Company's Statutory Auditor that carries out the audit of the annual and interim financial statements does not provide other types of non-auditing services to the Company and is not associated in any other way to the Company, in order to ensure the objectivity, impartiality, and independence of his/her services.

4.1 Audit Committee Activities

4.1.1 Meetings and participation

The Committee convened on seven (7) times during 2017. These meetings were scheduled to coincide with the time of publishing procedures of the Company's Financial Statements.

The internal auditor of the Company and the statutory auditor, Mr. Spirakis Dimitrios had the opportunity to discuss issues with the Audit Committee without the presence of members of the executive management.

4.1.2 Review of the Financial Results

The Audit Committee supervises and evaluates the procedures for preparing the Company's periodical and annual Financial Statements in accordance with the applicable accounting standards and examines the reports by the external auditors in relation to deviations from the current accounting practices and audit standards. In particular, the Audit Committee re-examined the main evaluations and judgements that significantly affect the financial results, the main issues pertaining to disclosure and presentation, in order to ensure the completeness, clarity and adequacy of the information disclosed in the Financial Statements, prior to their submission to the Board of Directors.

4.1.3 External audit

Independence

The Audit Committee is responsible for developing, implementing and auditing the Company's procedures in relation to the external audit. These procedures have been designed with a view to ensuring the independence and objectivity of the external auditors and determining the appropriate framework for the movement of staff from the Audit Company to the Company's branches. They, also, determine the required actions if non-auditing services are provided by the external auditor.

In principle, the external auditors are excluded from providing consulting services and cannot be employed at LOULIS MILLS SA in a non-auditing position, unless there are compelling reasons. Any recommendation for engaging external auditors in non-auditing activities must be approved by the Audit Committee prior to their assignment.

The Audit Committee annually receives a confirmation from the statutory auditor in relation to the independence and objectivity of the external auditors, as required on the basis of the professional standards and regulatory provisions, as well as confirmation regarding senior Management's compliance with the Company's instructions regarding the engagement of former external auditors by the Company or their employment in non-auditing projects.

Effectiveness and revision

The Audit Committee has undertaken the annual revision of the experience, available resources and the independence of the external auditors, as well as the evaluation of the effectiveness of the auditing procedures that were applied to:

a) The review and approval of the audit plan by the statutory auditor regarding the financial statements for 2016, the terms included in the engagement letter and the preferred auditing fees;

b) Conducting interviews with Management and other management executives, as well as the statutory auditor with respect to ensuring the independence, objectivity and integrity of the external auditors and defining the audit strategy and cooperation with the Company; and

c) Obtaining information from the statutory auditor with respect to the procedures that ensure the independence and the quality of the audit.

Concerning the proposal to the Board of Directors for renewing the cooperation for one year with the statutory auditor, the Audit Committee considered the auditor's tenure and examined the need to conduct a full bidding process. There were no contractual obligations that would restrict the decision by the Audit Committee in relation to the selection of the external auditors.

4.1.4 Internal audit

During 2017 the Audit Committee:

a) Reviewed the outcome of the audits that were carried out by the Internal Audit Department and evaluated Management's response to the brought-up issues such as, inter alia, the implementation of any recommendations made;

b) Reviewed and approved the internal audit plan for 2018, including the recommended audit approach, the coverage extent and allocation of resources;

c) Reviewed the effectiveness of the internal audit after having taken into account the opinions of the Board of Directors and other senior management executives on issues such as independence, adequacy of resources and vocational training, strategy, planning and the methodology for the internal audit; and

d) Reviewed the periodical reports regarding the significant internal controls as well as the details for any taken remedial action.

The Internal Audit Department constitutes an independent operation that ensures that all operations of the Company are carried out in accordance with the corporate objectives, policies and procedures. Specifically, the Internal Audit aims to ensure the credibility and stability of the financial audit internal controls within the full scope of the Company's activities.

The Internal Auditor acts in accordance with the International Standards for the Professional Practice of Internal Auditing and the Company's policies and procedures and reports directly to the BoD Audit Committee.

I. Significant transactions between the Company and Related Parties

The cumulative amounts for sales and purchases from the beginning of the current period and the balances of the Company's receivables and liabilities accounts at the end of the current period, which have resulted from its transactions with related parties, as per IAS 24, are as follows:

	Group - 2017			
	Sales of Good and Services	**Purchases of Good and Services**	**Receivables**	**Liabilities**
Associates	0	0	0	0
Executives and Members of the Management	0	0	97.398	0
Total:	**0**	**0**	**97.398**	**0**

	Company - 2017			
	Sales of Good and Services	Purchases of Good and Services	Receivables	Liabilities
Nutribakes A.E.	39.361	861.204	206.594	0
Greek Baking School S.A.	8.925	26.100	0	0
Loulis Logistics Services A.E.	480	0	0	0
Grinco Holdings Ltd.	0	0	0	0
Loulis International Foods Enterprises (Bulgaria) Ltd.	0	0	0	0
Loulis Mel-Bulgaria EAD	17.934	2.069.141	0	33.462
Associates	0	0	0	0
Executives and Members of the Management	0	0	0	0
Total:	**66.700**	**2.956.445**	**206.594**	**33.462**

	Group - 2016			
	Sales of Good and Services	Purchases of Good and Services	Receivables	Liabilities
Associates	0	0	0	0
Executives and Members of the Management	0	0	2.616	275
Total:	**0**	**0**	**2.616**	**275**

	Company - 2016			
	Sales of Good and Services	Purchases of Good and Services	Receivables	Liabilities
Nutribakes A.E.	30.245	582.391	257.165	0
Greek Baking School S.A.	9.477	0	20.000	0
Loulis Logistics Services A.E.	200	0	0	0
Grinco Holdings Ltd.	0	0	0	0
Lafco Leader Asian Food Company Ltd.	0	0	0	0
Loulis International Foods Enterprises (Bulgaria) Ltd.	0	0	0	1.683.000
Loulis Mel-Bulgaria EAD	0	907.722	187.372	0
Associates	0	0	0	0
Executives and Members of the Management	0	0	0	275
Total:	**39.922**	**1.490.113**	**464.537**	**1.683.275**

Fees of Executives and Members of the Management

	Group		Company	
	2017	**2016**	**2017**	**2016**
Salaries and Other Fees	894.143	746.061	585.805	702.824
Total:	**894.143**	**746.061**	**585.805**	**702.824**

There are no other significant transactions with the associated companies for 2017.

J. Events that have occurred up to the date of the Financial Statements' preparation

There are no events that took place subsequently of December 31, 2017 and till the date of the Financial Statements' preparation which should be disclosed within the current Financial Statements.

JA. Information pursuant to Article 16 of Law 2190/1920 for acquired own shares (treasury shares)

The Company, on December 31, 2017, did not possess any own shares.

JB. Explanatory Report of the Board of Directors (pursuant to paragraphs 7 & 8 article 4 of law N.3556/2007)

This Explanatory Report of the Board of Directors to the Annual General Meeting of shareholders includes detailed information in accordance with the provisions of paragraph 1 of article 11a pursuant to Law 3371/2005 as in force.

1. Share Capital Structure. The Company's share capital amounts € 16.093.063,20, divided into 17.120.280 shares with the nominal value of € 0,94 per each. All shares are ordinary, registered, voting shares, listed for trading on the Athens Exchange and particularly in the Mid Cap class.

2. Restrictions on the transfer of Company's shares. There are no restrictions in the Articles of Association regarding the transfer of the company shares, except of those declared by Law.

3. Significant direct or indirect participations according to articles 9-11 of Law 3556/2007. On settlement date 19/04/2018 Mr. Loulis Nicholas holds 48,47%, Ms Evangelia Louli holds 6,86%, and AGRICULTURE DAHRA AL SPAIN SLU 20,01% of the share capital of the Company. There is no other natural or legal person that owns more than 5% of the share capital.

4. Holders any type of share providing special rights of control. There are no any Company's shares, providing their holders with any special control rights.

5. Restrictions on voting rights. There are no restrictions in the Articles of Association regarding voting rights.

6. Agreements between Company's shareholders. The Company is not aware of any agreements between its shareholders which might result in restrictions on the transfer of its shares or the exercise of voting rights**.**

7. Rules of appointment and replacement of members of the Board of Directors and amendment of Articles of Association which are differentiated from the ones specified in Codified Law 2190/1920. The rules set out in the Company's Articles of Association regarding the appointment and replacement of its BoD members as well as the amendment of its Articles of Association do not differ from the provisions of the Codified Law 2190/1920 and its amendments.

8. Responsibility of the Board of Directors or specific Board members to issue new shares or purchase own shares. According to the provisions of article 6 of Company's Articles of Association, by decision of General Meeting, in accordance to the publicity formalities of Article 7b of Law 2190/1920, as applicable, the right to increase the share capital by issuing new shares may be assigned to the Board of Directors, with decision that will be taken by a majority of two thirds (2/3) of all members. The amount of the increases cannot exceed the amount of the share capital paid at the date of the relevant decision of the General Meeting.

In accordance with the provisions of the paragraphs 5-13 of Article 16 of Codified Law 2190/1920, the companies listed on the Athens Stock Exchange following a decision of the General Meetings of their shareholders can acquire own shares, up to 10% of their total number of shares, through the Athens Stock Exchange in order to support their stock-market value based on he specific terms and procedures of the paragraphs mentioned above of article 16 of Codified Law 2190/1920. There is no any contrary provision in the Company's Articles of Association.

9. Important agreement made by the Company, which will come into effect, be amended or expire upon any changes in the Company's control following a public offer and the results of this agreement. There are no such agreements.

10. Agreements made between the Company and its BoD members or its personnel, regarding compensation in case of resignation or release from duties without substantiated reason or in case of termination of their term or employment due to a public offer. There are no agreements between the Company and the members of its Board of Directors or its personnel for the payment of compensation particularly in the event of resignation or termination of employment without reasonable grounds, or termination of tenure or employment due to public offer.

JC. Corporate Social Resposibility

The annual Corporate Social Responsibility Report by Loulis Mills AE, based on the Global Reporting Initiative (GRI) guidelines and particularly according to the new GRI Standards, will be accessible to the public and posted on the Internet.

The Chairman of the Board of Directors

Nikolaos Loulis

Soupri, Magnisia, 25 April 2018

The Board of Directors

Independent Auditor's Report

To the Shareholders of "**LOULIS MILLS S.A.**"

<u>Report on the Audit of the Separate and Consolidated Financial Statements</u>

Opinion

We have audited the accompanying separate and consolidated financial statements of the Company "**LOULIS MILLS S.A.**" (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2017, and the separate and consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company "**LOULIS MILLS S.A.**" and its subsidiaries (the Group) as of December 31, 2017, and of their financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as incorporated in Greek Legislation. Our responsibilities, under those standards are described in the "Auditor's Responsibilities for the Audit of the separate and consolidated financial statements" section of our report. During our audit, we remained independent of the Company and the Group, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	How our audit addressed the Key audit matter
Valuation of inventories	
As described in Notes 3.9, 4.4 and 7.5 of the 31 December 2017 financial statements, the inventories of the Group and the Company amounted to € 19.069.097 and € 17.903.856 respectively. The Group and the Company valuate inventory at the lower of cost and net realizable value. For the determination of the net realizable value the Management of the Company performs necessary estimates, based on the maturity of the inventories, their movement during reporting periods as well as any future liquidation plans. We consider valuation of inventories of the Group and the Company a key audit matter due to the significant amount of the inventories as well as the judgment and estimations involved by the Management for the determination of their net realizable value.	We performed a risk based approach and our audit includes, among others, the following elements: • The understanding and the examination of the procedures designed by the Management regarding inventories. • We attended physical inventory counting in the Company's warehouses and production facilities. • The examination on a sample basis of inventories in order to verify the purchase and the production cost. • We examined on a sample basis the available accounting records used to determinate the net realizable value and the identification of obsolete stock. • We evaluated the reasonableness of estimates and assumptions used by the Management for the valuation of inventories. • We also assessed the adequacy and the appropriateness of the disclosures included in Note 7.5 of the financial statements.

Recoverability of trade receivables

As described in Notes 4.5, and 7.6 of the 31 December 2017 financial statements, the trade receivables of the Group and the Company amounted to € 37.233.709 and € 35.743.880 respectively and the relevant accumulated impairment amounts to € 5.498.111 and € 5.498.111 respectively. The Group and the Company, due to the significant credit risk of the business environment and after taking into account current data, recognize impairment for the trade receivables. Management evaluates trade receivables in order to estimate the amount of impairment by reviewing the maturity of the customers' balances, their credit history and the settlement of the subsequent payments, according to the applicable agreements. Given the significance of the matter above and the level of the judgements and estimations that were required we consider recoverability of trade receivables a key audit matter.	We performed a risk based approach and our audit includes, among others, the following elements: • We gained an understanding and examined the credit control procedures, designed by the Company, for providing credit to customers • The evaluation of the assumptions and methodology used by the Company to determine the recoverability of the trade receivables or their classification as bad debts. • The examination of the response letters received from legal advisors concerning the matters they dealt with through the year so as to identify indications of trade balances that may not be recoverable in the future. • We received third party confirmation letters on a sample basis for the trade receivables and performed procedures subsequent to the financial statements date for collections against end year balances. • The examination of the maturity of the year-end trade receivable balances and the existence of any debtors facing financial difficulty. Discussion with the Management and examination of the recent mail between the Company and its customers. Evaluation of the publicly available information. • Recalculation of the impairment of trade receivables taking into consideration specific criteria for debtors, such as the maturity of the balances, significant amounts and high risk trade receivables. • We also assessed the adequacy and the appropriateness of the disclosures included in Note 7.6 of the financial statements.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives, but does not include the financial statements and our auditor's report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as endorsed by the European Union, and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and Group'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 and the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated 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 in Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and consolidated 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 and the Group'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 and the Group'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 separate and consolidated 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 and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

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 separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1) Board of Directors' Report

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

a) The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 43bb of Codified Law 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 43a and 107A and of paragraph 1 (cases c' and d') of article 43bb of Codified Law 2190/1920 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31/12/2017.

c) Based on the knowledge we obtained during our audit about the company "**LOULIS MILLS S.A.**" and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2) Additional Report to the Audit Committee

Our audit opinion on the separate and the consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company, as referred to article 11 of EU Regulation 537/2014.

3) Provision of Non-Audit Services

We have not provided to the Company and the Group any prohibited non-audit services.

Auditor's Appointment

We were appointed as statutory auditors for the first time by the General Assembly of shareholders of the Company on 23/06/2014. Our appointment has been, since then, uninterrupted renewed by the Annual General Assembly of shareholders of the Company for 4 consecutive years.

BDO

BDO Certified Public Accountant S.A.
449 Mesogion Av,
Athens- Ag. Paraskevi, Greece
Reg. SOEL: 173

Ag. Paraskevi, April 26, 2018
The Certified Public Accountant

Dimitrios Spirakis
Reg. SOEL: 34191

ANNUAL FINANCIAL STATEMENTS

1. STATEMENT OF FINANCIAL POSITION

(Amount in €)		GROUP		COMPANY	
		31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
ASSETS	**Note**				
Non-current Assets					
Property, Plant and Equipment	7.1	95.842.849	96.293.014	93.556.690	96.032.819
Investment Property	7.1	285.407	289.752	285.407	289.752
Other Intangible Assets	7.2	917.234	845.420	179.464	129.967
Investments in Subsidiaries	7.3	0	0	1.798.315	1.803.124
Other Non-Current Receivables	7.4	19.963	31.265	19.963	31.265
		97.065.453	**97.459.451**	**95.839.839**	**98.286.927**
Current Assets					
Inventories	7.5	19.069.097	20.179.125	17.903.856	19.622.637
Trade Receivables	7.6	37.233.709	33.664.319	35.743.880	32.499.605
Derivative Financial Assets	7.7	780	51.690	780	51.690
Cash and Cash Equivalents	7.8	4.284.542	6.087.837	3.609.001	4.685.082
Other Current Assets	7.9	10.839.296	8.297.694	6.628.331	4.077.159
		71.427.424	68.280.665	63.885.848	60.936.173
TOTAL ASSETS		**168.492.877**	**165.740.116**	**159.725.687**	**159.223.100**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital		16.093.063	16.097.558	16.093.063	16.097.558
Share premium account		33.656.792	34.603.383	33.656.792	34.603.383
Purchased own shares		0	(9.207)	0	(9.207)
Other Reserves	7.10	41.985.742	39.687.162	38.373.298	35.813.026
Equity attributable to equity holders of the parent		91.735.597	90.378.896	88.123.153	86.504.760
Non-controlling interest		476.890	501.192	0	0
Total Equity		**92.212.487**	**90.880.088**	**88.123.153**	**86.504.760**
Non - Current Liabilities					
Non - Current Loans and Borrowings	7.11	30.693.617	533.299	30.693.617	533.299
Deferred Tax Liabilities	7.12	14.275.353	13.690.354	14.225.638	13.659.977
Provisions for Retirement Benefits	7.14	768.141	741.433	741.249	717.906
Other Non-Current Liabilities	7.13	3.551.341	3.755.947	3.551.341	5.438.947
		49.288.452	18.721.033	49.211.845	20.350.129
Current Liabilities					
Trade Payables	7.15	10.178.016	10.149.464	8.485.632	8.757.050
Loans and Borrowings	7.11	11.064.319	33.734.678	8.367.814	31.742.392
Derivative Financial Liabilities	7.7	21.330	18.030	21.330	18.030
Tax Liabilities	7.16	1.166.410	2.385.325	1.130.251	2.223.273
Other Current Liabilities	7.17	4.561.863	9.851.498	4.385.662	9.627.466
		26.991.938	56.138.995	22.390.689	52.368.211
Total Equity and Liabilities		**168.492.877**	**165.740.116**	**159.725.687**	**159.223.100**

2. STATEMENT of COMPREHENSIVE INCOME

(Amount in €)

	Note	GROUP 1/1-31/12/2017	GROUP 1/1-31/12/2016	COMPANY 1/1-31/12/2017	COMPANY 1/1-31/12/2016
Revenue	7.18	97.659.669	101.330.254	92.153.609	96.536.741
Cost of Sales		(75.933.415)	(76.192.236)	(72.247.268)	(72.719.595)
Gross Profit		**21.726.254**	**25.138.018**	**19.906.341**	**23.817.146**
Other Income	7.19	4.083.381	3.373.245	3.992.880	3.382.490
Distribution Expenses	7.21	(15.160.089)	(14.887.736)	(13.700.680)	(14.071.236)
Administration Expenses	7.22	(3.761.355)	(3.662.941)	(3.270.179)	(3.347.157)
Other Expenses	7.20	(399.054)	(2.653.007)	(394.065)	(2.651.233)
Fair Value valuation of bonds and participations		(95.310)	(102.570)	(95.310)	(102.570)
Financial Income	7.23	33.861	68.774	18.531	106.264
Financial Expenses	7.23	(2.037.748)	(2.635.747)	(1.895.939)	(2.547.476)
Profits/(Losses) before taxes		**4.389.940**	**4.638.036**	**4.561.579**	**4.586.228**
Tax Expense	7.24	(1.621.944)	(1.788.844)	(1.652.875)	(1.690.529)
Profits/(Losses)		**2.767.996**	**2.849.192**	**2.908.704**	**2.895.699**
Profit for the year		**2.767.996**	**2.849.192**	**2.908.704**	**2.895.699**
Owners of the Parent Company		2.758.349	2.777.491	2.908.704	2.895.699
Non-Controlling Interests		9.647	71.701	0	0
Other Comprehensive Income					
Profit/Loss on Revaluation of property	7.26	(219.127)	683.623	(219.127)	683.623
Actuarial Profits/Losses		(4.013)	6.174	(2.744)	6.067

Income tax that relates to other comprehensive income	7.26	63.547	(198.251)	63.547	(198.251)
Items that will be Reclassified to Profit of Loss		**(159.593)**	**491.546**	**(158.324)**	**491.439**
Items that will not be Reclassified to Profit of Loss		**0**	**0**	**0**	**0**
Total Comprehensive Income For the Year		**2.608.403**	**3.340.738**	**2.750.380**	**3.387.138**
Profit Attributable to:					
Owners of the Parent Company		2.599.137	3.269.005	2.750.380	3.387.138
Non-Controlling Interests		9.266	71.733	0	0
Earnings per share for Profits Attributable to the Owners of the Parent					
Basics	7.25	**0,1611**	**0,1622**	**0,1699**	**0,1691**
Earnings per share for Profits from continuing operations Attributable to the Owners of the Parent					
Basics		**0,1611**	**0,1622**	**0,1699**	**0,1691**
Recommended Dividend per Share		**0,0000**	**0,0000**	**0,0000**	**0,0000**
Depreciation		4.001.895	3.919.507	3.978.998	3.909.242
Earnings before Interest and Tax		**6.489.137**	**7.307.579**	**6.534.297**	**7.130.010**
Earnings before Interest, Tax, Depreciation and Amortization		**10.491.032**	**11.227.086**	**10.513.295**	**11.039.252**

3. CHANGES IN EQUITY STATEMENT

3.1 Group

	Share Capital	Share Premium	Statutory Reserves	Extraordinary Reserves	Special Reserves	Non Taxable Reserves	Reserve for Entity's Own Shares	Reserve from the Revaluation of Other Assets	Reserve from Foreign Exchange Differences	Other Reserves	Profits/(losses) for the period after taxes	Equity before non-controlling interest	Non – Controlling Interests	Equity after Non-Controlling Interests
Balance at January 1st 2016	**16.097.558**	**35.630.886**	**1.288.473**	**103.990**	**0**	**3.258.580**	**(9.089)**	**3.829.860**	**3.482.806**	**7.765.140**	**16.815.872**	**88.264.075**	**467.809**	**88.731.884**
Profits/(losses) for the period after taxes	0	0	0	0	0	0	0	485.372	0	0	2.777.491	3.262.863	71.701	**3.334.564**
Net Revenue/Expenses that is directly recognized in the Equity	0	0	0	0	0	0	0	0	0	0	8.285	8.285	3.502	**11.787**
Return of Capital to Shareholders	(1.027.503)	0	0	0	0	0	0	0	0	0	0	(1.027.503)	0	**(1.027.503)**
Share Capital Increase	1.027.503	0	0	0	0	0	0	0	0	0	0	1.027.503	0	**1.027.503**
Dividends	0	0	0	0	0	0	0	0	0	0	(134.848)	(134.848)	(41.852)	**(176.700)**
Actuarial Profits/(Losses)	0	0	0	0	0	0	0	0	0	0	6.142	6.142	32	**6.174**
Sales / (Purchases) of Own Shares	0	0	0	0	0	0	(118)	0	0	0	0	(118)	0	**(118)**
Capital Amount Returned relating to Own Shares	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Movement of Reserves	0	(1.027.503)	99.651	0	0	0	0	0	0	0	(99.651)	(1.027.503)	0	**(1.027.503)**
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Net position at December 31st, 2016	**16.097.558**	**34.603.383**	**1.388.124**	**103.990**	**0**	**3.258.580**	**(9.207)**	**4.315.232**	**3.482.806**	**7.765.140**	**19.373.291**	**90.378.896**	**501.192**	**90.880.088**
Balance at January 1st, 2017	**16.097.558**	**34.603.383**	**1.388.124**	**103.990**	**0**	**3.258.580**	**(9.207)**	**4.315.232**	**3.482.806**	**7.765.140**	**19.373.291**	**90.378.896**	**501.192**	**90.880.088**
Profits/(losses) for the period after taxes	0	0	0	0	0	0	0	(155.580)	0	0	2.758.349	2.602.769	9.647	**2.612.416**
Net Revenue/Expenses that is directly recognized in the Equity	0	0	0	0	0	0	0	0	0	0	(360)	(360)	3.032	**2.672**
Return of Capital to Shareholders	(941.879)	0	0	0	0	0	0	0	0	0	0	(941.879)	0	**(941.879)**
Share Capital Increase	941.879	0	0	0	0	0	0	0	0	0	0	941.879	0	**941.879**
Dividends	0	0	0	0	0	0	0	0	0	0	(300.197)	(300.197)	(36.600)	**(336.797)**
Actuarial Profits/(Losses)	0	0	0	0	0	0	0	0	0	0	(3.632)	(3.632)	(381)	**(4.013)**
Sales / (Purchases) of Own Shares	(4.495)	(4.712)	0	0	0	0	9.207	0	0	0	0	0	0	**0**
Capital Amount Returned relating to Own Shares	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Movement of Reserves	0	(941.879)	210.952	0	0	0	0	0	0	0	(210.952)	(941.879)	0	**(941.879)**
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Net position at December 31, 2017	**16.093.063**	**33.656.792**	**1.599.076**	**103.990**	**0**	**3.258.580**	**0**	**4.159.652**	**3.482.806**	**7.765.140**	**21.616.499**	**91.735.597**	**476.890**	**92.212.487**

3.2 Company

(Amount in €)

	Share Capital	Share Premium	Statutory Reserves	Extraordinary Reserves	Non Taxable Reserves	Reserve from the Revaluation of Assets	Reserve for Entity's Own Shares	Other Reserves	Profits/(losses) for the period after taxes	Total	Total Equity
Balance at January 1st, 2016	**16.097.558**	**35.630.886**	**1.288.473**	**103.990**	**3.208.286**	**3.829.860**	**(9.089)**	**6.513.936**	**17.603.670**	**84.267.570**	**84.267.570**
Profits/(losses) for the period after taxes	0	0	0	0	0	0	0	0	2.895.699	2.895.699	2.895.699
Net Revenue/Expenses that is directly recognized in the Equity	0	0	0	0	0	0	0	0	(1)	(1)	(1)
Return of Capital to Shareholders	(1.027.503)	0	0	0	0	0	0	0	0	(1.027.503)	(1.027.503)
Share Capital Increase	1.027.503	0	0	0	0	0	0	0	0	1.027.503	1.027.503
Dividends	0	0	0	0	0	0	0	0	(122.326)	(122.326)	(122.326)
Actuarial Profits / (Losses)	0	0	0	0	0	0	0	0	6.067	6.067	6.067
Sales / (Purchases) of Own Shares	0	0	0	0	0	0	(118)	0	0	(118)	(118)
Capital Amount Returned relating to Own Shares	0	0	0	0	0	0	0	0	0	0	0
Movement of Reserves	0	(1.027.503)	93.936	0	0	0	0	0	(93.936)	(1.027.503)	(1.027.503)
Profit / (Losses) through the Revaluation of Property	0	0	0	0	0	485.372	0	0	0	485.372	485.372
Net position at December 31st, 2016	**16.097.558**	**34.603.383**	**1.382.409**	**103.990**	**3.208.286**	**4.315.232**	**(9.207)**	**6.513.936**	**20.289.173**	**86.504.760**	**86.504.760**
Balance at January 1st, 2017	**16.097.558**	**34.603.383**	**1.382.409**	**103.990**	**3.208.286**	**4.315.232**	**(9.207)**	**6.513.936**	**20.289.173**	**86.504.760**	**86.504.760**
Profits/(losses) for the period after taxes	0	0	0	0	0	0	0	0	2.908.704	2.908.704	2.908.704
Net Revenue/Expenses that is directly recognized in the Equity	0	0	0	0	0	0	0	0	24.689	24.689	24.689
Return of Capital to Shareholders	(941.879)	0	0	0	0	0	0	0	0	(941.879)	(941.879)
Share Capital Increase	941.879	0	0	0	0	0	0	0	0	941.879	941.879
Dividends	0	0	0	0	0	0	0	0	(214.797)	(214.797)	(214.797)
Actuarial Profits / (Losses)	0	0	0	0	0	0	0	0	(2.744)	(2.744)	(2.744)
Sales / (Purchases) of Own Shares	(4.495)	(4.712)	0	0	0	0	9.207	0	0	0	0
Capital Amount Returned relating to Own Shares	0	0	0	0	0	0	0	0	0	0	0
Movement of Reserves	0	(941.879)	204.014	0	0	0	0	0	(204.014)	(941.879)	(941.879)
Profit / (Losses) through the Revaluation of Property	0	0	0	0	0	(155.580)	0	0	0	(155.580)	(155.580)
Net position at December 31st, 2017	**16.093.063**	**33.656.792**	**1.586.423**	**103.990**	**3.208.286**	**4.159.652**	**0**	**6.513.936**	**22.801.011**	**88.123.153**	**88.123.153**

4. CASH FLOW STATEMENT

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Cash Flow from Operating Activities				
Profit/ (Loss) before tax	**4.389.940**	**4.638.036**	**4.561.579**	**4.586.228**
Adjustments for:				
Depreciation	4.001.895	3.919.507	3.978.998	3.909.242
Provisions	608.752	2.058.141	634.914	1.933.862
Interest expense	2.037.748	2.635.747	1.895.939	2.547.476
Interest Income	(33.861)	(68.774)	(18.531)	(21.133)
Adjustments for change in working capital or relating Operating Activities:				
(Increase)/decrease in inventories	1.120.136	1.192.943	1.718.781	1.683.900
(Increase)/decrease in receivables	(3.456.132)	(3.190.849)	(3.737.939)	(2.135.335)
(Decrease) / Increase in payables (excluding Loans)	(6.711.657)	(2.117.502)	(7.991.185)	(3.080.107)
Less:				
Interest paid	(1.820.334)	(2.444.600)	(1.678.525)	(2.361.977)
Income taxes paid	(2.956.425)	(1.751.153)	(2.866.712)	(1.627.623)
Net Cash from Operating Activities (a)	**(2.819.938)**	**4.871.496**	**(3.502.681)**	**5.434.533**
Cash Flow from Investing Activities				
Acquisition of associates, JVs and other investments	0	(960)	0	(254.875)
Payments for the purchase of Financial Investments	0	(175.000)	0	(175.000)
Purchase of tangible and intangible assets	(5.326.754)	(1.906.634)	(3.249.756)	(1.678.161)
Proceeds from disposal of tangible and intangible Assets	6.081	76.208	28.760	78.008
Interest Received	4.033	21.303	18.531	21.133
Dividends Received	0	0	0	85.131
Net Cash from Investing Activities (b)	**(5.316.640)**	**(1.985.083)**	**(3.202.465)**	**(1.923.764)**
Cash Flow from Financing Activities				
Proceeds / (Payments) from Increase / Decrease of the Share Capital	(941.879)	(1.027.154)	(941.879)	(1.027.504)
Disposal / (Purchase) of Own Shares	0	0	0	0
Proceeds from Bank Borrowings	23.039.959	1.136.576	22.335.741	359.517
Payment of Bank Borrowings	(15.550.000)	(2.500.000)	(15.550.000)	(2.500.000)
Dividends/Fees paid of the members of the Board	(214.797)	(176.699)	(214.797)	(122.326)
Net Cash used in Financing Activities (c)	**6.333.283**	**(2.567.277)**	**5.629.065**	**(3.290.313)**
Net Increase / (Decrease) in the Cash and Cash Equivalents (a + b + c)	**(1.803.295)**	**319.136**	**(1.076.081)**	**220.456**
Cash and cash equivalents at beginning of the year	**6.087.837**	**5.768.701**	**4.685.082**	**4.464.626**
Cash and cash equivalents at the end of the year	**4.284.542**	**6.087.837**	**3.609.001**	**4.685.082**

5. SEGMENT REPORTING

5.1 Geographic Segments

The following table presents revenues and results for the Group's geographic segments for the year ended 31 December 2017 and 31 December 2016.

	GREECE		CYPRUS		BULGARIA		Consolidation deletions		Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	98.554.808	101.905.642	0	0	2.092.114	907.722	(2.987.253)	(1.483.110)	97.659.669	101.330.254
Gross Profit	21.285.535	24.990.898	0	0	466.819	157.228	(26.100)	(10.108)	21.726.254	25.138.018
Earnings before Interest, Tax, Depreciation and Amortization	10.694.612	11.466.806	(7.348)	(35.259)	(196.232)	(198.743)	0	(5.718)	10.491.032	11.227.086
Profits before tax	4.582.977	4.909.442	(8.044)	(137.907)	(184.993)	(143.690)	0	10.191	4.389.940	4.638.036
							0	0		
Fixed assets	93.938.303	96.385.060	0	0	2.189.953	197.706	0	0	96.128.256	96.582.766
Other assets	72.157.232	68.435.060	60.726	776.142	2.190.214	4.578.028	(2.043.551)	(4.631.880)	72.364.621	69.157.350
TOTAL ASSETS	**166.095.535**	**164.820.120**	**60.726**	**776.142**	**4.380.167**	**4.775.734**	**(2.043.551)**	**(4.631.880)**	**168.492.877**	**165.740.116**
Equity	89.769.765	88.272.581	59.533	775.622	4.181.504	4.316.228	(1.798.315)	(2.484.343)	92.212.487	90.880.088
Liabilities & Other Liabilities	76.325.770	76.547.539	1.193	520	198.663	459.506	(245.236)	(2.147.537)	76.280.390	74.860.028
TOTAL EQUITY & LIABILITIES	**166.095.535**	**164.820.120**	**60.726**	**776.142**	**4.380.167**	**4.775.734**	**(2.043.551)**	**(4.631.880)**	**168.492.877**	**165.740.116**

5.2 Product segments

The Group divides its operations into four main segments based on product category: a) Consumer products, b) Professional products and c) Mixtures & Raw Material for Bakery & Pastry and d) Training services.

a) Consumer products are available through the parent company LOULIS MILLS SA, in packs of 1kg, 0,5kg, 0,4Kg, 0,3Kg and 5 kg for retail, such as super markets and grocery stores, and are addressed to consumers for domestic use.

b) Professional products are available through LOULIS GROUP in bulk form exclusively, packs of 50 kg and 25 kg, for food, bakery, biscuit industry, pasta making, food and pastry crafts and bakers, secondary processors for whom the flour is the basic raw material for the production of bread, bread products, croissants, biscuits, pasta and other pastry making products.

c) Mixtures & Raw Material for Bakery & Pastry available through its subsidiary NUTRIBAKES SA in various professional packages for bakers, crafts and food industries for the making of bakery products and other pastry products.

d) The educational services are provided through the subsidiary company Greek Baking School SA. These services include integrated and accelerated seminars on Bakery, Confectionery Bakery, Food Technology, Marketing and Financial Management of Bakery in order to provide that technical and theoretical knowledge that will help professionals to respond to modern challenges and stand out.

Management monitors all sales, operating results and profit / (loss) before taxes separately for the purpose of making decisions about allocation of resources and performance assessment of each segment.

The information regarding segments of operation is as follows:

Group

	31.12.2017					31.12.2016				
	Consumer Products	**Professional products**	**Mixtures and Raw Materials of Bakery and Pastry**	**Training services**	**Total**	**Consumer Products**	**Professional products**	**Mixtures and Raw Materials of Bakery and Pastry**	**Training services**	**Total**
Total Revenue from gross sales by segment	14.452.833	79.792.890	6.305.117	96.082	100.646.922	14.038.911	83.405.552	5.345.449	23.452	102.813.364
Revenue from Intra-Company Sales	0	(2.084.550)	(876.603)	(26.100)	(2.987.253)	0	(910.887)	(572.223)	0	(1.483.110)
Revenue from Sales (Net)	**14.452.833**	**77.708.340**	**5.428.514**	**69.982**	**97.659.669**	**14.038.911**	**82.494.665**	**4.773.226**	**23.452**	**101.330.254**
Profit/ (Loss) before Interest and Tax	351.003	5.969.367	194.635	(25.868)	**6.489.137**	589.412	6.310.021	430.424	(22.278)	**7.307.579**
Profit/(Loss) before Tax	87.936	4.276.907	51.831	(26.734)	**4.389.940**	223.419	4.100.954	337.109	(23.446)	**4.638.036**

Company

	31.12.2017			31.12.2016		
	Consumer Products	**Professional products**	**Total**	**Consumer Products**	**Professional products**	**Total**
Total Revenue from gross sales by segment	14.452.833	77.700.776	92.153.609	14.038.911	82.497.830	96.536.741
Revenue from Sales (Net)	**14.452.833**	**77.700.776**	**92.153.609**	**14.038.911**	**82.497.830**	**96.536.741**
Profit/(Loss) before Interest and Tax	352.696	6.181.601	**6.534.297**	593.940	6.536.070	**7.130.010**
Profit/(Loss) before Tax	89.737	4.471.842	**4.561.579**	228.178	4.358.050	**4.586.228**

6. NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1. General Information

Country of incorporation

The Company LOULIS MILLS SA (hereinafter referred to as "Company" or "Parent") is a Greek Societe Anonyme listed in the Athens Stock Exchange and is subject to the Codified Law 2190/1920. Founded on February 22, 1927 and is registered in the General Registry of Commerce No. 50675444000 (ex RN 10344/06 / B / 86/131). The Company's head office is located at Municipality of Almiros, Municipal District Sourpi, Magnesia (Loulis Port), and the web address is: www.loulismills.gr where the Company's and the Group's interim and annual financial statements are published as well as the annual financial statements of its non-listed subsidiaries.

Main activities

The Company's objectives are to:

a) Operate a Flour Mill and generally to carry out industrial and commercial business regarding the flour industry, cereals, the production of animal feed, agricultural products and food products in general, as well as agricultural supplies, fertilisers, etc.

b) Produce, purchase and resale, import, export and general handling and trade cereal products or other land products, agricultural products in general, and food and agricultural supplies, fertilizers, etc.

2. Additional Information and Explanations

2.1 Basis for the preparation of the financial statements.

The accounting principles and methods used for the preparation and presentation of financial statements are consistent with those used for the preparation of all annual financial statements of the Group' companies for the year ended on 31.12.2017, in accordance with IFRS.

The Annual separate and consolidated Financial Statements have been approved by the BoD of the Company on April 25, 2018 and are subject to the approval of the General Meeting of the Company.

The Annual Separate and Consolidated Financial Statements for the year 2017 have been prepared on the basis of going concern principle and in accordance with the 'historic cost' principle except of the Financial Assets that are valuated in fair value.

The financial statements are presented in euro which is the operating currency of the Group and the parent Company.

The most significant accounting principles applied in the preparation of these consolidated financial statements are presented below. These principles have been consistently applied to the year presented in these consolidated financial statements except where indicated otherwise.

Compliance with IFRS

The Annual Financial Statements refer to the year 2017. The financial statements are in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) as well as their interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB and have been adopted by the European Union and apply at 31.12.2017.

The Group is not affected by the provisions relating to hedging portfolio deposits as set out in IAS 39 that has not been adopted by the European Union.

The Group adopted IFRS on July 1st, 2003. In preparing these financial statements and according to IFRS 1 the Group applied the mandatory exemptions and some optional exemptions from the full retrospective application if IFRS.

Exemptions from the full retrospective application chosen by the Group

LOULIS GROUP has chosen to apply the following optional exemptions from the full retrospective application of IFRS:

a) Exemption from business groupings

LOULIS GROUP has adopted the exemption from business groupings according to IFRS 1 and has not re-determined the business groupings that established prior to the transition date on July 1st, 2003.

b) Exemption from the Fair value considered deemed cost

LOULIS GROUP has chosen to assess specific assets, plant and equipment at their fair value on July 1st, 2003.

c) Exemption from cumulative exchange differences

LOULIS GROUP has chosen to consider the previous exchange differences at zero on July 1st, 2003. This exemption has been implemented to all foreign subsidiaries in accordance with IFRS 1.

d) Exemption of the subsidiaries' assets and liabilities

The parent Company has implemented IFRS subsequently of its subsidiaries.

e) Exemption from indicating previously recognised financial assets and liabilities.

LOULIS GROUP reclassified certain investments at available for sale and at fair value through profit or loss upon the transition date of July 1st, 2003.

Exemptions from the full retrospective application chosen by the Group

LOULIS GROUP has chosen to apply the following mandatory exemptions from the full retrospective application of IFRS:

a) Exception from derecognition of financial Assets and Liabilities.

Financial Assets and Liabilities that have been derecognized prior to July 1st, 2003 shall not be re- derecognized in accordance with IFRS.

b) Exception from accounting for hedging

Management has implemented accounting for hedging since July 1st, 2003 and meets all the criteria for hedging in accordance with IAS 39.

c) Exception from estimations

The estimations made in accordance with IFRS on July 1st, 2003, are consistent with the estimations made upon the same date in accordance with the Greek GAAP, except the estimations turned out to be wrong.

2.2 New standards, interpretations, and amendments of the existing standards

Implementation of New standards and amendments to standards of IFRS.

New standards, amendments to standards and interpretations have been issued and are mandatorily effective for the accounting periods starting January 1st 2017 or subsequently to that date. The estimation of the Management of the Group and the Company regarding the effect of the implementation of those new standards, amendments to standards and interpretations are presented below.

New standards, amendments to standards and interpretations mandatorily implemented to the financial statements of 31.12.2017

The following amendments are not yet effective or do not have significant effect to the financial statements of December 31st, 2017 for the Company and the group, except where indicated otherwise.

IAS 7 (Amendments) "Disclosure initiative"

(effective for annual periods beginning on or after 1 January 2017 - Endorsed by the EU on 6 November 2017).

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendment of IAS 7 is presented in the financial statements under Note 7.11.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"

(effective for annual periods beginning on or after 1 January 2017 - Endorsed by the EU on 6 November 2017).

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments (loans/bonds) measured at fair value.

Annual Improvements to IFRS (2014 – 2016 Cycle)

(effective for annual periods beginning on or after 1 January 2017 – Endorsed by the EU on 7 February 2018)

- IFRS 12 "Disclosures of Interests in Other Entities". The amendment clarifies that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale or distribution according to IFRS 5, (except for paragraphs B10-B16).

New standards, amendments to standards and interpretations mandatorily effective in future accounting periods

The following new standards, amendments to standards and interpretations have been issued by the IASB yet they are effective mandatorily in future accounting periods.

IFRS 9 "Financial Instruments"

(effective for annual periods beginning on or after 1 January 2018 – Endorsed by the EU on 22 November 2016).

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

The Group shall adopt the new standard during 2018, by adjusting the open balance of the retained earnings and shall not adjust the respective data of 2017. The main categories that shall be affected are as follows:

The Group recognize impairment of its financial assets based on the evaluation of the recoverability of its trade receivables by reviewing the maturity of the customers' balances, their credit history and the settlement of the subsequent payments, according to the applicable agreements. All the above are evaluated and in relation to the Management's estimation regarding the market risk, as formed at each point in time, based on the market's conditions, macroeconomic data, tax policies, and international developments affecting consumer behavior and credits. The calculation of the impairment of the financial assets based on the future credit losses is not expected to affect significantly the recognized impairment in the financial statements of the Group.

The implementation of the new standard shall not affect significantly the classification and valuation of the Group's financial assets. Also, the Group's investments shall be measured in fair value and the relevant change in fair value shall be recognized through the financial results which is not expected to affect significantly the financial statements of the Group.

The Group's financial liabilities are not expected to be significantly affected given that they are not measured in fair value.

The adoption of IFRS 9 is not expected to affect significantly the financial statements of the Group and the Company. The necessary disclosures shall be included in the financial statements in relation to the new requirements of the standard.

IFRS 15 "Revenue from Contracts with Customers" (Clarifications)

(effective for annual periods beginning on or after 1 January 2018 – Endorsed by the EU on 22 September 2016 and on 31 October 2017 respectively).

The objective of the standard is to provide a single revenue recognition model. It contains principles that an entity will apply to determine the measurement of revenue and the timing of its recognition. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

The adoption of IFRS 15 is not expected to affect significantly the financial statements of the Group and the Company.

IFRS 16 "Leases"

(effective for annual periods beginning on or after 1 January 2019 – Endorsed by the EU on 31 October 2017).

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Regarding the accounting treatment from the lessor's perspective, IFRS 16 substantially carries forward the lessor's accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Management of the Group estimates that the aforementioned standard shall affect the separate and consolidated statement of financial position given that the present value of the operating leases' future payments shall be recognized as a right to use asset and as a liability respectively.

Other Standards and Interpretations

The following amendments that are effective mandatorily in future accounting periods are not expected to affect significantly the financial statements of the Group and the Company.

IFRIC 22 "Foreign currency transactions and advance consideration"

(effective for annual periods beginning on or after 1 January 2018 – it has not yet been endorsed by the EU)

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

IFRIC 23 "Uncertainty over Income Tax Treatments"

(effective for annual periods beginning on or after 1 January 2019 – it has not yet been endorsed by the EU)

An entity is required to use judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. Also, the entity should calculate the tax effect and the tax base taking into account the likelihood that the tax authorities shall accept the tax treatment of those particular issues. Otherwise, the entity should use the most likely amount or the expected value of the tax treatment in its calculations.

Other Amendments

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

(effective for annual periods beginning on or after 1 January 2018 – Endorsed by the EU on 26 February 2018).

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

Annual Improvements to IFRSs (2014 – 2016 Cycle)

(effective for annual periods beginning on or after 1 January 2018 – Endorsed by the EU on 7 February 2018)

- IAS 28 "Investments in associates and Joint ventures". The amendments clarify that when venture capital organizations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this selection should be made separately for each associate or joint venture at initial recognition.

- IFRS 1 "First-time adoption of IFRS". IFRS 1 has been amended to remove short-term exemptions which are no longer applicable and had been available to entities for reporting periods that have now passed.

IAS 40 (Amendments) "Transfers of Investment Property"

(effective for annual periods beginning on or after 1 January 2018 – it has not yet been endorsed by the EU).

The amendments clarify that if a transfer to, or from investment properties is to be performed there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change can be supported by evidence. A change in Management's intentions alone does not constitute evidence of change in use.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"

(effective for annual periods beginning on or after 1 January 2019 – it has not yet been endorsed by the EU).

The amendment clarifies that an entity can measure at amortized cost some prepayable financial assets with negative compensation. The assets affected, that include some loans and debt securities, would otherwise have been measured at fair value through profit or loss (FVTPL). Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest.

IAS 28 (Amendments) "Long-term Interests in Associates and Joint Ventures"

(effective for annual periods beginning on or after 1 January 2019 – it has not yet been endorsed by the EU)

The amendment clarifies that an entity should apply IFRS 9 to other financial instruments in an associate or joint venture and form part of the entity's net investment.

Annual Improvements to IFRSs (2015 – 2017 Cycle)

(effective for annual periods beginning on or after 1 January 2019 – it has not yet been endorsed by the EU)

- IFRS 3 "Business Combinations". The amendment clarifies that when an entity obtains control over a previously held interest in a joint operation that is a business, it must remeasure its previously held interest at the acquisition-date fair value and recognize any difference as a gain or loss.

- IFRS 11 "Joint Arrangements". The amendment clarifies that when an entity participates in a joint operation that is a business and obtains joint control, it must not remeasure its previously held interest at the acquisition-date fair value.

- IAS 12 "Income Taxes". The amendment clarifies that the income tax consequences of dividends must be recognized at the same time as the liability to pay those dividends is recognized and in the same statement where the entity originally recognised the past transactions or events that generated the distributable profits from which the dividends are being paid.

- IAS 23 "Borrowing Costs". The amendment clarifies that once a qualifying asset funded through specific borrowings becomes ready for its intended use or sale, those borrowings then become part of the pool of general borrowings. Therefore, from that date, the rate applied on those borrowings are included in the determination of the capitalisation rate applied to general borrowings.

IAS 19 (Amendments) "Plan Amendment, Curtailment or Settlement"

(effective for annual periods beginning on or after 1 January 2019 – it has not yet been endorsed by the EU)

The amendment specifies that entities should determine pension expenses when changes to a defined benefit pension plan occur during an annual reporting period, by requiring the use of the updated assumptions to determine current service cost and net interest for the remainder of the reporting period after the date of change to the plan.

3. Accounting Principles Applied

These financial statements are prepared according to the following accounting principles which the Group applies consistently:

3.1 Subsidiaries Companies

The Group's subsidiaries are legal entities on which the Group has the ability to set the operational and financial policies, by participating directly or indirectly in their share capital with a voting right over 50%.

Subsidiaries are fully consolidated from the date that control is transferred to the Group and cease to be consolidated from the date that this control no longer exists. The accounting method of the acquisition is used for the accounting entries of the subsidiaries' acquisition by the Group. The acquisition cost is calculated as the sum of the present value of the acquired assets, the issued shares and the existing or undertaken liabilities plus any costs that are directly related to the acquisition, during the transaction date.

The acquired assets, liabilities and contingent liabilities are initially measured at their present value upon the cost acquisition date and the present value of the acquired subsidiary's equity is recorded as good will.

The intragroup transactions, the account balances and the profits realised that arose from transactions between the companies of the Group are deleted. The losses realised are deleted but are considered as an impairment indicator for the transferred asset.

3.2 Group's Structure

Consolidated Companies and consolidation method

The consolidated financial statements of the LOULIS GROUP include the annual financial statements of a) the subsidiaries companies LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD, NUTRIBAKES AE, GREEK BAKING SCHOOL S.A., LOULIS LOGISTICS SERVICES AE, GRINCO HOLDINGS LTD and b) the sub-subsidiary company LOULIS MEL – BULGARIA EAD.

The Group's companies with their respective addresses and participation percentages as included in the consolidated financial statements, are the following:

Name	Head Office	% participation of the parent	Basis for the consolidation	Consolidation Method	Tax un-audited fiscal years
LOULIS MILLS SA	Sourpi, Magnisia	-	Parent	-	1
NUTRIBAKES SA	Keratsini, Attica	70%	Direct	Full	1
GREEK BAKING SCHOOL S.A.	Keratsini, Attica	99,67%	Direct	Full	3
LOULIS LOGISTICS SERVICES SA	Sourpi, Magnisia	99,67%	Direct	Full	2
LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) Ltd	Nicosia, Cyprus	100%	Direct	Full	10
LOULIS MEL- BULGARIA EAD	Sofia, Bulgaria	100%	Indirect	Full	2
GRINCO HOLDINGS Ltd	Nicosia, Cyprus	100%	Direct	Full	4

NUTRIBAKES SA

Following the 6th February 2015 pre-emption transfer of shares between NUTRIBAKES SA by 70% of LOULI MILLS SA and the shareholders of KENFOOD TROFOGNOSIA SA, the Board of Directors of NUTRIBAKES SA decided on February 6, 2017, the merger by absorption of the company KENFOOD TROFOGNOSIA SA in accordance with the provisions of articles 68-77a of Law 2190/1920 and No. 54 of Law 4172/2013. The transformation balance sheet will be as of 31 December 2016. The merger mentioned above is contingent upon the legal decisions from the relevant bodies.

GREEK BAKING SCHOOL SA

On December 16, 2016, the Extraordinary General Meeting of the shareholders of the company under the name of GREEK BAKING SCHOOL SA took place in the share capital of which the company LOULIS MILLS SA participates with 99.67%, decided by votes 3,000 , 100% of its share capital, the increase of its share capital by € 15,000 with the issuance of 1,500 new common registered shares € 10 each and with a disposal price of € 50 each, with the preference right of the existing shareholders, with a view to further Facilitating the company let us pursue its objectives and enrich its activities as the 2016 seminars were completed and there is a program to develop a new round of seminars for 2017. On January 20, 2017 the decision of the BoD confirmed the payment of the share capital. The funds raised by the share capital increase in cash amounted to € 75,000 and were distributed as: € 15,000 (i.e. 1,500 shares x € 10 each) for the share capital increase and € 60,000 (i.e. 1,500 shares x € 40 each) to the credit account of the "Share premium reserve" account.

LAFCO LEADER ASIAN FOOD COMPANY LTD

On January 19, 2017, the Extraordinary General Meeting of the company LAFCO LEADER ASIAN FOOD COMPANY Ltd., 100% subsidiary of LOULIS MILLS SA, decided its dissolution and liquidation. The company's Liquidation Certificate has been issued on March 1st, 2018 by the Department of the Registrar of Companies and Official Receiver (D.R.C.O.R.) of the Ministry of Energy, Commerce, Industry and Tourism of the Republic of Cyprus. The company did not have any operations during 2017.

LOULIS MEL-BULGARIA EAD

On November 8, 2017 the share capital increase of the Group's 100% indirectly subsidiary "LOULIS MEL-BULGARIA EAD" was completed through the non-monetary contribution of the sole owner, which was receivables from loans granted to the company. The share capital of the company "LOULIS MEL-BULGARIA EAD" increased from 50.000 BGN to 582.000 BGN. The difference between the issuance value of the new shares of an amount of 6.916.000 BGN and their nominal value of 532.000 BGN, which amounted to 6.384.000 BGN, was credited to the account "Reserve From Share Issue Premium".

Unaudited Tax Years

For the years 2011, 2012 and 2013, the parent Company has been audited by Certified Auditor according to the provisions of par. 5 of article 82 of Law 2238/1994. The audit has been completed for those three years and a Tax Compliance Certificate has been issued with an "unqualified" opinion.

For the fiscal years 2014, 2015 and 2016, the tax audit of the Certified Auditors Accountants, in accordance with article 65A of Law 4174/20, has been completed and the company has received a tax compliance certificate with an "unqualified" opinion. For the year 2015 and 2016, NUTRIBAKES, also, has received a tax certificate with "unqualified" opinion.

For the fiscal year 2017, the tax audit of the parent Company LOULIS MILLS SA and its subsidiary NUTRIBAKES SA is in progress by the Certified Auditor and the relevant tax certificate is due to be issued after the publication of the annual financial statements of 31.12.2017. The Management of the Company does not expect additional tax liabilities to arise beyond those recognized and reported in the financial statements.

3.3 Revenue Recognition

Revenue consists of the invoice value for providing services that are offered by the Company and trading, net before the value added taxes (VAT) and after discounts and returns. The Company's revenue is recognised as follows:

(a) Sales of goods

The sales of goods are recognised when significant risks and benefits of ownership of the goods have been transferred to the customer. This usually occurs when the Company has sold or delivered the goods to the customer, the customer has accepted the goods and the payment of the relevant receivable amounts is reasonably assured. Moreover, there are no significant return of sales.

(b) Providing of services

The providing of services is recognised in the accounting period that the services are offered with reference to completing the specific transaction, which is calculated on the basis of the services that were provided as a proportion of the total services that shall be provided.

(c) Income Interest

Income Interest is recognised on a time proportion based of the use of the actual interest rate method.

(d) Revenue from rights

The revenue from rights is recognised in accordance with the accrual basis principle according to the basis of the relevant rights agreements.

(e) Revenue from dividends

The Revenue from dividends is recognised when the Company's right to collect is confirmed.

3.4 Foreign currency Conversion

Operating currency and reporting currency

The financial statements of the Group's subsidiaries are presented in the local currency of the country where they operate. The consolidated financial statements are presented in euro, which is the operating currency and reference currency for the Company and the Group.

Transactions and balances

Transactions in foreign currency are converted into the operating currency using the applied exchange rates at the date of the transactions. Exchange profit and losses which arise from the settlement of such monetary receivables and liabilities, expressed in a foreign currency, are charged in the profit and loss account of the year.

Companies in the Group

The operating results and the equity of all the Companies of the Group (excluding those companies operating in hyper inflationary economies) of which operating currency is different than the reference currency of the Group, are converted into the reference currency of the Group as follows:

- The assets and liabilities are converted to euro according to the closing exchange rate during the balance sheet date.
- Income and expenses of P&L have been converted into the Group's reference currency at average exchange rates of each reported period.
- Any differences that arise from this procedure are charged to a seperate equity reserve account.

3.5 Property, Plant and Equipment

Land-plots and buildings that are mainly industrial sites are presented in the financial statements at fair value, based on the evaluation of external independent expert, minus the accumulated depreciation amount.

Depreciation of tangible fixed assets is calculated on a straight-line basis according to their useful lives.

The useful economic lives are as follows:

	Years
Buildings	25-40
Facilities and machinery	20-35
Vehicles	5–8
Other equipment	1-5

The residual values and useful lives are subject to reassessment at each Balance Sheet date, if necessary.

Expenses for repairs and maintenance for the fixed assets are charged to the income account statement within the period incurred. The cost of significant renovations and other subsequent expenses is included in the value of the fixed asset if the possible future financial benefits that shall arise for the Group are higher than those originally expected regarding the initial performance of that fixed asset. Significant renovations are depreciated during the remaining useful life of the relevant fixed asset.

Profit and loss from fixed assets disposals are determined by comparing the cash collections with the book value and are is charged in the P&L account.

3.6 Investment Property

Investment Property is held to generate rental revenue or profit from their resale. Property used for the operating activities of the Group is not considered to be investment property but operating property. This is also the criteria that differentiates investment property from operating property.

Investment Property as Non-Current asset is presented at fair value which is determined in-house annually, based upon similar transactions that have taken place close to the Balance Sheet date. Any change in fair value which represents the free market value is charged in the other operating income account of the income statement.

3.7 Goodwill

Goodwill represents the additional price paid by the Group for the acquisition of new company. It arises from the comparison of the price paid for the acquisition of a new company with the proportion of the Group's share to the fair value of the net assets, during the acquisition date.

3.8 Impairment of Assets

Non-current and current assets and intangible assets are assessed for impairment if facts and change in the conditions indicate that the book value may not be recoverable. Loss from impairment is recognized for the amount that the asset's book value exceeds the recoverable amount. The recoverable amount is the highest amount between the fair value minus the asset's cost of sale and the value due to use.

3.9 Inventory

Inventories are valuated at the lowest price between acquisition cost and net realizable value. The cost of inventories is defined using the weighted average method. The cost price of finished products and semi-finished inventories includes raw materials, direct labour costs, as well as direct expenses and other general expenses related to the production excluding the borrowing cost. Net realizable value is the estimated sale price, during the normal course of the company's activities, minus the estimated cost necessary for the sale.

3.10 Provisions

Provisions are recognized when the Group faces legal or substantiated liabilities resulting from past events the settlement of which may result in an outflow of resources and the amount of the liability can be reliably estimated.

3.11 Income Tax and Deferred Tax

The income tax of the Group's subsidiaries and associates is calculated in accordance with the relevant legislation applied at the Balance Sheet date within the countries they operate and the taxable income arises. The Management periodically examines the tax calculations and, in cases where the relevant tax legislation is subject to different interpretations, forms a relevant provision for the additional amount expected to be paid to the local tax authorities.

Deferred income tax is determined using the liability method that results from the temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred income tax is not calculated if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or tax profit or loss.

Deferred tax is determined using the tax rates that are expected to apply during the period in which the asset or liability will be settled, taking into account the tax rates (and tax laws) that have been applied at the balance sheet date Deferred tax assets are recognized to the extent that a future taxable profit is to arise for the use of the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences arising from investments in subsidiaries and associates, unless the reversal of temporary differences is controlled by the Group and it is probable that temporary differences will not reverse in the near future.

3.12 Loans

Loans are recognized at the initial granted amount minus any financial cost. Any difference between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the borrowing term according to the actual interest rate method.

3.13 Intagible Assets

Intangible assets acquired separately are presented at historical cost. Intangible assets acquired as part of business combinations are recognized at their fair value at the acquisition date.

After initial recognition, intangible assets are measured at historical cost less accumulated depreciation and accumulated impairment losses. Internally generated intangible assets, other than capitalized development costs, are not capitalized and expenses are recognized in the income statement in the period in which they are incurred.

The software programs and pertaining licenses that are separately acquired are capitalized on the basis of the costs incurred for the acquisition and installation of these softwares when they are expected to generate financial benefits for the Group beyond an economic year. Expenditure incurred for the maintenance of software programs is recognized as an expense as incurred.

3.14 Grants

The Group recognizes state grants that cumulatively meet the following criteria: (a) there is presumed certainty that the company has complied or will comply with the grant terms and (b) it is probable that the amount of the grant will be recovered. They are recorded at fair value and are recognized in a systematic way in the revenue, based on the principle of the correlation of the grants with the corresponding costs they are subsidizing. Grants relating to assets are included in long-term liabilities as deferred income (deferred income) and are recognized as revenue over the useful life of the fixed asset.

3.15 Conversion of foreign currency

The financial statements of the Group's companies are measured using the currency of the main economic environment in which the Group operates (the "operating currency"). The consolidated financial statements are presented in euro, which is the operating currency and reference currency of the parent Company and of all its subsidiaries. Transactions in foreign currencies are converted into the operating currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses arising from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currencies to the effective exchange rates at the balance sheet date are charged in profit and loss accounts. Foreign exchange differences from non-monetary items measured at fair value are considered as part of the fair value and are therefore recorded as fair value differences.

3.16 Capital Share

Expenses incurred for the issuance of shares are presented after the deduction of the relevant income tax decreasing the product of the issuance. Expenses related to the issuance of shares for the acquisition of companies are included in the cost of acquisition of the acquired business.

3.17 Dividend Distribution

Dividend distribution to the shareholders of the parent is recognized as a liability in the consolidated financial statements at the date when the distribution is approved by the General Meeting of Shareholders.

3.18 Personell's Benefits

Short-term benefits: Short-term employee benefits (other than termination benefits) in cash and in kind are recognized as an expense when they accrue. Any unpaid amount is recognized as a liability, and if the amount already paid exceeds the amount of benefits, the enterprise recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction in future payments or on return.

Post-employment benefits: Post-employment benefits include a defined contribution scheme as well as a defined benefit plan. Defined Contribution Scheme: Based on the defined contribution plan, the enterprise's (legal) liability is limited to the amount agreed to contribute to the body (fund) managing the contributions and providing the benefits (pensions, health care, etc.). The accrued cost of defined contribution plans is recognized as an expense in the period in question.

Defined Benefit Scheme: The company's liability (legal) relates to termination benefits which are payable as a result of a company's decision to terminate the services of an employee before the normal retirement date, as well as benefits payable on retirement (Retirement benefits created by legislation). For the purpose of calculating the present value of the defined benefit obligation, the current service cost, the cost of previous services, the Projected Unit Credit Method is the accrual service accrual service method, in accordance with Which benefits are attributable to periods in which the obligation to pay benefits after retirement arises. The obligation is created as the employee provides his / her services and gives him / her right to benefits during retirement. Therefore, the Unit Credit Projection Method requires that benefits be provided both in the current period (to calculate current service cost) and in the current and prior periods (to calculate the present value of the defined benefit obligation).

Although the benefits are conditional on future employment (i.e. non-vesting), the liability based on actuarial assumptions is calculated as follows: Demographic Assumptions: "Personnel Movement" (Employee Discontinuation / Dismissal of Personnel) and Financial Assumptions: Discount, future salary levels (Government bond yield factors with a similar maturity) and estimated future changes at the level of any government benefits that affect the benefits to be paid.

3.19 Leases

Leases of assets in which all the risks and benefits from the ownership of an asset are transferred to the Group, irrespective of the final transfer or non-transfer of the ownership title of that asset, are financial leases. These leases are capitalized at the beginning of the lease at the lower of the fair value of the fixed asset or the present value of the minimum lease payments. Each rent is apportioned between the liability and the finance charges in order to achieve a fixed interest rate on the residual financial liability. The corresponding lease liabilities, net of finance charges, are shown in liabilities. The portion of the financial expense relating to finance leases is recognized in the income statement over the period of the lease. Fixed assets acquired under finance leases are depreciated over the shorter of the useful life of the fixed assets and the duration of their lease. Lease agreements where the lessor transfers the right to use an asset for an agreed period of time without, however, transferring the risks and rewards of ownership of the asset are classified as operating leases. Payments made for operating leases (net of any incentives offered by the lessor) are recognized in the income statement for the period of the lease. Assets leased under operating leases are included in the tangible assets of the balance sheet and are depreciated over their estimated useful lives on a basis consistent with similar privately held tangible assets. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the period of the lease. The Group does not lease assets under the finance lease method.

3.20 Disclosures of Related Parties

Related party disclosures are covered by IAS 24 which refers to transactions of an entity that prepares financial statements with its related parties. Its primary element is the economic substance and not the legal type of the transactions.

3.21 Cash and Cah equivalents

For the purposes of the cash flow statement, cash and cash equivalents consist of cash in hand and deposits in the bank less bank overdrafts. In the balance sheet, bank overdrafts are included in the borrowings and in particular within the short-term liabilities.

3.22 Financial Instruments: Recognition and Measurement

The standard develops the principles for the recognition and measurement of financial instruments, financial liabilities and some contracts for the purchase or sale of non-financial instruments. Purchases and sales of investments are recognized at the date of the transaction, which is the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus expenses directly attributable to the transaction, except for directly attributable transaction costs, for those items that are measured at fair value through changes in profit or loss. Investments are derecognized when the right to cash flows from investments expires or is transferred and the Group has transferred substantially all the risks and rewards of ownership.

The Group's financial instruments are classified into the following categories based on the substance of the contract and the purpose for which they were acquired.

i) Financial assets / liabilities measured at fair value through the income statement. These are financial assets / liabilities that satisfy any of the following conditions:

- Financial assets / liabilities held for trading (including derivatives, except those that are defined and effective hedging instruments, those acquired or created for sale or repurchase, and those that are part of a portfolio of recognized financial instruments).

- At the initial recognition, the entity is designated as an asset measured at fair value, with recognition of changes in the Income Statement.

Realized and unrealized gains or losses arising from changes in the fair value of financial assets measured at fair value through changes in profit or loss are recognized in the income statement for the period.

ii) Loans and Receivables

They include non-derivative financial assets with fixed or determinable payments that are not traded in active markets. This category (Loans and Receivables) does not include:

- Receivables from advances for the purchase of goods or services

- Requirements that have to do with tax transactions, which have been legally enforced by the state

- Anything not covered by a contract to give the firm the right to receive cash for other financial assets.

Loans and receivables are initially recognized at fair value and then measured at amortized cost using the effective interest method.

4. Significant accounting estimates and judgments

The preparation of the financial statements requires estimates and assumptions made by Management that affect the disclosures in the financial statements. Management continuously assesses these estimates and assumptions, and the most significant are listed below. Estimates and judgments are continuously evaluated and are based on empirical data and other factors, including expectations for future events that are expected under reasonable conditions. Estimates and assumptions are the basis for making decisions about the carrying amounts of assets and liabilities that are not readily available from other sources. The resulting accounting estimates, by definition, will rarely match exactly with the corresponding actual results. Estimates and assumptions that entail a material risk of causing material changes in the amounts of receivables and payables in the following year are set out below.

4.1 Income Tax

Group’s companies are subject to different income tax laws. In determining the Group's income tax estimation, a significant subjective judgment is required. During the normal course of business, many transactions and calculations are made for which the exact tax calculation is uncertain. In the case that the final taxes arising after the tax audits are different from the amounts initially recorded, such differences will affect income tax and deferred tax provisions in the use that the determination of tax differences has occurred.

4.2 Deffered Tax Liabilities

Significant Management's estimates are required to determine the amount of deferred tax liability that may be recognized based on the probable period and amount of future taxable profits combined with the entity's tax planning.

4.3 Life of Tangible Assets and Residual Values

Tangible assets are depreciated over their estimated useful lives. The actual useful life of fixed assets is valued on an annual basis and may vary due to various factors.

4.4 Provision for net realizable value for inventories

For the determination of the net realizable value of inventories, the Management of the Group makes all the necessary estimates, based on the maturity of its inventories, their movement during each period as well as any future destocking plans.

4.5 Provision for doubtful receivables

The Group and the Company, due to the significant credit risk of the business sector and after taking into account any current data, recognize impairment for the trade receivables. The Management in order to estimate the impairment amount, evaluates the recoverability of its trade receivables by reviewing the maturity of the customers' balances, their credit history and the settlement of the subsequent payments, according to the applicable agreements.

4.6 Provision for staff compensation

Employees' compensation liabilities are calculated using actuarial methods that require Management to assess specific criteria such as future employee salary increases, the discount rate for these liabilities, employee retirement rates, etc. The Management tries at each reporting date when this provision is revised, to assess the criteria as effectively as possible.

4.7 Contingent Liabilities

The existence of contingent liabilities requires the Management to continuously make assumptions and judgments regarding the probability that future events will occur or not, and the effect that these events may have on the Group's operation.

4.8 Measurement of Fair Value

Some of the assets and liabilities that are included in the Group's financial statements require fair value measurement and / or the disclosure of that fair value. The Group measures tangible assets and investment assets at fair value.

4.9 Valuation of financial instruments

The valuation of derivative financial instruments is based on market positions at the balance sheet date. The value of the derivatives changes on a daily basis and the actuarial amounts may differ significantly from their value at the balance sheet date.

4.10 Weighted average number of shares

The use of the weighted average number of shares is likely to change the amount of the share capital during the year due to the larger or smaller number of shares that remain in circulation at each time. Judgment is required to determine the number of shares and their time of issuance. The calculation of the weighted average number of shares affects the calculation of basic and adjusted earnings per share.

7. ANALYSIS OF THE FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY

1. Property, plant, equipment & Investment property

The changes in the property, plant and equipment of the Group and the Company, during the current year 2017 and the previous year 2016, are presented to the table below:

Group

	Land	Buildings	Investment Property	Machinery	Vehicles	Furniture & Fittings	Assets Under Construction	Total
Purchase Cost								
Balance 01.01.2016	**15.143.361**	**72.653.590**	**248.396**	**44.348.417**	**1.355.380**	**3.905.196**	**148.399**	**137.802.739**
Revaluations	(1.774.374)	2.458.039	41.356	0	0	0	0	725.021
Acquisitions	0	305.482	0	893.207	151.751	216.693	342.854	1.909.987
Disposals	0	0	0	(265.193)	(97.277)	(4.652)	(77.445)	(444.567)
Balance 31.12.2016	**13.368.987**	**75.417.111**	**289.752**	**44.976.431**	**1.409.854**	**4.117.237**	**413.808**	**139.993.180**
Accumulated Depreciation								
Balance 01.01.2016	**0**	**(20.109.992)**	**0**	**(15.313.581)**	**(1.201.213)**	**(3.065.460)**	**0**	**(39.690.246)**
Acquisitions	0	(2.030.528)	0	(1.556.482)	(57.702)	(236.663)	0	(3.881.375)
Disposals	0	0	0	66.273	90.282	4.652	0	161.207
Balance 31.12.2016	**0**	**(22.140.520)**	**0**	**(16.803.790)**	**(1.168.633)**	**(3.297.471)**	**0**	**(43.410.414)**
Net Book Value 01.01.2016	**15.143.361**	**52.543.598**	**248.396**	**29.034.836**	**154.167**	**839.736**	**148.399**	**98.112.493**
Net Book Value 31.12.2016	**13.368.987**	**53.276.591**	**289.752**	**28.172.641**	**241.221**	**819.766**	**413.808**	**96.582.766**
Purchase Cost								
Balance 01.01.2017	**13.368.987**	**75.417.111**	**289.752**	**44.976.431**	**1.409.854**	**4.117.237**	**413.808**	**139.993.180**
Revaluations	(130.644)	(88.482)	(4.345)	0	0	0	0	(223.471)
Acquisitions	753.754	934.039	0	1.854.691	66.453	227.665	2.367.823	6.204.425
Disposals	(986.557)	(859.649)	0	(217)	(9.864)	(49.287)	(1.000.941)	(2.906.515)
Balance 31.12.2017	**13.005.540**	**75.403.019**	**285.407**	**46.830.905**	**1.466.443**	**4.295.615**	**1.780.690**	**143.067.619**
Accumulated Depreciation								
Balance 01.01.2017	**0**	**(22.140.520)**	**0**	**(16.803.790)**	**(1.168.633)**	**(3.297.471)**	**0**	**(43.410.414)**
Acquisitions	0	(2.132.436)	0	(1.588.779)	(53.881)	(175.343)	0	(3.950.439)
Disposals	0	368.249	0	112	4.043	49.086	0	421.490
Balance 31.12.2017	**0**	**(23.904.707)**	**0**	**(18.392.457)**	**(1.218.471)**	**(3.423.728)**	**0**	**(46.939.363)**
Net Book Value 01.01.2017	**13.368.987**	**53.276.591**	**289.752**	**28.172.641**	**241.221**	**819.766**	**413.808**	**96.582.766**
Net Book Value 31.12.2017	**13.005.540**	**51.498.312**	**285.407**	**28.438.448**	**247.972**	**871.887**	**1.780.690**	**96.128.256**

Company

	Land	Buildings	Investment Property	Machinery	Vehicles	Furniture & Fittings	Assets Under Construction	Total
Purchase Cost								
Balance 01.01.2016	**15.143.361**	**72.643.890**	**248.396**	**44.336.517**	**1.347.915**	**3.885.722**	**148.399**	**137.754.200**
Revaluations	(1.774.374)	2.458.039	41.356	0	0	0	0	725.021
Acquisitions	0	304.194	0	862.357	138.701	206.849	176.233	1.688.334
Disposals	0	0	0	(265.193)	(97.277)	(4.652)	(77.445)	(444.567)
Balance 31.12.2016	**13.368.987**	**75.406.123**	**289.752**	**44.933.681**	**1.389.339**	**4.087.919**	**247.187**	**139.722.988**
Accumulated Depreciation								
Balance 01.01.2016	**0**	**(20.109.830)**	**0**	**(15.313.082)**	**(1.200.846)**	**(3.064.579)**	**0**	**(39.688.337)**
Acquisitions	0	(2.030.118)	0	(1.555.219)	(55.753)	(232.197)	0	(3.873.287)
Disposals	0	0	0	66.273	90.282	4.652	0	161.207
Balance 31.12.2016	**0**	**(22.139.948)**	**0**	**(16.802.028)**	**(1.166.317)**	**(3.292.124)**	**0**	**(43.400.417)**
Net Book Value 01.01.2016	**15.143.361**	**52.534.060**	**248.396**	**29.023.435**	**147.069**	**821.143**	**148.399**	**98.065.863**
Net Book Value 31.12.2016	**13.368.987**	**53.266.175**	**289.752**	**28.131.653**	**223.022**	**795.795**	**247.187**	**96.322.571**
Purchase Cost								
Balance 01.01.2017	**13.368.987**	**75.406.123**	**289.752**	**44.933.681**	**1.389.339**	**4.087.919**	**247.187**	**139.722.988**
Revaluations	(130.644)	(88.482)	(4.345)	0	0	0	0	(223.471)
Acquisitions	0	932.961	0	1.841.347	55.173	202.219	368.919	3.400.619
Disposals	(986.557)	(859.649)	0	(217)	(2.364)	(49.287)	(247.187)	(2.145.261)
Balance 31.12.2017	**12.251.786**	**75.390.953**	**285.407**	**46.774.811**	**1.442.148**	**4.240.851**	**368.919**	**140.754.875**
Accumulated Depreciation								
Balance 01.01.2017	**0**	**(22.139.948)**	**0**	**(16.802.028)**	**(1.166.317)**	**(3.292.124)**	**0**	**(43.400.417)**
Acquisitions	0	(2.131.970)	0	(1.581.133)	(51.263)	(167.806)	0	(3.932.172)
Disposals	0	368.249	0	112	2.364	49.086	0	419.811
Balance 31.12.2017	**0**	**(23.903.669)**	**0**	**(18.383.049)**	**(1.215.216)**	**(3.410.844)**	**0**	**(46.912.778)**
Net Book Value 01.01.2017	**13.368.987**	**53.266.175**	**289.752**	**28.131.653**	**223.022**	**795.795**	**247.187**	**96.322.571**
Net Book Value 31.12.2017	**12.251.786**	**51.487.284**	**285.407**	**28.391.762**	**226.932**	**830.007**	**368.919**	**93.842.097**

It is noted that a valuation of the Company's land, buildings and investment property at fair value has been conducted on December 31st, 2017. The valuation has been conducted by a qualified valuator based on the institutional rules. The method used for the measurement of the fair value of those assets is presented in the 3rd level (Note 8.1).

2. Other Intangible Assets

The changes in other intangible assets of the Group and the Company, during the current year 2017 and the previous year 2016 are presented to the table below:

Group

	Software	Trademarks	Total
Purchase Cost			
Balance 01.01.2016	**822.693**	**717.206**	**1.539.899**
Revaluations	(53.499)	0	(53.499)
Acquisitions	75.892	0	75.892
Disposals	0	0	0
Balance 31.12.2016	**845.086**	**717.206**	**1.562.292**
Accumulated Depreciation			
Balance 01.01.2016	**(667.180)**	**(11.560)**	**(678.740)**
Acquisitions	(37.558)	(574)	(38.132)
Disposals	0	0	0
Balance 31.12.2016	**(704.738)**	**(12.134)**	**(716.872)**
Net Book Value 01.01.2016	**155.513**	**705.646**	**861.159**
Net Book Value 31.12.2016	**140.348**	**705.072**	**845.420**
Purchase Cost			
Balance 01.01.2017	**845.086**	**717.206**	**1.562.292**
Revaluations	0	0	0
Acquisitions	123.270	0	123.270
Disposals	0	0	0
Balance 31.12.2017	**968.356**	**717.206**	**1.685.562**
Accumulated Depreciation			
Balance 01.01.2017	**(704.738)**	**(12.134)**	**(716.872)**
Acquisitions	(50.883)	(573)	(51.456)
Disposals	0	0	0
Balance 31.12.2017	**(755.621)**	**(12.707)**	**(768.328)**
Net Book Value 01.01.2017	**140.348**	**705.072**	**845.420**
Net Book Value 31.12.2017	**212.735**	**704.499**	**917.234**

Company

	Software	Trademarks	Total
Purchase Cost			
Balance 01.01.2016	**813.243**	**17.206**	**830.449**
Revaluations	(53.499)	0	(53.499)
Acquisitions	67.272	0	67.272
Disposals	0	0	0
Balance 31.12.2016	**827.016**	**17.206**	**844.222**
Accumulated Depreciation			
Balance 01.01.2016	**(666.740)**	**(11.560)**	**(678.300)**
Acquisitions	(35.381)	(574)	(35.955)
Disposals	0	0	0
Balance 31.12.2016	**(702.121)**	**(12.134)**	**(714.255)**
Net Book Value 01.01.2016	**146.503**	**5.646**	**152.149**
Net Book Value 31.12.2016	**124.895**	**5.072**	**129.967**
Purchase Cost			
Balance 01.01.2017	**827.016**	**17.206**	**844.222**
Revaluations	0	0	0
Acquisitions	96.323	0	96.323
Disposals	0	0	0
Balance 31.12.2017	**923.339**	**17.206**	**940.545**
Accumulated Depreciation			
Balance 01.01.2017	**(702.121)**	**(12.134)**	**(714.255)**
Acquisitions	(46.253)	(573)	(46.826)
Disposals	0	0	0
Balance 31.12.2017	**(748.374)**	**(12.707)**	**(761.081)**
Net Book Value 01.01.2017	**124.895**	**5.072**	**129.967**
Net Book Value 31.12.2017	**174.965**	**4.499**	**179.464**

3. Investments in Subsidiaries

The following table presents the LOULIS MILLS SA investments in subsidiaries

	Direct participation rate % of the parent
Nutribakes SA	70,00%
GREEK BAKING SCHOOL S.A.	99,67%
Loulis Logistics Services S.A.	99,67%
L.I.F.E. (Bulgaria) Ltd.	100,00%
Loulis Mel-Bulgaria EAD	100,00%
Grinco Holdings Ltd.	100,00%

On January 19, 2017, the Extraordinary General Meeting of the company LAFCO LEADER ASIAN FOOD COMPANY Ltd., 100% subsidiary of LOULIS MILLS SA, decided its dissolution and liquidation. The company's Liquidation Certificate has been issued on March 1st, 2018 by the Department of the Registrar of Companies and Official Receiver (D.R.C.O.R.) of the Ministry of Energy, Commerce, Industry and Tourism of the Republic of Cyprus. The company did not have any operations during 2017.

4. Other Non-Current Receivables

The analysis of other long-term receivables is as follows:

	Group/ Company	
	2017	**2016**
Given guarantees	19.963	31.265
Total:	**19.963**	**31.265**

5. Inventory

The table below presents the analysis of inventory:

	2017	
	Group	**Company**
Merchandise	1.354.114	195.659
Finished & semi-finished goods	3.543.929	3.543.929
Raw and packing materials	14.171.054	14.164.268
Advances for stock purchase	0	0
Total:	**19.069.097**	**17.903.856**

	2016	
	Group	**Company**
Merchandise	728.747	174.909
Finished & semi-finished goods	4.000.889	4.000.889
Raw and packing materials	15.449.109	15.446.839
Advances for stock purchase	380	0
Total:	**20.179.125**	**19.622.637**

6. Trade Receivables

The analysis of trade receivables is as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
Trade receivables/Other Receivables	28.694.827	26.525.022	27.649.237	25.771.161
Notes receivable	467.085	482.631	457.085	472.331
Notes overdue	367.463	361.263	365.663	361.263
Cheques receivable	10.025.789	8.255.166	9.586.756	7.831.903
Cheques receivable overdue	3.176.656	3.538.160	3.176.656	3.532.370
Receivables from related companies	0	0	6.594	28.500
Receivables from associates	0	0	0	0
Minus: Provisions	(5.498.111)	(5.497.923)	(5.498.111)	(5.497.923)
Total:	**37.233.709**	**33.664.319**	**35.743.880**	**32.499.605**

7. Derivative Financial Assets/Liabilities

	Group / Company	
	2017	**2016**
Receivables from Financial Derivatives	780	51.690
Total:	**780**	**51.690**

	Group / Company	
	2017	**2016**
Liabilities from Financial Derivatives	21.330	18.030
Total:	**21.330**	**18.030**

8. Cash and Cash Equivalent

The following table presents the cash and cash equivalent of the Group and the Company:

	2017	
	Group	**Company**
Cash in hand	64.401	51.700
Cash at bank	4.220.141	3.557.301
Total:	**4.284.542**	**3.609.001**

	2016	
	Group	Company
Cash in hand	52.677	8.876
Cash at bank	6.035.160	4.676.206
Total:	**6.087.837**	**4.685.082**

9. Other Current Assets

The table below presents the analysis of other current assets:

	Group		Company	
	2017	2016	2017	2016
Sundry debtors	11.562.834	9.244.609	7.252.631	4.694.888
Receivables from the Greek State	65.465	87.769	0	0
Advances and credits suspense accounts	24.924	13.392	2.285	2.385
Prepaid expenses	175.274	139.958	166.116	136.738
Accrued income receivable	3.500	4.855	0	0
Short-term Receivables from Related Parties	0	0	200.000	436.037
Minus: Provisions	(992.701)	(1.192.889)	(992.701)	(1.192.889)
Total:	**10.839.296**	**8.297.694**	**6.628.331**	**4.077.159**

10. Other Reserves

The analysis of other reserves is as follows:

	2017	
	Group	Company
Asset Revaluation Reserves	4.159.652	4.159.652
Statutory reserves	1.599.076	1.586.423
Extraordinary reserves	103.990	103.990
Untaxed reserves	3.258.580	3.208.286
Exchange differences reserves	3.482.805	0
Other reserves	7.765.140	6.513.936
Profit/ (Loss) after tax	21.616.499	22.801.011
Total:	**41.985.742**	**38.373.298**

	2016	
	Group	Company
Asset Revaluation Reserves	4.315.232	4.315.232
Statutory reserves	1.388.124	1.382.409
Extraordinary reserves	103.990	103.990
Untaxed reserves	3.258.580	3.208.286
Exchange differences reserves	3.482.805	0
Other reserves	7.765.140	6.513.936
Profit/ (Loss) after tax	19.373.291	20.289.173
Total:	**39.687.162**	**35.813.026**

11. Long-term and Short-term Borrowings

The analysis of the long-term and short-term borrowings for the Group and the Company is presented in the table below:

	Group		Εταιρεία	
Short -term Borrowings	**2017**	**2016**	**2017**	**2016**
Borrowings	5.774.638	20.554.677	3.078.133	18.562.391
Bond Loans	5.100.000	13.000.000	5.100.000	13.000.000
Financial Lease	189.681	180.001	189.681	180.001
Total:	**11.064.319**	**33.734.678**	**8.367.814**	**31.742.392**

	Group		Εταιρεία	
Long – term Borrowings	**2017**	**2016**	**2017**	**2016**
Bond Loans	30.350.000	0	30.350.000	0
Financial Lease	343.617	533.299	343.617	533.299
Total:	**30.693.617**	**533.299**	**30.693.617**	**533.299**
Total Borrowing	**41.757.936**	**34.267.977**	**39.061.431**	**32.275.691**

The change in the total borrowing for the Group and the Company is presented in the table below:

	Group		
	Short -term Borrowings	**Long – term Borrowings**	**Total**
Balance at 01.01.2016	29.631.400	6.000.000	35.631.400
Cashflow:			
- Proceeds from Bank Borrowings	1.136.576	0	1.136.576
- Repayment of Bank Borrowings	(2.500.000)	0	(2.500.000)
Balance at 31.12.2016	**28.267.976**	**6.000.000**	**34.267.976**
Reclassification from long-term to short-term borrowing	5.466.702	(5.466.701)	
Balance at 31.12.2016	**33.734.678**	**533.299**	**34.267.977**
Balance at 01.01.2017	33.734.678	533.299	34.267.977
Cashflow:			
- Proceeds from Bank Borrowings	(12.410.040)	35.450.000	23.039.960
- Repayment of Bank Borrowings	(15.550.000)	0	(15.550.000)
Balance at 31.12.2017	**5.774.638**	**35.983.299**	**41.757.937**
Reclassification from long-term to short-term borrowing	5.289.681	(5.289.682)	
Balance at 31.12.2017	**11.064.319**	**30.693.617**	**41.757.936**

	Company		
	Short -term Borrowings	Long – term Borrowings	Total
Balance at 01.01.2016	28.416.173	6.000.000	34.416.173
Cashflow:			
- Proceeds from Bank Borrowings	359.517	0	359.517
- Repayment of Bank Borrowings	(2.500.000)	0	(2.500.000)
Balance at 31.12.2016	**26.275.690**	**6.000.000**	**32.275.690**
Reclassification from long-term to short-term borrowing	5.466.702	(5.466.701)	
Balance at 31.12.2016	**31.742.392**	**533.299**	**32.275.691**
Balance at 01.01.2017	31.742.392	533.299	32.275.691
Cashflow:			
- Proceeds from Bank Borrowings	(13.114.259)	35.450.000	22.335.741
- Repayment of Bank Borrowings	(15.550.000)	0	(15.550.000)
Balance at 31.12.2017	**3.078.133**	**35.983.299**	**39.061.432**
Reclassification from long-term to short-term borrowing	5.289.681	(5.289.682)	
Balance at 31.12.2017	**8.367.814**	**30.693.617**	**39.061.431**

The maturity periods of the long-term borrowing for the Group and the Company is presented in the table below:

	Group / Company	
	Repayment of Bond Loans	Repayment of Financial Lease
Within 2018	5.100.000	189.681
Within 2019	5.100.000	199.883
Within 2020	5.100.000	130.233
Within 2021	5.150.000	13.501
Within 2022	15.000.000	0
Total:	**35.450.000**	**533.298**

12. Deferred Tax Liabilities

The following table presents the deferred tax analysis in accordance with the International Accounting Standards:

	Group	Company
Opening balance of deferred tax liabilities 2016	**13.721.092**	**13.687.188**
Deferred tax liabilities due to fixed assets	256.778	253.482
Deferred tax liabilities due to inventories	(72.500)	(72.500)
Deferred tax liabilities due to provisions	(215.016)	(208.193)
Reversal of deferred tax liabilities	0	0
Closing balance of deferred tax liabilities 2016	**13.690.354**	**13.659.977**

Opening balance of deferred tax liabilities 2017	**13.690.354**	**13.659.977**
Deferred tax liabilities due to fixed assets	598.609	578.295
Deferred tax liabilities due to other intangible assets	(5.864)	(5.864)
Deferred tax liabilities due to inventories	0	0
Deferred tax liabilities due to provisions	(7.746)	(6.770)
Reversal of deferred tax liabilities	0	0
Closing balance of deferred tax liabilities 2017	**14.275.353**	**14.225.638**

13. Other Non-Current Liabilities

	Group		Company	
	2017	**2016**	**2017**	**2016**
Other provisions	0	0	0	0
Long-term tax liabilities	0	0	0	0
Subsidies for fixed assets	3.551.341	3.755.947	3.551.341	3.755.947
Long-term liabilities to associated companies	0	0	0	1.683.000
Total:	**3.551.341**	**3.755.947**	**3.551.341**	**5.438.947**

14. Provisions for Retirement Benefits

The amounts recognized in the Statement of Comprehensive Income concern defined benefit plans at retirement, as follows:

Defined Benefit Plans at Retirement	Group		Company	
	2017	**2016**	**2017**	**2016**
Current cost service	24.974	23.953	23.301	22.366
Interest cost	13.345	14.778	12.922	14.346
Settlement/Curtailment Impact	47.446	83.428	47.446	83.428
Past service cost	0	0	0	0
Amounts charged in Profit & Loss Statement:	**85.765**	**122.159**	**83.669**	**120.140**
Actuarial (Profit)/Loss for the period	4.013	(6.173)	2.744	(6.067)
Total amounts charged in the Statement of Comprehensive Income:	**89.778**	**115.986**	**86.413**	**114.073**

The change in the present value of the defined benefit obligations at retirement, recognized in the Statement of Financial Position is presented in the table below:

Present Value of the Liability	Group		Company	
	2017	**2016**	**2017**	**2016**
Present Value of the Liability at the beginning of the period:	**741.433**	**738.885**	**717.906**	**717.271**
Total expense	85.765	122.159	83.669	120.140
Actuarial (Profit)/Loss for the period	4.013	(6.173)	2.744	(6.067)
Benefits paid	(63.070)	(113.438)	(63.070)	(113.438)

Present Value of Defined Benefit Obligations at the end of the period:	**768.141**	**741.433**	**741.249**	**717.906**
Fair value of plans' assets	0	0	0	0
Net Liability in Balance Sheet at the end of the period:	**768.141**	**741.433**	**741.249**	**717.906**

15. Trade Payables

The analysis of Suppliers and Other Liabilities for the Group and the Company for the current year 2017 and the previous year 2016 is presented in the two tables below:

	2017	
	Group	**Company**
Suppliers (third parties)	7.955.236	7.718.279
Intra-group suppliers	0	33.462
Cheques payable (Post-dated)	1.467.091	0
Advances from customers	755.689	733.891
Total:	**10.178.016**	**8.485.632**

	2016	
	Group	**Company**
Suppliers (third parties)	8.176.026	8.044.135
Cheques payable (Post-dated)	1.252.940	0
Advances from customers	720.498	712.915
Total:	**10.149.464**	**8.757.050**

Ageing Analysis of Suppliers

	Group		**Company**	
	2017	**2016**	**2017**	**2016**
0 - 180 days	10.082.011	10.049.960	8.392.515	8.659.429
> 181 days	96.005	99.504	93.117	97.621
Total:	**10.178.016**	**10.149.464**	**8.485.632**	**8.757.050**

16. Tax Lliabilities

The analysis of the tax liabilities for the Group and the Company for the current year 2017 and the previous year 2016 is presented in the following table:

	2017	
	Group	**Company**
Tax & duties payable (not including income tax)	189.525	153.366
Income tax	976.885	976.885
Total:	**1.166.410**	**1.130.251**

	2016	
	Group	**Company**
Tax & duties payable (not including income tax)	430.968	353.739
Income tax	1.954.357	1.869.534
Total:	**2.385.325**	**2.223.273**

17. Other Current Liabilities

	2017	
	Group	**Company**
Insurance and pension fund dues	365.483	343.432
Dividends payable	0	0
Sundry creditors	3.049.664	2.913.664
Unearned and deferred income	13.562	1.445
Accrued expenses	1.133.154	1.127.121
Total:	**4.561.863**	**4.385.662**

	2016	
	Group	**Company**
Insurance and pension fund dues	343.293	325.052
Dividends payable	0	0
Sundry creditors	8.718.998	8.593.989
Unearned and deferred income	22.246	1.466
Accrued expenses	766.961	706.959
Total:	**9.851.498**	**9.627.466**

18. Revenue

Revenue analysis of the Group and the Company is presented in the following table:

	Group		Company	
	2017	**2016**	**2017**	**2016**
Sales to Professionals	68.160.938	66.493.402	68.176.347	66.496.567
Sales to Related Companies	0	0	0	0
Sales to the Greek State	35.686	30.262	35.686	30.262
Sales to International Markets	2.111.849	8.076.940	2.088.876	8.076.940
Sales of Consumer products	14.452.833	14.038.911	14.452.833	14.038.911
Sales of by-products	7.399.867	7.894.061	7.399.867	7.894.061
Sales of Mixtures & Raw Material for Bakery & Pastry	5.428.514	4.773.226	0	0
Providing of educational services	69.982	23.452	0	0
Total:	**97.659.669**	**101.330.254**	**92.153.609**	**96.536.741**

19. Other Income

	Group		Company	
	2017	**2016**	**2017**	**2016**
Other operating income	3.112.740	3.050.614	3.024.380	3.066.694
Extraordinary and non-operating income	219.694	284.624	217.553	284.187
Extraordinary profit	720.012	5.289	720.012	5.289
Prior period income	30.935	26.320	30.935	26.320
Income from unused prior period provisions	0	6.398	0	0
Other non-operating income	0	0	0	0
Total:	**4.083.381**	**3.373.245**	**3.992.880**	**3.382.490**

20. Other Expenses

	Group		Company	
	2017	**2016**	**2017**	**2016**
Extraordinary and non-operating expenses	(26.526)	(57.618)	(23.932)	(56.112)
Extraordinary losses	(300.511)	(508.383)	(299.458)	(508.230)
Prior period expenses	(72.017)	(387.006)	(70.675)	(386.891)
Provisions for extraordinary contingencies	0	(1.700.000)	0	(1.700.000)
Total:	**(399.054)**	**(2.653.007)**	**(394.065)**	**(2.651.233)**

21. Distribution Expenses

The analysis of the distribution expenses is presented in the following table:

	Group		Company	
	2017	**2016**	**2017**	**2016**
Materials	(65.338)	(45.787)	(65.338)	(45.787)
Salaries and Staff Cost	(3.438.346)	(3.204.756)	(3.015.132)	(2.959.891)
Third Party Fees	(1.037.470)	(996.958)	(949.966)	(986.896)
Charges for Outside Services	(1.013.132)	(1.021.568)	(834.453)	(898.027)
Taxes - Fees	(239.950)	(206.888)	(209.942)	(188.791)
Other Expenses	(8.752.900)	(8.783.597)	(8.018.630)	(8.369.204)
Depreciation	(612.953)	(628.182)	(607.219)	(622.640)
Total:	**(15.160.089)**	**(14.887.736)**	**(13.700.680)**	**(14.071.236)**

22. Administration Expenses

The analysis of the administrative expenses is presented in the following table:

	Group		Company	
	2017	**2016**	**2017**	**2016**
Materials	(28.899)	(24.360)	(28.899)	(24.360)
Salaries and Staff Cost	(1.554.550)	(1.484.192)	(1.473.795)	(1.417.341)
Third Party Fees	(556.981)	(682.163)	(299.273)	(479.400)
Charges for Outside Services	(508.382)	(413.857)	(474.677)	(409.637)
Taxes - Fees	(81.278)	(76.473)	(71.649)	(69.664)
Other Expenses	(614.689)	(591.627)	(520.993)	(561.009)
Depreciation	(416.576)	(390.269)	(400.893)	(385.746)
Total:	**(3.761.355)**	**(3.662.941)**	**(3.270.179)**	**(3.347.157)**

23. Financial Expenses/Income

	Group		Company	
	2017	**2016**	**2017**	**2016**
Interest charges and relevant expenses	(2.024.826)	(2.621.402)	(1.883.017)	(2.533.131)
Other financial expenses	(12.922)	(14.345)	(12.922)	(14.345)
Interest income and relevant income	33.861	68.774	18.531	106.264
Total	**(2.003.887)**	**(2.566.973)**	**(1.877.408)**	**(2.441.212)**

24. Tax Expense

	Group	
	2017	2016
Property Tax	46.782	46.456
Tax auditing differences	0	0
Provision for Income Tax	926.616	1.954.357
Provisions & other tax liabilities	0	0
Deferred Tax	648.546	(211.969)
Total:	**1.621.944**	**1.788.844**

	Company	
	2017	2016
Property Tax	46.782	46.456
Tax auditing differences	0	0
Provision for Income Tax	976.885	1.869.534
Provisions & other tax liabilities	0	0
Deferred Tax	629.208	(225.461)
Total:	**1.652.875**	**1.690.529**

25. Earnings per Share

	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net profit/(loss) attributable to the owners of the parent	2.758.349	2.777.491	2.908.704	2.895.699
Weighted average of shares outstanding (after the deduction of the weighted average of own shares))	17.121.248	17.120.592	17.121.248	17.120.592
Basic profit/(loss) per share	**0,1611**	**0,1622**	**0,1699**	**0,1691**

26. Profit/Loss on Revaluation of Property

	Group/ Company	
	2017	2016
Asset revaluation profit/loss	(219.127)	683.623
Respective income tax on other comprehensive income	63.547	(198.251)
Total:	**(155.580)**	**485.372**

8. RISK MANAGEMENT- OBJECTIVES & PERSPECTIVES

8.1 Financial Instruments

The Company's Financial Instruments consist of receivables from customers and short-term liabilities with annual maturity and therefore their book value can be considered as reasonable. Regarding the Long-Term Loans, the Company's weighted average cost of capital is very close to the borrowing rate and thus the book value of the item is very close to the fair value.

For non-current assets and specifically for Fixed Assets (IAS 16), the Company regularly examines their fair value with the assistance of independent valuators and based on approved methods. In addition, due to the nature of the fixed assets of the Company, their value does not change from year to year. During 2017 the Company carried out examination of the value of its fixed assets.

Financial receivables are warrants against future execution of contracts of French common wheat traded on the NYSE Liffe Paris market. These Financial Instruments are used to hedge the fair value of its inventories.

Regarding the receivables, the Company does not have significant credit risk concentration. A Credit Control system is in place to manage this risk more efficiently and to assess and classify customers according to the level of risk and, where appropriate provisions have been made for impaired receivables. The maximum exposure to credit risk on the Balance Sheet date is the fair value of each class of financial instrument, as shown in the table below:

	GROUP		**COMPANY**	
Non-current Assets	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Fixed Assets	97.045.490	97.428.186	94.021.561	96.452.538
Other Long-term Receivables	19.963	31.265	19.963	31.265
Total	**97.065.453**	**97.459.451**	**94.041.524**	**96.483.803**
Current Assets				
Inventrory	19.069.097	20.179.125	17.903.856	19.622.637
Trade Receivables	37.233.709	33.664.319	35.743.880	32.499.605
Cash and Cash Equivalents	4.284.542	6.087.837	3.609.001	4.685.082
Financial Receivables	780	51.690	780	51.690
Other Current Assets	10.839.296	8.297.694	6.628.331	4.077.159
Total	**71.427.424**	**68.280.665**	**63.885.848**	**60.936.173**
Long-term Liabilities				
Borrowings	30.693.617	533.299	30.693.617	533.299
Provisions and other long-term Liabilities	18.594.835	18.187.734	18.518.228	19.816.830
Total	**49.288.452**	**18.721.033**	**49.211.845**	**20.350.129**

Short-term Liabilities				
Suppliers	10.178.016	10.149.464	8.485.632	8.757.050
Borrowings	11.064.319	33.734.678	8.367.814	31.742.392
Financial Liabilities	21.330	18.030	21.330	18.030
Other Liabilities	5.728.273	12.236.823	5.515.913	11.850.739
Total	**26.991.938**	**56.138.995**	**22.390.689**	**52.368.211**

Fair Value Hierarchy

The Group and the Company use the following allocation to determine and disclose the fair value of receivables and liabilities per valuation method:

Level 1: based on the negotiable (unadjusted) prices in active markets for similar assets or liabilities.

Level 2: based on the valuation methods, in which all data with a significant effect on fair value are either directly or indirectly observable and includes valuation methods with negotiable prices in less active markets for similar or less similar assets or liabilities.

Level 3: based on valuation methods using data that have a significant effect on fair value and are not based on apparent market data.

The table below shows the allocation of the fair value of the assets and liabilities of the Group and the Company.

Assets	**Group**		**Company**		
	2017	**2016**	**2017**	**2016**	**Fair Value Hierarchy**
Land	13.005.540	13.368.987	12.251.786	13.368.987	Level 2
Buildings	51.498.312	53.276.591	51.487.284	53.266.175	Level 2
Investment Properties	285.407	289.752	285.407	289.752	Level 2
Financial Receivables	780	51.690	780	51.690	Level 2

Liabilities	**Group**		**Company**		
	2017	**2016**	**2017**	**2016**	**Fair Value Hierarchy**
Financial Liabilities	21.330	18.030	21.330	18.030	Level 2

During the year there were no transfers between the allocation levels.

The following methods and assumptions were used to estimate fair values:

The fair value of the Level 2 Buildings, Buildings and Investment Properties is valued from the Group and the Company by independent external expert using a combination of a) Comparative Method, b) Residual Approach and c) Depreciated Replacement Cost.

In Level 2, financial receivables are rights over futures contracts for French common wheat traded on the NYSE Liffe Paris market. These Financial Instruments are used to hedge the fair value of the Company's inventories.

The Group and the Company use various methods and assumptions based on market conditions prevailing at each reporting date.

8.2 Financial Risk Factors

The Company is exposed to financial risks such as exchange risk, interest rates risk, credit risk and liquidity risk arising from its activities and operation. The Company's policy aims to minimize the impact of those risks when they may arise. The Company uses financial instruments such as long-term and short-term loans, foreign currency transactions, trade receivables accounts, accounts payable, liabilities arising from financial leasing agreements, dividends payable, bank deposits and investments in securities.

Risk management is performed by the Financial Department whereas the BoD of the Company is fully responsible for setting the strategy, performing the overall planning and determining the risk management policies.

a) Credit Risk

The Group does not have a significant concentration of credit risk in any of its contracting parties, mainly due to the large number of customers and the great dispersion of the Group's customer base.

The Management of the Group has adopted and applies credit control procedures to minimize its doubtful receivables through the evaluation of the credit ability of its customers and the effective management of the receivables before they become overdue. For the monitoring of credit risk, customers are classified according to their credit profile, the maturity of their receivables and the historical background of their collection.

Additionally, the Group's companies have an insurance contract that covers most of their claims. This contract cannot be sold or transferred. Customers considered to be unreliable are reevaluated at every reporting date and when a likelihood of non-recovery of these receivables occurs, a provision for doubtful debts is formed.

At 31.12.2017 the ageing analysis of the trade receivables is as follows:

Receivables

	Group		Company	
	2017	**2016**	**2017**	**2016**
Trade Receivables	42.731.820	39.162.242	41.241.991	37.997.528
less: provision	(5.498.111)	(5.497.923)	(5.498.111)	(5.497.923)
Sundry debtors	11.562.834	9.244.609	7.452.631	5.130.925
less: Provision	(992.701)	(1.192.889)	(992.701)	(1.192.889)
Total:	**47.803.842**	**41.716.039**	**42.203.810**	**36.437.641**

	Group		Company	
	2017	2016	2017	2016
Non overdue and non-impaired	45.583.090	38.697.218	40.105.060	33.561.051
Overdue yet non impaired	0	0	0	
0-180 days	1.799.715	2.592.827	1.693.042	2.488.517
> από 180 days	421.037	425.994	405.708	388.073
Total:	**47.803.842**	**41.716.039**	**42.203.810**	**36.437.641**

	Group		Company	
	2017	2016	2017	2016
Balance at 1st January	**6.690.812**	**5.240.812**	**6.690.812**	**5.240.812**
Additions during the year	0	1.450.000	0	1.450.000
Unused provision	0	0	0	0
Used provision	(200.000)	0	(200.000)	0
Balance at 31st December	**6.490.812**	**6.690.812**	**6.490.812**	**6.690.812**

The trade receivables account is not interest-bearing and it is usually settled in: Group 0-180 days, Company 0-180 days.

The Management of the Company considered at the end of the year that no substantial credit risk does exist having not been met either by Insurance Contract or by provision for doubtful accounts.

Concerning the credit risk arising from bank deposits, the Company allocates cash deposits at banks based on limits in order to reduce its exposure to that risk. In addition, the Company cooperates only with Bank Institutions of high creditworthiness.

b) Liquidity risk

The Group keeps its liquidity risk at low levels through the availability of adequate cash or/and approved bank credit limits ensuring the fulfillment of the Group's short-term financial liabilities. The Group's liquidity ratio (current assets to current liabilities) amounted to 2,68 at December 31, 2017 towards 1,22 for the previous year.

For the monitoring and management of liquidity risk the Group forms cash flow projections on a regular basis.

c) Risk of increase in the price of raw materials

The fluctuation in prices of both imported and local raw materials for the last five years as well as the general economic crisis lead us to consider that this fluctuation will continue to exist in the price of the raw materials. Therefore, exposure to that risk is considered high and for that reason the Group's Management takes all the necessary measures in order, firstly, to limit the Group's exposure to that risk through achieving appropriate agreements with its suppliers and the use of derivative financial instruments and secondly, to timely adjust on each case its pricing and commercial policy.

d) Interest Rate Risk

The Group's exposure to the risk of changes in the interest rates relates to its short-term and long-term loans. The Group manages Interest Rate Risk through keeping the total of its loans at variable interest rates. Since the Company's loans are linked with the Euribor index, the maintenance of the latter at low levels has a direct positive impact on the financial cost of the Group.

The table below presents the sensitivity of the Earnings Before Tax of the Group and the Company if the interest rates change by a percentage point:

Sensitivity analysis on interest rate changes

	Interest Rate Volatility	**Impact on Company's EBT**	**Impact on Group's EBT**
Amounts 2017	1,00%	-390.614	-417.579
	-1,00%	390.614	417.579
Amounts 2016	1,00%	-322.757	-342.680
	-1,00%	322.757	342.680

e) Exchange Rate Risk

The Group operates in Southeast Europe and as a result any change in the operating currencies of those countries towards the other currencies exposes the Group to risk of exchange rate. The main currencies involved in the Group's transactions are Euro and Bulgarian Lev. The Group's Management continuously monitors the foreign exchange risks that may arise and assesses the need for action, yet at the moment there is no such risk since the exchange rate between the two currencies is stable from 1 January 1999 (BGN 1.95583 = EUR 1).

f) Other operating risks

The Management of the Company has adopted a reliable Internal Control system for the detection of dysfunctions and exceptions within its business activities. The insurance coverage of the property and other risks is adequate.

9. OTHER INFORMATION

1. LOULIS MILLS SA Shares

The Company's shares are common and listed on the Athens Stock Exchange's market bearing the symbol KYLO.

The Extraordinary General Meeting the Company's Shareholders of 16/12/2004 decided, inter alia, the reduction of the Company's share capital by € 64.896 through reducing its stock from 16.724.232 to 16.622.832 common registered shares, due to cancellation of own shares, in accordance with article 16 of Corporate Law 2190/1920.The above mentioned 101.400 shares were purchased during the period 17/12/2001 to 28/1/2002 in implementing the decision as of 23.7.2001 of the Extraordinary Shareholders Meeting and the resolution of the Board of Directors dated 7/11/2001.

After the aforementioned reduction, the share capital of the Company amounted to € 10.638.612,48 divided into 16.622.832 common registered shares of a par value of € 0,64 each.

The Extraordinary General Meeting the Company's Shareholders of 2/1/2009 decided the share capital increase by € 8.311.416 through the capitalization of the "share premium" account reserve. The share capital increase completed through the increase of the par value of each share by € 0,50, namely from € 0,64 to € 1,14 followed by an equal decrease of the share capital of the Company by € 8.311.416 (eight million three hundred and eleven thousand four hundred and sixteen Euros) through the reduction of the par value of each share by € 0,50, namely from € 1,14 to € 0,64 per each share and simultaneous equal cash payment to the shareholders of amount of € 8.311.416 (eight million three hundred and eleven thousand four hundred and sixteen Euros) i.e. € 0,50 per share. Following the above decisions of the General Meeting, the Company's share capital amounted to € 10.638.612 divided into 16.622.832 registered shares of a nominal value of € 0,64 each.

The Ordinary General Meeting the Company's Shareholders of 25/5/2010 decided, inter alia, the payment of dividend for 2009 having been increased with the dividend corresponding to the own shares of the Company, that is € 0,070046 per share, which, pursuant to Law 3697/2008, subject to 10% withholding tax and therefore the net final amount payable per share amounted to € 0,063041. Eligible to receive dividends are the Shareholders registered in the records of the intangible Securities System of the Company on Thursday, June 3, 2010 (record day). Cut-off date was defined as the June 1, 2010. The payment of the dividend for 2009 began on Thursday, June 9, 2010 through ALPHA BANK.

The Annual Ordinary General Meeting the Company's Shareholders of 25/5/2010 approved unanimously the share capital increase by € 1.994.739,84 (one million nine hundred and ninety four thousand seven hundred and thirty nine Euros and eighty four cents) by increasing the nominal value of the share by € 0,12 through capitalization part of the reserve Difference From Share Issue Premium and equal decreasing of the share capital of the Company by € 1.994.739,84 (one million nine hundred and ninety four thousand seven hundred and thirty nine Euros and eighty four cents) reducing the par value of each share by € 0,12 leading to the return of capital through cash payments to the Shareholders. Following the above decisions of the General Meeting, the Company's share capital amounted to € 10.638.612 divided into 16.622.832 registered shares of a nominal value of € 0,64 each.

The Ordinary General Meeting the Company's Shareholders of 20/6/2011 approved unanimously by 11.830.895 vote, i.e. 77%, the share capital increase by € 3.324.566,40 by increasing the nominal value of each share by € 0,20 through capitalization of the reserve Difference From Share Issue Premium and equal decreasing of the share capital of the Company by € 3.324.566,40 reducing the par value of each share by € 0,20 resulting to return of capital through cash payments to the Shareholders. Furthermore, it was decided, the cancellation of 1.400.556 registered own shares of value € 896.355,84, according to art.16 par.6 of the Corporate Law 2190/1920 and the equal decrease of the share capital of the Company. The above mentioned shares were purchased during the period 18/9/2008 to 30/9/2010 in implementing the decision as of 18/9/2008 of the Extraordinary Shareholders General Meeting. Following the aforementioned share capital decrease, the share capital of the Company amounted to € 9.742.256,64 divided into 15.222.276 common registered shares of a par value of € 0,64 each.

The Ordinary General Meeting the Company's Shareholders of 28/6/2013 approved the share capital increase by € 1.217.783,04 through cash payments, issuance of 1.902.786 new ordinary dematerialized registered shares with voting rights and of a nominal value of € 0,64 each, cancellation of the preemptive right of existing shareholders in favor of the new shareholder/strategic investor Al Dahra Agriculture Spain S.L. Sociedad Unipersonal. The offer price of the new shares amounted to € 4,0875753 per share. Following the above increase, the Company's share capital came to € 10.960.039,68 and is divided into 17.125.062 ordinary dematerialized registered shares with voting rights and a nominal value of € 0,64 each. Total revenues from the issue stood at € 7.777.781,05. The difference between the issue price and the nominal value of each share, which totals € 6.559.998,01, was credited to the "Share premium" account, according to the law and the Articles of Association.

The Extraordinary General Meeting the Company's Shareholders of 1/12/2014 decided the share capital increase by € 5.137.518,60 through the capitalization of a) of the untaxed reserves formed based on Law 2238/1994, in accordance with article 72 of the Law 4172/2013 of amount of € 4.678.218,10 and b) part of the reserve "Difference From Share Issue Premium" of amount of € 459.300,50 by increasing the par value of each share by € 0,30, namely from € 0,64 to € 0,94. The Ordinary General Meeting on June 23, 2015, amended the decision for the increase of the Company's share capital by € 5.137.518.60, decided by the Extraordinary General Meeting of the Company's shareholders on 1/12/2014, regarding the individual amounts (A) the tax-free reserves formed pursuant to Law 2238/1994 according to article 72 of law 4172/2013 amount to € 3.789.356,66 (instead of the amount of € 4.678.218,10) and (b) part of the reserve "share premium" amounts to € 1.348.161,94 (instead of the amount of € 459.300,50). Following the above decisions of the General Meeting, the Company's share capital amounted to € 16.097.558,28 divided into 17.125.062 registered shares of a nominal value of € 0,94 each.

The Extraordinary General Meeting the Company's Shareholders of 8/1/2015 decided the share capital increase by € 1.541.255,58 by increasing the par value of each share by € 0,09, i.e. from € 0,94 to € 1,03 through the capitalization of the reserve "Difference From Share Issue Premium" and a simultaneous equal decrease of the share capital of the Company by € 1.541.255,58 reducing the par value of each share by € 0,09 namely from € 1,03 to € 0,94 resulting in the return of capital through cash payments to the Shareholders and the relevant amendment of article 5 in the Company's Articles of Association. Following the above decisions of the General Meeting, the Company's share capital amounted to € 16.097.558,28 divided into 17.125.062 registered shares of a nominal value of € 0,94 each.

The Ordinary General Meeting dated 23.06.2016 decided the increase of the share capital of the Company by the amount of €1.027.503,72 with an increase of the nominal value of each share by € 0.06 (from €0.94 to € 1, 00) through the capitalization of reserves "share premium" and the simultaneous equal reduction of the Company's share capital by € 1.027.503,72 with a reduction of the nominal value of each share by € 0,06 (from € 1,00 to € 0,94) for the purpose of returning capital in cash to the shareholders of € 1.027.503,72, € 0,06 per share. Following the increase and the simultaneous decrease mentioned above, the share capital remains at the amount of € 16.097.558,28, divided into 17.125.062 common registered shares, of a nominal value of € 0,94 per share.

The Annual General Meeting the Company's Shareholders of June 13, 2017 decided the increase of the share capital of the Company by € 941.878,41 by increasing the nominal value of each share by € 0,055 (from € 0,94 to € 0,995) with capitalization of the reserves "difference from the issue of shares above par" and the simultaneous decrease of the share capital of the Company by the same amount (€ 941.878,41) by decreasing the nominal value of each share by € 0,055 (from € 0,995 to € 0,94), in order to return capital in cash to shareholders of an amount of € 941.878,41 i.e. € 0,055 per share. Following the increase and the simultaneous decrease mentioned above, the share capital remains at the amount of € 16.097.558,28, divided into 17.125.062 common registered shares, of a nominal value of € 0,94 per share. Furthermore, the Annual General Meeting the Company's Shareholders , decided the share capital decrease by € 4.495,08 through the reduction of its stock from 17.125.062 to 17.120.280 common registered shares, due to cancellation of 4.782 own shares, in accordance with article 16 of Corporate Law 2190/1920.The own shares mentioned above were purchased during the period 08.01.2015 to 07.01.2017 in accordance with the decision of the Extraordinary General Meeting the Company's Shareholders of January 8, 2015.

Following the aforementioned reduction, the share capital of the Company amounts now to sixteen million ninety three thousand sixty three euros and twenty cents (€ 16.093.063,20) divided into seventeen million one hundred and twenty thousand two hundred and eighty (17.120.280) common registered shares of a par value of ninety four cents (€ 0,94) each.

2. Main Exchange Rates for the Balance Sheet and Profit & Loss Account Results

Balance Sheet	31/12/2017	31/12/2016	31/12/2017 vs 31/12/2016
1 euro = Leva	1,9558	1,9558	0,00%

P&L	average 2017	average 2016	Average 2017 vs average 2016
1 euro = Leva	1,9558	1,9558	0,00%

3. Comparative Information

Where necessary, the comparative amounts have been adjusted to conform to changes in the current period's presentation. Differences in totals are due to rounding.

4. Existing encumbrances

On the fixed assets of the parent Company, mortgages and footnotes have been subscribed for a total amount of € 48 million at 31.12.2017 to secure bond loans of an amount of € 35,45 million.

5. Litigation and arbitration cases

No litigation and arbitration cases of management bodies exist that may have significant impact on the Company's financial statements. Pending Litigation cases exist, the final outcome of which will not affect significantly the Company's financial statements.

6. Number of Employed Personnel

Number of staff employed at the end of current year 31.12.2017: Group 262, Company 239, compared with 245 for the Group and 225 for the Company in the previous year.

7. Transactions with Related Parties (IAS 24)

The cumulative sales and purchases from the beginning of the year and the balances of the Company's receivables and payables at the closing of the current year arising from transactions with related parties within the meaning of IAS. 24 are as follows:

Significant Transactions with Related Parties

	Group - 2017			
	Sales of Good & Services	Purchases of Good & Services	Receivables	Liabilities
Associates	0	0	0	0
Executives and Members of Management	0	0	97.398	0
Total:	**0**	**0**	**97.398**	**0**

	Company - 2017			
	Sales of Good & Services	Purchases of Good & Services	Receivables	Liabilities
Nutribakes S.A.	39.361	861.204	206.594	0
Greek Baking School S.A.	8.925	26.100	0	0
Loulis Logistics Services S.A.	480	0	0	0
Grinco Holdings Ltd.	0	0	0	0
Loulis International Foods Enterprises (Bulgaria) Ltd.	0	0	0	0
Loulis Mel-Bulgaria EAD	17.934	2.069.141	0	33.462
Associates	0	0	0	0
Executives and Members of Management	0	0	0	0
Total:	**66.700**	**2.956.445**	**206.594**	**33.462**

	Group - 2016			
	Sales of Good & Services	Purchases of Good & Services	Receivables	Liabilities
Associates	0	0	0	0
Executives and Members of Management	0	0	2.616	275
Total:	**0**	**0**	**2.616**	**275**

	Company - 2016			
	Sales of Good & Services	Purchases of Good & Services	Receivables	Liabilities
Nutribakes S.A.	30.245	582.391	257.165	0
Greek Baking School S.A.	9.477	0	20.000	0
Loulis Logistics Services S.A.	200	0	0	0
Grinco Holdings Ltd.	0	0	0	0
Lafco Leader Asian Food Company Ltd.	0	0	0	0
Loulis International Foods Enterprises (Bulgaria) Ltd.	0	0	0	1.683.000
Loulis Mel-Bulgaria EAD	0	907.722	187.372	0
Associates	0	0	0	0
Executives and Members of Management	0	0	0	275
Total:	**39.922**	**1.490.113**	**464.537**	**1.683.275**

Payroll Expenses of Executives and Members

	Group		Company	
	2017	**2016**	**2017**	**2016**
Salaries and other fees	894.143	746.061	585.805	702.824
Total:	**894.143**	**746.061**	**585.805**	**702.824**

8. Bond Loan Disbursement

Pursuant to the decision of the Board of Directors of 28 December 2016, two contracts of jointly secured syndicated bond loans amounting to € 30 million and € 10 million respectively were signed with ALPHA BANK SA, as the coordinating and managing bank. Over the Company's fixed assets mortgages and advance notices were signed for a total amount of € 48 million to secure these syndicated bond loans. Both loans are of five years duration and their purpose is to refinance the existing bank loans, as well as to finance the general business purposes of the Company.

Specifically, the first bond loan of € 30 million was disbursed in two series of bonds. The First Bond Series was up to a maximum of € 20 million and on February 20, 2017 was fully disbursed and used to refinance the Company's existing bank borrowing. The Second Bond Series was up to a maximum of € 10 million and a) bonds of € 5 million were issued on 20 February 2017 b) € 1 million on 3 April 2017 and c) € 2 million and on August 16, 2017 leaving a balance for disbursement of € 2 million. The bonds issued under the Second Bond Series were used to achieve the general business purposes of the Issuer.

The second bond loan amounting to € 10 million was disbursed entirely on 20 February 2017 and an amount of € 7 million was used to refinance existing Company borrowing and an amount of € 3 million to meet the General Business Purposes of the Issuer.

9. Income tax

According to Law 4364/2015 the tax rate of income in legal entities in Greece, is set at 29% as of 01.01.2015.

10. Capital Expenses

Investments in fixed assets during 2017 amount to € 5.327 thousand for the Group and € 3.250 thousand for the Company.

11. Contingent Liabilities/ Receivables

There are no significant contingent liabilities that need to be disclosed in the annual financial statements. In September 2011, the Ministry of Competitiveness and Shipping issued a decision to submit a series of investments to Sourpi Industrial Unit in Development Law 3299/2004. The Company has already completed the investment, but due to the pending completion of the final audit by the Operator, a liability may be created towards the State in the future.

12. Fees of the Board of Directors

The total remuneration paid to the members of the Board of Directors of LOULI MILLS SA within 2017 amounts to: € 214.797.

13. Significant Changes in the Consolidated Balance Sheet and Profit & Loss Accounts

The most significant changes in the balance sheet and Profit & Loss Accounts for the period ended 31.12.2017 are as follows:

The increase in the item "Non - Current Loans and Borrowings" of an amount of € 30,2 million and the decrease in the item "Current Borrowings and Loans" of an amount of € 22,7 million as shown in the "Statement of Financial Position" is due to the bond issue of € 38 million and the restructuring of the loan liabilities.

The decrease in the items "Trade Payables" and "Other Current Liabilities" as shown in the "Statement of Financial Position" is due to the repayment of liabilities of an amount of € 11 million which amount raised through bond issue.

The decrease in the item "Other Non - Current Liabilities" as shown in the "Statement of Financial Position" of an amount of € 1,68 million is due to the repayment of the Company's liability towards the Group's subsidiary «Loulis International Foods Enterprises (Bulgaria) Ltd».

14. Earnings per Share

The Board of Directors of the Company proposes not to distribute a dividend from the profits of the year 2017 due to the uncertain economic environment as well as the liquidity of the Company. As a result, the non-distribution of dividends is subject to the approval of the Regular General Meeting of Shareholders.

15. Approval of Financial Statements

The date of the approval of the Financial Statements by the Board of Directors is 25.04.2018.

16. Notes on future events

The Annual Financial Statements, as well as the accompanying notes and disclosures, may contain particular assumptions and calculations concerning future events in relation to the operations, development and the financial performance of the Company and the Group.

There are no events that occurred after the Balance Sheet date that have a material impact on the Group's and Company's Financial Statements.

The Company and the Group are not responsible and have no obligation to change the reports or assumptions relating to future events as a result of more recent information about these future events or for any other reason.

The Chairman of the Board of Directors	**The Vice-Chairman of the Board of Directors & CEO**
Nikolaos K. Loulis	Nikolaos S. Fotopoulos

The Chief Accountant

Georgios K. Karpouzas

LOULIS MILLS S.A.

Reg. No 50675444000

Reg. Address: Municipality of Sourpi, Prefecture of Magnesia (Loulis Port)

FINANCIAL STATEMENTS AND INFORMATION FOR THE YEAR 2017

The following data and information aim at providing a general overview of the financial status and results of LOULIS MILLS S.A. and LOULIS GROUP OF COMPANIES.
Readers, who require a complete picture of the Group's financial status and results, are advised to access the financial statements according to the International Accounting Standards, as well as the audit report by the certified auditor-accountant .
In such case, readers may refer to the Company's website, www.loulismills.gr, where such information is posted.

(Amounts in €)

STATEMENT OF FINANCIAL POSISTION

	GROUP		COMPANY	
ASSETS	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
NON - CURRENT ASSETS				
Property, Plant and Equipment	95.842.849	96.293.014	93.556.690	96.032.819
Investment Property	285.407	289.752	285.407	289.752
Other Intangible Assets	917.234	845.420	179.464	129.967
Investments in Subsidiaries	-	-	1.798.315	1.803.124
Other Non-Current Receivables	19.963	31.265	19.963	31.265
	97.065.453	**97.459.451**	**95.839.839**	**98.286.927**
CURRENT ASSETS				
Inventories	19.069.097	20.179.125	17.903.856	19.622.637
Trade Receivables	37.233.709	33.664.319	35.743.880	32.499.605
Derivative Financial Assets	780	51.690	780	51.690
Other Current Assets	10.839.296	8.297.694	6.628.331	4.077.159
Cash and Cash Equivalents	4.284.542	6.087.837	3.609.001	4.685.082
	71.427.424	**68.280.665**	**63.885.848**	**60.936.173**
TOTAL ASSETS	**168.492.877**	**165.740.116**	**159.725.687**	**159.223.100**
EQUITY & LIABILITIES				
Share Capital	16.093.063	16.097.558	16.093.063	16.097.558
Share Premium Account	33.656.792	34.603.383	33.656.792	34.603.383
Purchased Own Shares	-	-9.207	0	(9.207)
Other Reserves	41.985.742	39.687.162	38.373.298	35.813.026
	91.735.597	**90.378.896**	**88.123.153**	**86.504.760**
Non-controlling interest	476.890	501.192	-	-
Total Equity	**92.212.487**	**90.880.088**	**88.123.153**	**86.504.760**
LONG TERM LIABILITIES				
Non - Current Loans and Borrowings	30.693.617	533.299	30.693.617	533.299
Deferred Tax Liabilities	14.275.353	13.690.354	14.225.638	13.659.977
Provisions for Retirement Benefits	768.141	741.433	741.249	717.906
Other Non - Current Liabilities	3.551.341	3.755.947	3.551.341	5.438.947
	49.288.452	**18.721.033**	**49.211.845**	**20.350.129**
CURRENT LIABILITIES				
Trade Payables	10.178.016	10.149.464	8.485.632	8.757.050
Loans and Borrowings	11.064.319	33.734.678	8.367.814	31.742.392
Derivative Financial Liabilities	21.330	18.030	21.330	18.030
Tax Payable	1.166.410	2.385.325	1.130.251	2.223.273
Other Current Liabilities	4.561.863	9.851.498	4.385.662	9.627.466
	26.991.938	**56.138.995**	**22.390.689**	**52.368.211**
TOTAL EQUITY & LIABILITIES	**168.492.877**	**165.740.116**	**159.725.687**	**159.223.100**

STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	01.01 - 31.12.2017	**01.01 - 31.12.2016**	**01.01 - 31.12.2017**	**01.01 - 31.12.2016**
Total Equity at the Beginning of the Year (1.1.2017 & 1.1.2016)	**90.880.088**	**88.731.884**	**86.504.760**	**84.267.570**
Total Comprehensive Income	2.608.403	3.340.738	2.750.380	3.387.138
Distributed Dividends	(336.797)	(176.700)	(214.797)	(122.326)
Equity Adjustments	2.672	11.787	24.689	(1)
Sales / (Purchases) of Own Shares	0	(118)	0	(118)
Reduction of Share Premium	(941.879)	(1.027.503)	(941.879)	(1.027.503)
Movement of non-controlling interests	0	0	0	0
Total Equity at the End of the Year (31.12.2017 & 31.12.2016)	**92.212.487**	**90.880.088**	**88.123.153**	**86.504.760**

STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	01.01 - 31.12.2017	**01.01 - 31.12.2016**	**01.01 - 31.12.2017**	**01.01 - 31.12.2016**
Revenue	97.659.669	101.330.254	92.153.609	96.536.741
Cost of sales	(75.933.415)	(76.192.236)	(72.247.268)	(72.719.595)
Gross Profit	**21.726.254**	**25.138.018**	**19.906.341**	**23.817.146**
Other Operating Income	4.083.381	3.373.245	3.992.880	3.382.490
Distribution Expenses	(15.160.089)	(14.887.736)	(13.700.680)	(14.071.236)
Administration Expenses	(3.761.355)	(3.662.941)	(3.270.179)	(3.347.157)
Fair Value Valuation of Bonds and Participations	(95.310)	(102.570)	(95.310)	(102.570)
Other Expenses	(399.054)	(2.653.007)	(394.065)	(2.651.233)
Financial Income	33.861	68.774	18.531	106.264
Financial Expenses	(2.037.748)	(2.635.747)	(1.895.939)	(2.547.476)
Profits/(Losses) before taxes	**4.389.940**	**4.638.036**	**4.561.579**	**4.586.228**
Tax Expense	(1.621.944)	(1.788.844)	(1.652.875)	(1.690.529)
Profits/(Losses)	**2.767.996**	**2.849.192**	**2.908.704**	**2.895.699**
Total Profit for the Year	**2.767.996**	**2.849.192**	**2.908.704**	**2.895.699**
Owners of the Parent Company	2.758.349	2.777.491	2.908.704	2.895.699
Non-Controlling Interests	9.647	71.701	-	-
Other Comprehensive Income				
Profit/Loss on Revaluation of property	(219.127)	683.623	(219.127)	683.623
Actuarial Profits/Losses	(4.013)	6.174	(2.744)	6.067
Income tax that relates to other comprehensive income	63.547	(198.251)	63.547	(198.251)
Items that will be Reclassified to Profit of Loss	**(159.593)**	**491.546**	**(158.324)**	**491.439**
Total Comprehensive Income For the Year	**2.608.403**	**3.340.738**	**2.750.380**	**3.387.138**
Profit for the Year Attributable to:				
Owners of the Parent Company	2.599.137	3.269.005	2.750.380	0
Non-Controlling Interests	9.266	71.733	-	-
E.P.S.				
Basics	**0,1611**	**0,1622**	**0,1699**	**0,1691**
E.P.S. from Continuing Operations				
Basics	**0,1611**	**0,1622**	**0,1699**	**0,1691**
Depreciation	4.001.895	3.919.507	3.978.998	3.909.242
E.B.I.T.	6.489.137	7.307.579	6.534.297	7.130.010
E.B.I.T.D.A.	10.491.032	11.227.086	10.513.295	11.039.252

CASH FLOW STATEMENT

	GROUP		COMPANY	
Cash Flows from Operating Activities	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Profit/ (Loss) before Tax	**4.389.940**	**4.638.036**	**4.561.579**	**4.586.228**
Adjustment for:				
Depreciation	4.001.895	3.919.507	3.978.998	3.909.242
Provisions	608.752	2.058.141	634.914	1.933.862
Interest Expense	2.037.748	2.635.747	1.895.939	2.547.476
Interest Income	(33.861)	(68.774)	(18.531)	(21.133)
Adjustments for change in Working Capital or relating Operating Activities:				
(Increase)/decrease in Inventories	1.120.136	1.192.943	1.718.781	1.683.900
(Increase)/decrease in Receivables	(3.456.132)	(3.190.849)	(3.737.939)	(2.135.335)
(Decrease) / Increase in Payables (excluding Loans)	(6.711.657)	(2.117.502)	(7.991.185)	(3.080.107)
Less:				
Interest Paid	(1.820.334)	(2.444.600)	(1.678.525)	(2.361.977)
Income Taxes paid	(2.956.425)	(1.751.153)	(2.866.712)	(1.627.623)
Net Cash from Operating Activities (a)	**(2.819.938)**	**4.871.496**	**(3.502.681)**	**5.434.533**
Cash Flows from Investing Activities				
Acquisition of associates, JVs and other investments	-	(960)	-	(254.875)
Payments for Financial Investments	-	(175.000)	-	(175.000)
Purchase of Tangible and Intangible Assets	(5.326.754)	(1.906.634)	(3.249.756)	(1.678.161)
Proceeds from disposal of Tangible and Intangible Assets	6.081	76.208	28.760	78.008
Interest Received	4.033	21.303	18.531	21.133
Dividends Received	-	-	-	85.131
Net Cash from Investing Activities (b)	**(5.316.640)**	**(1.985.083)**	**(3.202.465)**	**(1.923.764)**
Cash Flow from Financing Activities				
Proceeds / (Payments) from Increase / Decrease of the Share Capital	(941.879)	(1.027.154)	(941.879)	(1.027.504)
Disposal / (Purchase) of Own Shares	-	-	-	-
Proceeds from Bank Borrowings	23.039.959	1.136.576	22.335.741	359.517
Payment of Bank Borrowings	(15.550.000)	(2.500.000)	(15.550.000)	(2.500.000)
Dividends/Fees paid of the Members of the Board	(214.797)	(176.699)	(214.797)	(122.326)
Net Cash used in Financing Activities (c)	**6.333.283**	**(2.567.277)**	**5.629.065**	**(3.290.313)**
Net Increase / (Decrease) in the Cash and Cash Equivalents (a + b+ c)	**(1.803.295)**	**319.136**	**(1.076.081)**	**220.456**
Cash & Cash Equivelants at the Beginning of the Year	**6.087.837**	**5.768.701**	**4.685.082**	**4.464.626**
Cash & Cash Equivelants at the End of the Year	**4.284.542**	**6.087.837**	**3.609.001**	**4.685.082**

ADDITIONAL ELEMENTS AND INFORMATION

1. The companies which have been consolidated in the above financial statements are presented in the following table with the corresponding ownership stakes :

COMPANY NAME	DOMICILE - COUNTRY	PARTICIPATION PERCENTAGE	RELATIONSHIP WITH THE PARENT COMPANY	CONSOLIDATION METHOD	UNAUDITED TAX FISCAL YearS
LOULIS MILLS S.A.	Sourpi Magnesia-Greece	Parent	Parent	-	1
NUTRIBAKES A.E.	Keratsini Attica-Greece	70,00%	Direct	Full	1
GREEK SCHOOL BAKERY LIFELONG LEARNING CENTER LEVEL ONE SA	Keratsini Attica-Greece	99,67%	Direct	Full	3
LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) Ltd.	Nicosia-Cyprus	100,00%	Direct	Full	10
LOULIS MEL- BULGARIA EAD	Sofia-Bulgaria	100,00%	Indirect	Full	2
GRINCO HOLDINGS Ltd.	Nicosia-Cyprus	100,00%	Direct	Full	4
LOULIS LOGISTICS SERVICES S.A.	Sourpi Magnesia-Greece	99,67%	Direct	Full	2

2. In fiscal year 2017 the tax audit of the Certified Auditors for the year 2016 of the parent company and its subsidiary NUTRIBAKES SA was completed and they received a tax certificate of compliance with the "Conclusion without reservation".

3. The company has applied the same basic accounting principles with the previous year 2016.

4. Tangible assets of Loulis Mills S.A., up to the amount of EUR 48 million, are used as collateral in order to secure bank loans, worth of EUR 35,45 million.

5. There are no under arbitration cases of administrative bodies, which may have a material impact on the financial status of the Company. There are pending judicial cases whose final outcome cannot be predicted at this stage.

6. The headcount at the end of 2017 for the Group was 262 and for the Company 239 , contrary to 245 for the Group and 225 for the Company at the end of 2016.

7. Cumulative sales and purchases from the beginning of the year and the balances of receivables and liabilities of the Group and the parent company at the end of the Year that have resulted from the transactions with the related parties, as defined by IAS 24 are as follows:

	GROUP	COMPANY
a) Sales of products and services	0	66.700
b) Purchases of products and services	0	2.956.445
c) Receivables	0	206.594
d) Liabilities	0	33.462
e) Transactions and salaries of managing officers and members of managing boards	894.143	585.805
f) Receivables from managing officers and members of managing boards	97.398	0
g) Liabilities to managing officers and members of managing boards	0	0

8. Investments in tangible fixed assets for the Year reached the amount of EUR 5.327 thousand for the Group and EUR 3.250 thousand for the Company.

9. Earnings per share were calculated based on the weighted average number of total shares.

10. Any differences in totals are due to rounding.

11. The date of approval of the Financial Statements by the Board of Directors is 25.04.2018.

12.On January 8th 2017, LOULIS MILL'S SA share buyback program was completed / terminated .The program was approved in accordance with Article 16 of Law 2190/1920, as amended and the No. 2273/2003 Regulation of the European Communities and by the Extraordinary General Meeting of January 8, 2015. The Extraordinary General Meeting decided, inter alia, the acquisition by the Company through the Athens Exchange and within a Year of twenty four (24) months from the date of that decision, a maximum of up to 1.712.506 ordinary registered shares, representing 10% of total shares, with a minimum value of one Euro (1 €) and a maximum value of five Euro (5 €) per share.On 11.07.2017 the trading of the 4,782 shares on ATHEX ceases and they are canceled.

13. Following the preliminary contract transfer of shares of 06.02.2015 between «NUTRIBAKES SA Mixtures Production, Bakery and Confectionery "- a 70% subsidiary of " LOULIS MILLS SA "- and the shareholders of the company «Kenfood Trofognosia SA", the Board of «NUTRIBAKES SA Mixtures Production, Bakery and Confectionery " decided on the February 6, 2017, the merger by absorption of the company «Kenfood Trofognosia SA " in accordance with the provisions of Articles 68-77 of Codified 2190/1920 and no. 54 of I. 4172/2013.The transformation balance sheet will be the one that will be drafted by December 31, 2016. The merger is subject to the adoption of the statutory decisions by the competent bodies.

14. The Ordinary General Meeting of the shareholders dated 13.06.2017 decided the increase of the share capital of the company by the amount of euro 941.878,41 with an increase of the nominal value of each share by euro 0.055 (from euro 0.94 to euro 0.995) by capitalization of the share capital reserve of the Company by € 941.878,41 with a reduction of the nominal value of each share by € 0.055 (from € 0.995 to € 0.94) for the purpose of returning capital with cash to the shareholders of the Euro 941.878,41, ie EUR 0.055 per share. The payment to the shareholders took place on 14.07.2017

15. Following the decision of the Board of Directors of 28 December 2016, two contracts of jointly secured syndicated bond loans of € 30 million and € 10 million respectively were signed, with ALPHA BANK SA being the coordinating and managing bank, ALPHA BANK S.A.
Until 30.06.2017, € 36 million had been disbursed, of which the first € 27 million was used to refinance existing bank loans and the remaining € 9 million for general business purposes of the Company.

16. Pursuant to decision 19/1/2017 of the Extraordinary General Meeting of the shareholders of the subsidiary LAFCO LEADER ASIAN FOOD COMPANY Ltd, the certificate of liquidation was issued on 1/3/2018 by the Department of Registrar of Companies and Official Receiver of the Ministry of Energy, Commerce , Industry and Tourism of the Republic of Cyprus. The Company had no activity in the current year.

17. The Company's Board of Directors will propose to the Ordinary General Meeting of Shareholders not to distribute a dividend from the profits of the year 2017 due to the uncertain economic environment as well as for the liquidity of the Company. As a result, the non-distribution of dividends is subject to the approval of the Regular General Meeting of Shareholders.

Sourpi Magnesias, April 25th 2018

Chairman of the Board	Vice President & CEO	Accountant Manager
Nikolaos Loulis	Nikolaos Fotopoulos	Georgios Karpouzas

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