LOULIS
mills

ANNUAL FINANCIAL REPORT

FOR THE YEAR 2018
(1/1/2018-31/12/2018)

2018

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

www.loulismills.gr

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Financial Statement & Information for the Year 2018

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 (22 April 2019),

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

ANNUAL REPORT OF THE BOARD OF DIRECTORS
OF LOULIS MILLS SA
on the financial statements for the fiscal year from
1st January 2018 to 31st December 2018

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, 2018 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. The Consolidated and Separate Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

This report includes the financial review from January 01, 2018 to December 31, 2018, the significant events that took place in 2018, the expected 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 as well as any other additional information required by the relevant legislation.

A. Financial review 2018

The Group's **Turnover (Sales)**[1] for 2018 amounted to € 98,73 million, increased by 2,87% compared to € 95,98 million in 2017. At the same time, the Company's turnover amounted to € 91,89 million compared to € 90,48 million in the previous period, having increased by 1,56%.

Regarding the **Sales per segment**, we recognize a decrease of 9,96% in the sold quantities of consumer products, which accounted for the current period to 23,5 thousand tonnes compared to 26,1 thousand tonnes in the previous year. That decrease was due to the fall in the sales of consumer products by 4,44%. On the contrary, the sold quantities of business products in the current year increased by 2,83% compared to the prior year. That increase led to a total rise in sales of business products by 2,79%. Finally, the sales of mixtures for bakery and pastry, for 2018, performed total sales of € 7,55 million compared to € 6,31 million in the previous year, increased by 19,81% whereas the Group's activity of training services, for 2018, performed total sales € 0,12 million compared to € 0,10 million in the previous year.

The Group's **Cost of Sales** for 2018 amounted to € 78,50 million, increased by 3,38% compared to € 75,93 million in the previous year. At the same time, the Company's cost of sales amounted to € 73,46 million compared to € 72,25 million for 2017, having increased by 1,67%. In addition, the Group's **Gross Profit** for 2018 amounted to € 20,23 million for the Group and € 18,42 million for the Company, increased by 0,88% compared to € 20,05 million in 2017 for the Group and increased by 1,06% compared to € 18,23 million in the previous year for the Company. On the contrary, the ratio of cost of sales to sales from 20,89% for 2017 for the Group and 20,15% for the Company, decreased, for 2018, to 20,49%, for the Group and to 20,05% for the Company.

The Group's **Administrative Expenses and Distribution Costs**[1] amounted for 2018 to € 18,04 million increased by 4,58% compared to the previous year, while they increased as a percentage to sales since in the previous year they represented 17,97% of sales compared to 2018 when they represent 18,27%. Respectively, the Company's administrative expenses and distribution costs amounted to € 16,04 million for the current year increased by 4,84% compared to € 15,29 million for the previous year, while the Company's ratio of administrative expenses and distribution costs to sales increased to 17,46% for 2018, compared to 16,91% for 2017. In particular, the Group's Distribution Costs, as a percentage to total sales, increased, since in the 2017 they represented 14,05% of sales compared to 14,23% for the current year whereas the Administrative Expenses amounted to € 3,99 million for 2018 having increased by 6,12% compared to the previous year. Similarly, the Company's Distribution Costs, as a percentage to total sales, increased, since in 2017 they represented 13,29% of sales compared to 13,71% for the current year whereas the Administrative Expenses amounted to € 3,45 million for 2018 having increased by 5,50% compared to the previous year.

The Group's **Financial Expenses** amounted to € 2,12 million for 2018 having increased by 3,92% compared to the previous year when they amounted to € 2,04 million, while as a percentage to sales they increased from 2,12% to 2,15%. Correspondingly, the financial expenses of the Company amounted to € 1,90 million for the current year, having increased by 0,41% compared to the respective year of 2017.

The **Total Depreciation** for 2018 for the Group amounted to € 4,22 million and € 4,17 million for the Company, compared to € 4,00 million for the Group and € 3,98 million for the Company for the prior period, having increased by 5,57% for the Group and 4,68% for the Company, while they also increased as a percentage to sales from 4,17% for the Group and 4,40% for the Company in the previous period to 4,28% for the Group and 4,53% for the Company for the current year.

The **Group's Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**[2] amounted for 2018 to € 9,30 million having decreased by 11,34% compared to € 10,49 million for 2017 and having also decreased as a percentage to sales from 10,93% to 9,42%. Respectively, for the Company, EBITDA decreased by 10,66% from € 10,51 million in the previous year to € 9,39 million for 2018 and also decreased as a percentage to sales from 11,62% to 10,22%.

After having taken into account all the above, the Group's **Net Profit before Tax** amounted to € 0,60 million for the current year compared to € 4,39 million for the prior year, representing a decrease of 86,33%. As a percentage to sales it also decreased from 4,57% to 0,61%.

Respectively, for the Company the **Net Profit before Tax** amounted to € 3,55 million for 2018 compared to € 4,56 million in the previous period, showing a decrease of 22,15%. As a percentage to sales, it decreased from 5,04% for 2017 to 3,86% for 2018.

Income tax for the Group amounted to € 0,15 million for 2018 compared to € 1,62 million for the previous year and for the Company it amounted to € 0,13 million compared to € 1,65 million for 2017.

Following the above, the Group's **Net Income Statement after tax** amounted to € 0,45 million for the current year compared to € 2,77 million in the previous period and as a percentage to sales it amounted to 0,46% for 2018 from 2,88% for 2017. On the contrary, the Company's net profit after tax amounted to €

3,43 million for 2018 compared to € 2,91 million in the previous year and as a percentage to sales it amounted from 3,21% for 2017 to 3,73% in the current year.

The Group's profit attributable to **Non-controlling Interests** for 2018 amounted to € 0,81 million loss compared to € 0,01 million profit 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 € 1,26 million over profit € 2,76 million in the previous year.

For the year 2018, the **Operating cash flows** for the Group and the Company amounted to € 10,67 million and € 8,66 million, respectively, while in the previous year it amounted to € -2,82 million for the Group and € -3,50 million for the Company.

The **Purchases of Tangible and Intangible Assets** for the Group for the current year amounted to € 7,42 million compared to € 5,33 million for the prior year. That 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, the purchase of a flat warehouse and a new industrial unit of mill products.

The Group's **Total Net Borrowing**[2] at December 31, 2018 amounted to € 38,06 million compared to € 37,47 million at December 31, 2017, i.e. increase of 1,57%, while the Company's total borrowings at December 31, 2018 amounted to € 32,43 million compared to € 35,45 million December 31, 2018, having decreased by 8,52%.

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

		01.01.2018 31.12.2018		01.01.2017 31.12.2017		01.01.2016 31.12.2016		Target
1	Total Net Borrowing[2] / EBITDA[2]	38.061.338 / 9.297.711	4,09	37.473.394 / 10.491.032	3,57	28.180.140 / 11.227.086	2,51	(≤4,50)
2	EBITDA[2] / Interest Paid	9.297.711 / 2.109.771	4,41	10.491.032 / 2.024.826	5,18	11.227.086 / 2.621.402	4,28	(≥4,00)
3	Non-Current Assets / Total Net Borrowing[2]	104.128.186 / 38.061.338	2,74	97.065.453 / 37.473.394	2,59	97.459.451 / 28.180.140	3,46	(≥2,50)
4	Total Net Borrowing[2] / Total Equity	38.061.338 / 89.200.562	0,43	37.473.394 / 92.212.487	0,41	28.180.140 / 90.880.088	0,31	(≤0,60)
5	Total Current Assets / Total Current Liabilities	66.126.910 / 33.186.864	1,99	71.427.424 / 26.991.938	2,65	68.280.665 / 56.138.995	1,22	(≥1,00)
6	Total Liabilities / Total Equity	81.054.534 / 89.200.562	0,91	76.280.390 / 92.212.487	0,83	74.860.028 / 90.880.088	0,82	(≤1,00)

Basic Company's Ratios

		01.01.2018 31.12.2018		01.01.2017 31.12.2017		01.01.2016 31.12.2016		Target
1	Total Net Borrowing[2] / EBITDA[2]	32.426.878 / 9.390.505	3,45	35.452.430 / 10.513.295	3,37	27.590.609 / 11.039.252	2,50	(≤4,50)
2	EBITDA[2] / Interest Paid	9.390.505 / 1.891.022	4,97	10.513.295 / 1.883.017	5,58	11.039.252 / 2.533.131	4,36	(≥4,00)
3	Non-Current Assets / Total Net Borrowing[2]	97.055.118 / 32.426.878	2,99	95.839.839 / 35.452.430	2,70	98.286.927 / 27.590.609	3,56	(≥2,50)
4	Total Net Borrowing[2] / Total Equity	32.426.878 / 88.190.362	0,37	35.452.430 / 88.123.153	0,40	27.590.609 / 86.504.760	0,32	(≤0,60)
5	Total Current Assets / Total Current Liabilities	63.144.410 / 25.818.366	2,45	63.885.848 / 22.390.689	2,85	60.936.173 / 52.368.211	1,16	(≥1,00)
6	Total Liabilities / Total Equity	72.009.166 / 88.190.362	0,82	71.602.534 / 88.123.153	0,81	72.718.340 / 86.504.760	0,84	(≤1,00)

[1] *The figures of 2017 are adjusted according to IFRS 15 "Contracts with Customers" with a transition date of 1 January 2018 (see note 6.2.2).*

[2] *For explanations and the calculation of the indicators see section "Alternative Performance Measures (APMs)"*

B. Group's Companies and Branches

The Group and the Company own the following branches:

Name	Head office	Branches	% Parent's participaton	Basis for the consolidation
LOULIS MILLS S.A.	Sourpi, Magnisia	Keratsini of Attica, Mandra of Attica, Podochori of Kavala, Kalochori of Thessaloniki	-	Parent
KENFOOD SA (former NUTRIBAKES SA)	Keratsini, Attica	Ampelochori of Viotia, Mandra of Attica, Podochori of Kavala, Kalochori of 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	General Toshevo, Bulgaria	100%	Indirect
GRINCO HOLDINGS Ltd.	Nicosia, Cyprus	-	100%	Direct

C. Significant Events that took place during 2018

The most significant events that took place during 2018 are as follows:

Dissolution and liquidation of the subsidiary "LAFCO LEADER ASIAN FOOD COMPANY LTD"

On March 1st, 2018 Liquidation Certificate of the company "LAFCO LEADER ASIAN FOOD COMPANY Ltd." has been issued 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 dissolution and liquidation of the company, 100% subsidiary of LOULIS MILLS SA, has been decided by the Extraordinary General Meeting of the company on January 19, 2017.

Acquisition of property in Mandra of Attica

In May 2018, the Company purchased a ground floor warehouse of a total surface of 2.250 m^2 situated on a land of a total surface of 8.800 m^2 in the Municipality of Mandra-Eidyllia and particularly on the location «Mesaia Gefyra" over the old National Road of Athens-Thebes. The purchase price amounted to € 2 million.

The purchase of the aforementioned asset was due to the compulsory expropriation of the existing warehouse of the Company located at the side street of Iera Odos, 131 (Em. Pappas st.) in the Municipality of Egaleo, Attica, for the construction of Athens Metro projects.

The new modern warehouse will contribute to the more efficient management of the inventories as well as to improved customer services while it shall assist to achieve the goal for continuous growth.

Decisions of the Annual General Meeting of Shareholders

On June 14, 2018 the Annual General Meeting of Shareholders took place where 76,2% of the share capital was represented, i.e. the shareholders and the shareholders' representatives who attended and voted represented 13.052.651 shares and 13.052.651 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 01.01.2017 to 31.12.2017 have been approved unanimously by 13.052.651 votes, i.e. 76,2% 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 13.052.651 votes, i.e. 76,2% 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 13.052.651, i.e. 76,2% of the share capital from any liability for indemnity for the fiscal period 01.01.2017-31.12.2017.

3. The company "BDO Auditors 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 period 01.01.2018 to 31.12.2018 was unanimously elected by 13.052.651votes, i.e. 76,2% of the share capital.

4. The distribution of remuneration to the Members of the Board of Directors for the fiscal year 01.01.2017 - 31.12.2017 was approved unanimously, by 12.908.651 votes, ie 75,4% 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 12.908.651 votes, i.e. 75,4% of the share capital.

6. The increase of the share capital of the Company by € 1.027.216,80 was approved unanimously, by 13.052.651 votes, i.e. 76,2% of the share capital, by increasing the nominal value of each share by € 0,06 with capitalization of the reserves "difference from the issue of shares above par" and unanimously approved the decrease of the share capital of the Company by the same amount (€ 1.027.216,80) by decreasing the nominal value of each share by € 0,06, 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 Amendment of the Article 5 of the Articles of Association of the Company, in accordance with the above mentioned decision under number 6 was approved unanimously, by 13.052.651 votes, i.e. 76,2% of the share capital.

8. 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 related companies as those companies are defined in article 32 of Law 4308/2014 and, therefore, to conduct on behalf of the related companies acts falling within the Company's purposes, was approved unanimously, by 13.052.651 votes, i.e. 76,2% of the share capital.

At the same General Meeting and in accordance with the decision of the first item of the agenda the Company shall not to distribute dividends to shareholders for fiscal year 2016 (01.01.2017 - 31.12.2017).

Mill Acquisition in Bulgaria

In June 2018, the Company purchased an industrial unit (Mill) in northeastern Bulgaria (General Toshevo), through its subsidiary "LOULIS MEL-BULGARIA EAD".

The mill is located in the fertile region of Dobrich, where the finest Bulgarian grain is produced, just 13 km from Romanian border, is built in 2015, with a capacity of 100 tons / 24 hours with a storage capacity of 4,500 tons of wheat and is located on a plot of 21,000 m^2. The purchase was for 2.25 million euro and was financed from own funds.

The Company, after 10 years, returns to the Balkan market with a production unit designed to serve the markets of Bulgaria and Romania. These markets are dynamically growing with increasing demands for quality flour, which the company plans to cover. The company's goal is to grow on international markets through both export and investment.

Increase and equal reduction of the Company's share capital by increase and equal reduction of the par value of the Company's shares and the capital return in cash to shareholders

The Annual General Meeting of June 14, 2018 decided the increase of the share capital of the Company by € 1.027.216,80 by increasing the nominal value of each share by € 0,06 (from € 0,94 to € 1,00) with capitalization of the reserves "difference from the issue of shares above par" and the decrease of the share capital of the Company by the same amount (€ 1.027.216,80) by decreasing the nominal value of each share by € 0,06 (from € 1,00 to € 0,94) , in order to return capital in cash to shareholders € 1.027.216,80 i.e. € 0,06 per share.

Following the increase and the simultaneous decrease mentioned above, the share capital remains at the amount of € 16.093.063,20, divided into 17.120.280 nominal shares, of an amount of € 0,94 per share.

On June 29, 2018, the decision with number 70854/26-06-2018 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 1413785.

The Corporate Actions Committee of the Athens Stock Exchange during its session on July 05, 2018, 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 € 0,06 per share.

In the light of the above, as of the following date of July 09, 2018, the shares of the Company were 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 € 0,06 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, 2018. The payment date of the capital return was set July 16, 2018 through ALPHA BANK.

Issuance of a bond loan

On September 12, 2018 the Company proceeded with the issuing of a bond loan of a total amount of € 2,5 million in order to meet its working capital needs. The bond loan is of two years duration and was issued in association with National Bank of Greece S.A.

Completion of the merger by absorption of the company "KENFOOD TROFOGNOSIAS SA" by the subsidiary company "NutriBakeS SA"

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 was the one prepared by 31 December 2016. The aforementioned merger was approved by virtue of Decision 8559/2018 of the Deputy Chief Executive Officer of Piraeus, registered in the General Commercial Register on 18/09/2018 under Registration Number 1475949. The same decision includes, also, the adoption of an amendment to article 5 of the Articles of Association of "NutriBakeS SA", according to which its share capital amounts now to € 670.310 from € 533.400 divided into 67.031 common registered shares of nominal value of € 10 from 53.340 common registered shares of a nominal value of € 10 each. The 67.031 new shares are available at 3,6319% to the shareholders and 96,3681% to the shareholders of the acquirer. As a result, LOULIS MILLS SA now owns 67,46% instead of 70% in "NutriBakeS SA". The completion of the initial agreement followed between "LOULIS MILLS S.A." and the rest of the shareholders of "NutriBakeS SA", since the former acquired in total 1.707 shares from the rest of the shareholders of "NutriBakeS SA" for € 58.823,22. Thus, "LOULIS MILLS S.A." possesses now 70% of "NutriBakeS SA". Lastly, the subsidiary "NutriBakeS SA" decided the amendment of its company name into "KENFOOD SA". That decision has been registered in the General Commercial Register on 26/11/2018 under Registration Number 1576485.

D. Future Performance and Development

The vision of LOULIS MILLS SA is "to create value for human nutrition”. The continuous commitment of the Management is to keep that vision in order the Group to remain the undoubtful leader and pioneer in the market. In particular, the mission of the Group is:

- to produce and distribute innovative products of high quality as well as render high-level services in the food market.
- to pioneer and develop with respect to its three centuries tradition as well as create value for its customers, employees, shareholders and the society.
- to be the leader in the market of Southeast Europe and at the same time enforce its export orientation with environmental and social responsibility.

For 2019, the Group aims to achieve its annual business objectives and to set the foundation for its long term development. Like in the past, special focus shall be given to the digitalization of the internal control procedures of the Group as well as the further use of the synergies among the companies of the Group.

Main strategic orientations and priorities of the Group are:

- Product Superiority. To produce innovative and market-leader products of high quality, create value for its customers and be superior of the competitors.
- Focus on Customer. To understand the challenges of its customers and fulfill effectively their needs exceeding their expectations.
- Team Strengthening. To promote cooperation, respect, creativeness, improvement, training and safety so as the employees feel adequately assisted in accomplishing their work.
- Operational Efficiency. To keep operating cost in low levels without compromising the quality of the products and services through more effective management of the available resources as well as carrying out high-return investments.
- Digitalization. To invest and get trained in customized technologies which shall support its development and shall assist its more effective operation.
- Support of International Activity. To develop its activity abroad by boosting exports as well as by its expansion through the industrial unit in Bulgaria.
- Edge Thinking. To discover continuously operating and product innovations which shall support its further development through new ideas and experimentations.
- Corporate Social Responsibility. Every activity of the Group to have positive environmental and social impact so as to contribute to the long term sustainability of the planet and the social prosperity and at the same time ensuring its own viability.

The foreseen performance for 2019 depends to a great extent on the continuous uncertainty 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:

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 1,99 at December 31, 2018 towards 2,65 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 2018	1,00%	-366.963	-433.121
	-1,00%	366.963	433.121
Amounts 2017	1,00%	-390.614	-417.579
	-1,00%	390.614	417.579

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.

Risk of increase in the price of raw materials

The Group is exposed to risk derived from the fluctuation in prices of the used raw materials for its products. The fluctuation in prices of the raw materials during the recent 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 eliminate 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

The Group historically relies on its biggest asset, its people, who represent the most crucial factor of its success. In particular, a strong family culture has been formed which is based on the values of the Group and the mutual respect, trust, cooperation and team spirit. Through investing in the applied training methods, we intent to achieve many business advantages such as increase in productivity, our employees' satisfaction, involvement and the sustenance of our manpower. In the long term, maintaining the interest of our employees and the support we provide for their development are crucial for the way we create value. Discriminations are excluded from the Group's practices and we support in every way human rights and equal opportunities according to the international standards.

Our key priority and vision is to create, develop, evolve and take care of the leading team.

Health and Safety

Within the Group, the protection of our employees and all of those involved in the Group's chain value represent an integral part of our policy, philosophy, our work and our daily life. Nothing can be more important than our people and their safety who contribute every day to the development of our company. Health and safety are not a typical procedure yet a way of thinking and attitude of life. Specifically:

- 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 provide a safe and healthy working environment consistent with the applied legislation, regulations and the internal health and safety requirements.
- 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 provide medical surveillance of all of our employees through the appointment of an Occupational Doctor.
- We apply strict prevention procedures in order to eliminate accidents and minimize days of absence from work due to working accident.
- We aim to the reduction of noise and dust levels of the production facilities to the lowest possible levels in order to protect our employees from occupational diseases resulted from the exposure to those factors.

Relations between Management and employees

Within Loulis Mills, we traditionally operate like a big family. 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 conditions 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.
- The signed contracts with our employees do not include any provision for any change of the terms or any predetermined notice for change.

<u>Development and training of employees</u>

Development and training of the employees is a key priority within Loulis Mills. We aim to their personal development and evolution as well as the development of their skills. That is valuable to each of our employees separately because it enhances their confidence and simultaneously it prepares them to meet the high standards of the products and services we provide to the customers and consumers. The training of an employee begins from the first working day when an adapted reception and integration program exists according to the requirements of each post.

<u>Human Rights policy</u>

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 provide security assurance to our employees, as it is considered necessary, with respect to the employees' confidentiality and dignity.
- 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 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 encourage a safe and healthy environment without discriminations and reprisals. All the decisions concerning the employment are based on personal skills, performance and behavior.

<u>Benefits to employees</u>

The contribution of our people to the Group's development is continuously recognized 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 (liquidity assistance to meet any special need, medical insurance for all the employees and provision for insurance for the members of their families at low cost, providing products (flour) free of charge and 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 14001:2004).
- 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 use the best practices for the solid waste management and recycle having achieved zero waste of any type within our production process.
- We cater for efficient energy consumption and the continuous upgrading of the used technologies in order to achieve high energy efficiency and και the lowest possible consumption respectively per tonne of obtained product.
- We try to minimize as much as possible the transfer of raw materials, products and employees in order to achieve reduction of gas emissions to the environment.

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 better understand 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", " Fair Value valuation of bonds and participations" and "Goodwill Impairment". 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Sales	**98.726.902**	**95.984.673**	**91.885.260**	**90.478.613**
Profit/(Loss) before tax	604.769	4.389.940	3.550.628	4.561.579
Fair Value valuation of bonds and participations	(195.000)	95.310	(195.000)	95.310
Goodwill impairment	2.567.116	0	0	0
Financial Income	(27.089)	(33.861)	(33.935)	(18.531)
Financial Expenses	2.123.195	2.037.748	1.903.666	1.895.939
Depreciation	4.224.720	4.001.895	4.165.146	3.978.998
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	**9.297.711**	**10.491.032**	**9.390.505**	**10.513.295**
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) margin	**9,42%**	**10,93%**	**10,22%**	**11,62%**

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", "Fair Value valuation of bonds and participations" and "Goodwill Impairment". 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Sales	**98.726.902**	**95.984.673**	**91.885.260**	**90.478.613**
Profit/(Loss) before Tax	604.769	4.389.940	3.550.628	4.561.579
Fair Value valuation of Bonds and Participations	(195.000)	95.310	(195.000)	95.310
Goodwill Impairment	2.567.116	0	0	0
Financial Income	(27.089)	(33.861)	(33.935)	(18.531)
Financial Expenses	2.123.195	2.037.748	1.903.666	1.895.939
Earnings before Interest and Tax (EBIT)	**5.072.991**	**6.489.137**	**5.225.359**	**6.534.297**
Earnings before Interest and Tax (EBIT) Margin	**5,14%**	**6,76%**	**5,69%**	**7,22%**

Total Net Borrowing

The "Total Net Borrowing" is one ESMA that the Management uses 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	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Long-term Borrowing Liabilities	31.953.550	30.693.617	29.892.522	30.693.617
Short-term Borrowing Liabilities	11.358.505	11.064.319	6.803.793	8.367.814
Cash and Cash Equivalents	(5.250.717)	(4.284.542)	(4.269.437)	(3.609.001)
Total Net Borrowing	**38.061.338**	**37.473.394**	**32.426.878**	**35.452.430**

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.

2.2 Rights of the shareholders and ways of exercising those rights

2.2.1 Rights of participation and voting

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 (5^{th}) 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 (3^{rd}) 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 ($1/20^{th}$) 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 ($1/20^{th}$) 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 ($1/20^{th}$) 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 their duties at the interests of the company and its shareholders.

The Board of Directors (BoD) primarily formulates the strategy and development policy and also supervises and controls the management of the Company's assets. The composition and duties of the members of the Board of Directors are determined by the Law and the Company's Articles of Association. The primary 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 decisions of 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 if elected, or if a Vice- Chairman has not been elected then the minutes are signed by the Managing Director. Copies of the Minutes shall be officially issued by these persons, without requiring any other validation.

The Board of Directors has the right to transfer its authorities on every occasion by its special decision, which shall be entered into the Minutes, (excluding of those 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**.

In particular:

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 2018 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

He 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 any other non-auditing services to the Company and he 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 (6) times during 2018. These meetings were scheduled to coincide with the time of publishing 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 2017, 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.

<u>4.1.4 Internal audit</u>

During 2018 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 2019, 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 - 2018			
	Sales of Good and Services	**Purchases of Goods and Services**	**Receivables**	**Liabilities**
Associates	0	0	0	0
Executives and Members of the Management	0	0	145.372	26
Total:	**0**	**0**	**145.372**	**26**

	Company - 2018			
	Sales of Good and Services	**Purchases of Goods and Services**	**Receivables**	**Liabilities**
Kenfood SA (former Nutribakes S.A.)	144.487	885.688	200.000	28.753
Greek Baking School S.A.	8.400	43.050	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	18.689	1.034.792	2.612.889	0
Associates	0	0	0	0
Executives and Members of the Management	0	0	464	26
Total:	**172.056**	**1.963.530**	**2.813.353**	**28.779**

	Group - 2017			
	Sales of Good and Services	**Purchases of Goods 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 Goods and Services**	**Receivables**	**Liabilities**
Kenfood SA (former 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
Lafco Leader Asian Food Company 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**

Fees of Executives and Members of the Management

	Group		Company	
	2018	**2017**	**2018**	**2017**
Salaries and Other Fees	909.432	894.143	629.664	585.805
Total:	**909.432**	**894.143**	**629.664**	**585.805**

There are no other significant transactions with the associated companies for 2018.

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

The most significant events that took place subsequently of December 31, 2018 and till the date of the Financial Statements' preparation which should be disclosed within the current Financial Statements, are as follows:

Issuance of a bond loan

On January 14, 2019 the Company proceeded with the issuing of a bond loan of a total amount of € 3 million in order to meet its working capital needs. The bond loan is of two years duration and was issued in association with Alpha Bank S.A.

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

The Company, on December 31, 2018, 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 19/04/2019 Mr. Loulis Nikolaos 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 the 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 S.A., 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, Magnesias, 22 April 2019
The Board of Directors

Independent Auditor's Report

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

Report on the Audit of the Separate and Consolidated Financial Statements

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, 2018, 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, 2018, their financial performance and their 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 3.8, 4.4 and 7.6 of the 31 December 2018 financial statements, the inventories of the Group and the Company amounted to € 21.918.421 and € 19.842.702 respectively. The Group and the Company valuate inventories at the lower of cost and net realizable value. For the determination of the net realizable value the Management of the Company performs appropriate estimates, based on the maturity of the inventories, their movement during every reporting period as well as any liquidation future plans. We consider valuation of inventories of the Group and the Company a key audit matter due to the significant value of the inventories as well as the judgment and estimations involved by the Management in the determination of their net realizable value.	We performed a risk based approach and our audit includes, among others, the following procedures: • The understanding and the test of the procedures designed by the Management regarding inventories. • We attended physical inventory counting in Company's warehouses and production facilities. • On a sample basis we tested the verification of both 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 appropriateness of the disclosures included in Note 7.6 of the financial statements.

Recoverability of trade receivables

As described in Notes 4.5 and 7.7 of the 31 December 2018 financial statements, the trade receivables of the Group and the Company amounted to € 33.296.488 and € 31.467.562 respectively and the relevant accumulated impairment provision amounts to € 8.861.749 and € 5.855.499 respectively.

Having adopted the new accounting standard IFRS 9 with a transition date of 1 January 2018, the Management of the Group and the Company evaluates the recoverability of its trade receivables and estimates the necessary impairment provision for the expected credit loss.

Management, in order to estimate the amount of impairment of its trade receivables, evaluates their recoverability, by reviewing the maturity of the customers' balances, their credit history and the settlement of the subsequent payments.

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 procedures:

- The understanding and the examination of the credit control procedures of the Company designed for credit granting to customers.
- The evaluation of the assumptions and methodology used by the Management of 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 of 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 assessed the impact of adopting IFRS 9 in the current year, which resulted to a respective change of the accounting policy of the Company and the Group with respect to the treatment of impairment loss of trade receivables.
- We also assessed the adequacy and appropriateness of the disclosures included in Note 7.7 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 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 31/12/2018.

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, referred to in 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 referred to in article 5 of EU Regulation No 537/2014 or other permissible 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 5 consecutive years.

BDO

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

Ag. Paraskevi, April 23, 2019
Certified Public Accountant

Dimitrios Spirakis
Reg. SOEL: 34191

ANNUAL FINANCIAL STATEMENTS

1. STATEMENT OF FINANCIAL POSITION

(Amounts in €)		GROUP		COMPANY	
		31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
ASSETS	**Note.**				
Non-current Assets					
Property, Plant and Equipment	7.1	101.817.782	95.842.849	94.745.096	93.556.690
Investment Property	7.1	341.116	285.407	341.116	285.407
Other Intangible Assets	7.2	893.157	917.234	140.182	179.464
Goodwill	7.3	1.000.000	0	0	0
Investments in Subsidiaries	7.4	0	0	1.814.653	1.798.315
Other Non-Current Receivables	7.5	76.131	19.963	14.071	19.963
Deferred Tax Assets		0	0	0	0
		104.128.186	**97.065.453**	**97.055.118**	**95.839.839**
Current Assets					
Inventories	7.6	21.918.421	19.069.097	19.842.702	17.903.856
Trade Receivables	7.7	33.296.488	37.233.709	31.467.562	35.743.880
Derivative Financial Assets	7.8	127.800	780	127.800	780
Cash and Cash Equivalents	7.9	5.250.717	4.284.542	4.269.437	3.609.001
Other Current Assets	7.10	5.533.484	10.839.296	7.436.909	6.628.331
		66.126.910	71.427.424	63.144.410	63.885.848
TOTAL ASSETS		**170.255.096**	**168.492.877**	**160.199.528**	**159.725.687**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital		16.093.063	16.093.063	16.093.063	16.093.063
Share Premium Account		32.629.575	33.656.792	32.629.575	33.656.792
Other Reserves	7.11	40.830.980	41.985.742	39.467.724	38.373.298
Equity attributable to Equity Holders of the Parent		89.553.618	91.735.597	88.190.362	88.123.153
Non-Controlling Interest		(353.056)	476.890	0	0
Total Equity		**89.200.562**	**92.212.487**	**88.190.362**	**88.123.153**
Non - Current Liabilities					
Long Term Borrowings	7.12	31.953.550	30.693.617	29.892.522	30.693.617
Deferred Tax Liabilities	7.13	11.780.540	14.275.353	12.217.977	14.225.638
Liability for Retirement Benefits	7.15	787.461	768.141	734.182	741.249
Other Non-Current Liabilities	7.14	3.346.119	3.551.341	3.346.119	3.551.341
		47.867.670	49.288.452	46.190.800	49.211.845
Current Liabilities					
Trade Payables	7.16	11.783.889	10.178.016	9.262.861	8.485.632
Short Term Borrowings	7.12	11.358.505	11.064.319	6.803.793	8.367.814
Derivative Financial Liabilities	7.8	51.750	21.330	51.750	21.330
Tax Liabilities	7.17	1.481.444	1.166.410	1.340.900	1.130.251
Other Current Liabilities	7.18	8.511.276	4.561.863	8.359.062	4.385.662
		33.186.864	26.991.938	25.818.366	22.390.689
Total Equity and Liabilities		**170.255.096**	**168.492.877**	**160.199.528**	**159.725.687**

From 01.01.2018 the Group and the Company applied IFRS 9 and 15. Further information is available to note 6.2.2.

2. STATEMENT of COMPREHENSIVE INCOME

(Amounts in €)

	Note.	GROUP 1/1-31/12/2018	GROUP 1/1-31/12/2017	COMPANY 1/1-31/12/2018	COMPANY 1/1-31/12/2017
Revenue	7.19	98.726.902	95.984.673	91.885.260	90.478.613
Cost of Sales		(78.498.806)	(75.933.415)	(73.460.735)	(72.247.268)
Gross Profit		**20.228.096**	**20.051.258**	**18.424.525**	**18.231.345**
Other Income	7.20	3.600.336	4.083.381	3.408.560	3.992.880
Distribution Expenses	7.22	(14.045.757)	(13.485.093)	(12.594.719)	(12.025.684)
Administration Expenses	7.23	(3.992.679)	(3.761.355)	(3.446.895)	(3.270.179)
Other Expenses	7.21	(3.284.121)	(399.054)	(566.112)	(394.065)
Fair Value valuation of bonds and Participations		195.000	(95.310)	195.000	(95.310)
Financial Income	7.24	27.089	33.861	33.935	18.531
Financial Expenses	7.24	(2.123.195)	(2.037.748)	(1.903.666)	(1.895.939)
Profits/(Losses) before Taxes		**604.769**	**4.389.940**	**3.550.628**	**4.561.579**
Tax Expense	7.25	(154.101)	(1.621.944)	(125.275)	(1.652.875)
Profits/(Loss) from Continuing Operations		**450.668**	**2.767.996**	**3.425.353**	**2.908.704**
Profits/(Loss) from Discontinued Operations		**0**	**0**	**0**	**0**
Net Profit for the Year		**450.668**	**2.767.996**	**3.425.353**	**2.908.704**
Owners of the Parent Company		1.260.522	2.758.349	3.425.353	2.908.704
Non-Controlling Interests		(809.854)	9.647	0	0
Other Comprehensive Income					
Profit/Loss from Revaluation of Property	7.27	(496.179)	(219.127)	(488.002)	(219.127)
Subsidies		0		0	
Actuarial Profits/Losses		(5.862)	(4.013)	(4.130)	(2.744)
Income Tax that relates to Other Comprehensive Income	7.27	131.034	63.547	129.321	63.547
Items that will be Reclassified to Profit of Loss		**(371.007)**	**(159.593)**	**(362.811)**	**(158.324)**
Items that will not be Reclassified to Profit of Loss		**0**	**0**	**0**	**0**
Total Comprehensive Income For the Year		**79.661**	**2.608.403**	**3.062.542**	**2.750.380**
Profit Attributable to:					
Owners of the Parent Company		891.974	2.599.137	3.062.542	2.750.380

Non-Controlling Interests		(812.313)	9.266	0	0
Earnings per share for Profits Attributable to the Owners of the Parent					
Basics	7.26	**0,0736**	**0,1611**	**0,2001**	**0,1699**
Adapted	7.26	**0,0736**	**0,1611**	**0,2001**	**0,1699**
Proposed Dividend per Share		**0,0000**	**0,0000**	**0,0000**	**0,0000**
Depreciation		4.224.720	4.001.895	4.165.146	3.978.998
Earnings before Interest and Tax		**5.072.991**	**6.489.137**	**5.225.359**	**6.534.297**
Earnings before Interest, Tax, Depreciation and Amortization		**9.297.711**	**10.491.032**	**9.390.505**	**10.513.295**

From 01.01.2018 the Group and the Company applied IFRS 9 and 15. The amounts of 2017 have been adjusted for comparability reasons after applying IFRS 15. Further information is available to note 6.2.2.

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	Profit/(loss) for the period after taxes	Equity before non-controlling interest	Non-Controlling Interests	Equity after Non-Controlling Interests
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 directly recognized in 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**
Change in 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 31st, 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**
Balance at January 1st, 2018	**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**
Effect from IFRS 9 application	0	0	0	0	0	0	0	0	0	0	(1.840.990)	(1.840.990)	(3.810)	**(1.844.800)**
Adapted Balance at January 1st, 2018	**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**	**19.775.509**	**89.894.607**	**473.080**	**90.367.687**
Profits/(Losses) for the Period after Taxes	0	0	0	0	0	0	0	(363.206)	0	0	1.260.522	897.316	(811.793)	**85.523**
Net Revenue/Expenses directly recognized in Equity	0	0	0	0	0	0	0	0	0	78.780	100.125	178.905	0	**178.905**
Return of Capital to Shareholders	(1.027.217)	0	0	0	0	0	0	0	0	0	0	(1.027.217)	0	**(1.027.217)**
Share Capital Increase	1.027.217	0	0	0	0	0	0	0	0	0	0	1.027.217	0	**1.027.217**
Dividends	0	0	0	0	0	0	0	0	0	0	(214.797)	(214.797)	0	**(214.797)**
Actuarial Profits/(Losses)	0	0	0	0	0	0	0	0	0	0	(5.342)	(5.342)	(520)	**(5.862)**
Sales / (Purchases) of Own Shares	0	0	0	0	0	0	0	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**
Change in Reserves	0	(1.027.217)	55.121	0	0	0	0	0	0	0	(55.121)	(1.027.217)	0	**(1.027.217)**
Reserves from merged Companies	0	0	59.274	0	0	148.534	0	4.525	0	0	(382.187)	(169.854)	(13.823)	**(183.677)**
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Net Position at December 31st, 2018	**16.093.063**	**32.629.575**	**1.713.471**	**103.990**	**0**	**3.407.114**	**0**	**3.800.971**	**3.482.806**	**7.843.920**	**20.478.709**	**89.553.618**	**(353.056)**	**89.200.562**

3.2 Company

(Amounts 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, 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 directly recognized in 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
Change in Reserves	0	(941.879)	204.014	0	0	0	0	0	(204.014)	(941.879)	(941.879)
Profit / (Losses) from 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**
Balance at January 1st, 2018	**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**
Effect from IFRS 9 application	0	0	0	0	0	0	0	0	(1.832.099)	(1.832.099)	(1.832.099)
Adapted Balance at January 1st, 2018	**16.093.063**	**33.656.792**	**1.586.423**	**103.990**	**3.208.286**	**4.159.652**	**0**	**6.513.936**	**20.968.912**	**86.291.054**	**86.291.054**
Profits/(Losses) for the Period after Taxes	0	0	0	0	0	0	0	0	3.425.353	3.425.353	3.425.353
Net Revenue/Expenses directly recognized in Equity	0	0	0	0	0	0	0	78.780	0	78.780	78.780
Return of Capital to Shareholders	(1.027.217)	0	0	0	0	0	0	0	0	(1.027.217)	(1.027.217)
Share Capital Increase	1.027.217	0	0	0	0	0	0	0	0	1.027.217	1.027.217
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	(4.130)	(4.130)	(4.130)
Sales / (Purchases) of Own Shares	0	0	0	0	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
Change in Reserves	0	(1.027.217)	55.121	0	0	0	0	0	(55.121)	(1.027.217)	(1.027.217)
Profit / (Losses) from Revaluation of Property	0	0	0	0	0	(358.681)	0	0	0	(358.681)	(358.681)
Net Position at December 31st, 2018	**16.093.063**	**32.629.575**	**1.641.544**	**103.990**	**3.208.286**	**3.800.971**	**0**	**6.592.716**	**24.120.217**	**88.190.362**	**88.190.362**

From 01.01.2018 the Group and the Company applied IFRS 9 and 15. Further information is available to note 6.2.2

4. CASH FLOW STATEMENT

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Cash Flow from Operating Activities				
Profit/ (Loss) before Tax	**604.769**	**4.389.940**	**3.550.628**	**4.561.579**
Adjustments for:				
Depreciation	4.224.720	4.001.895	4.165.146	3.978.998
Provisions	2.845.930	608.752	36.045	634.914
Interest Expenses	2.123.196	2.037.748	1.903.666	1.895.939
Interest Income	(27.089)	(33.861)	(33.935)	(18.531)
Adjustments for change in Working Capital or relating Operating Activities:				
(Increase)/Decrease in Inventories	(1.545.188)	1.120.136	(1.938.846)	1.718.781
(Increase)/Decrease in Receivables	2.452.252	(3.456.132)	(583.068)	(3.737.939)
(Decrease) / Increase in Payables (excluding Loans)	2.427.635	(6.711.657)	3.785.223	(7.991.185)
Less:				
Interest paid	(2.115.856)	(1.820.334)	(1.911.742)	(1.678.525)
Tax paid	(315.950)	(2.956.425)	(314.150)	(2.866.712)
Net Cash from Operating Activities (a)	**10.674.419**	**(2.819.938)**	**8.658.967**	**(3.502.681)**
Cash Flow from Investing Activities				
Acquisition of Associates, JVs and other Investments	(58.823)	0	(58.823)	0
Payments for the purchase of Financial Investments	0	0	0	0
Purchase of Tangible and Intangible Assets	(7.418.568)	(5.326.754)	(4.373.534)	(3.249.756)
Proceeds from disposal of Tangible and Intangible Assets	24.911	6.081	24.911	28.760
Interest Received	27.089	4.033	16.046	18.531
Net Cash from Investing Activities (b)	**(7.425.391)**	**(5.316.640)**	**(4.391.400)**	**(3.202.465)**
Cash Flow from Financing Activities				
Proceeds / (Payments) from Increase / Decrease of the Share Capital	(1.027.217)	(941.879)	(1.027.217)	(941.879)
Disposal / (Purchase) of Own Shares	0	0	0	0
Proceeds from Bank Borrowings	4.053.980	23.039.959	2.734.883	22.335.741
Payment of Bank Borrowings	(5.127.500)	(15.550.000)	(5.100.000)	(15.550.000)
Dividends/Fees paid to the Members of the BoD	(214.797)	(214.797)	(214.797)	(214.797)
Net Cash used in Financing Activities (c)	**(2.315.534)**	**6.333.283**	**(3.607.131)**	**5.629.065**
Net Increase / (Decrease) in the Cash and Cash Equivalents (a + b + c))	**933.494**	**(1.803.295)**	**660.436**	**(1.076.081)**
Cash and Cash Equivalents at Beginning of the Year	**4.284.542**	**6.087.837**	**3.609.001**	**4.685.082**
Cash and Cash Equivalents from Merged Companies	**32.681**	**0**	**0**	**0**
Cash and Cash Equivalents at the End of the Year	**5.250.717**	**4.284.542**	**4.269.437**	**3.609.001**

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 2018 and 31 December 2017.

	GREECE		CYPRUS		BULGARIA		CONSOLIDATION DELETIONS		GROUP	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Revenue	99.563.424	96.879.812	0	0	1.246.747	2.092.114	(2.083.269)	(2.987.253)	98.726.902	95.984.673
Gross Profit	20.039.793	19.610.539	0	0	232.433	466.819	(44.130)	(26.100)	20.228.096	20.051.258
Earnings before Interest, Tax, Depreciation and Amortization	9.545.516	10.694.612	(7.645)	(7.348)	(240.160)	(196.232)	0	0	9.297.711	10.491.032
Profits before Tax	860.854	4.582.977	(8.317)	(8.044)	(247.768)	(184.993)	0	0	604.769	4.389.940
		0		0		0	0	0		0
Fixed Assets	98.009.643	93.938.303	0	0	5.149.255	2.189.953	(1.000.000)	0	102.158.898	96.128.256
Other Assets	70.282.246	72.157.232	56.250	60.726	1.424.912	2.190.214	(3.667.210)	(2.043.551)	68.096.198	72.364.621
TOTAL ASSETS	**168.291.889**	**166.095.535**	**56.250**	**60.726**	**6.574.167**	**4.380.167**	**(4.667.210)**	**(2.043.551)**	**170.255.096**	**168.492.877**
Equity	87.051.403	89.769.765	51.216	59.533	3.912.596	4.181.504	(1.814.653)	(1.798.315)	89.200.562	92.212.487
Liabilities & Other Liabilities	81.240.486	76.325.770	5.034	1.193	2.661.571	198.663	(2.852.557)	(245.236)	81.054.534	76.280.390
TOTAL EQUITY & LIABILITIES	**168.291.889**	**166.095.535**	**56.250**	**60.726**	**6.574.167**	**4.380.167**	**(4.667.210)**	**(2.043.551)**	**170.255.096**	**168.492.877**

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 mini-markets, and are addressed to consumers for domestic use.

b) Professional products are available through LOULIS GROUP in bulk form exclusively, in 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 KENFOOD 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 tax 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

	31.12.2018					31.12.2017				
	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 per Segment	12.018.973	81.113.034	7.554.165	123.999	100.810.171	12.777.837	79.792.890	6.305.117	96.082	98.971.926
Revenue from Intra-Company Sales	0	(1.156.359)	(882.780)	(44.130)	(2.083.269)	0	(2.084.550)	(876.603)	(26.100)	(2.987.253)
Revenue from Sales (Net)	**12.018.973**	**79.956.675**	**6.671.385**	**79.869**	**98.726.902**	**12.777.837**	**77.708.340**	**5.428.514**	**69.982**	**95.984.673**
Profit/ (Loss) before Interest and Tax	262.712	4.703.909	121.351	(14.981)	**5.072.991**	351.172	5.969.198	194.635	(25.868)	**6.489.137**
Profit/(Loss) before Tax	7.789	3.283.052	(2.670.474)	(15.598)	**604.769**	88.116	4.276.727	51.831	(26.734)	**4.389.940**

Company

	31.12.2018			31.12.2017		
	Consumer Products	**Professional Products**	**Total**	**Consumer Products**	**Professional Products**	**Total**
Total Revenue from Gross Sales per Segment	12.018.973	79.866.287	91.885.260	12.777.837	77.700.776	90.478.613
Revenue from Sales (Net)	**12.018.973**	**79.866.287**	**91.885.260**	**12.777.837**	**77.700.776**	**90.478.613**
Profit/ (Loss) before Interest and Tax	264.176	4.961.183	**5.225.359**	352.696	6.181.601	**6.534.297**
Profit/(Loss) before Tax	9.340	3.541.288	**3.550.628**	89.737	4.471.842	**4.561.579**

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.

Group's Structure

Consolidated Companies and consolidation method

The Group's companies, their 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 S.A.	Sourpi, Magnisia	-	Parent	-	1
KENFOOD SA (former NUTRIBAKES S.A.)	Keratsini, Attica	70%	Direct	Full	1
GREEK BAKING SCHOOL S.A.	Keratsini, Attica	99,67%	Direct	Full	4
LOULIS LOGISTICS SERVICES S.A.	Sourpi, Magnisia	99,67%	Direct	Full	3
LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) Ltd	Nicosia, Cyprus	100%	Direct	Full	11
LOULIS MEL- BULGARIA EAD	Sofia, Bulgaria	100%	Indirect	Full	3
GRINCO HOLDINGS Ltd	Nicosia, Cyprus	100%	Direct	Full	5

KENFOOD SA (former NUTRIBAKES S.A.)

On February 6, 2017 it was decided the merger by absorption of the company "KENFOOD TROFOGNOSIA SA" by the Company's subsidiary "NUTRIBAKES SA". According to the approved Draft Merger Agreement, the Boards of Directors of the merged companies decided the merger to be performed in accordance with the provisions of articles 68 par. 2 and 69-77 of Law 2190/1920 and art. 54 of Law 4172/2013, as in force and the transformation balance sheet date was set 31st December 2016.

In order to be determined the book value of the assets of the absorbed company "KENFOOD TROFOGNOSIA SA" an Audit Report has been acquired from a Certified Auditor according to the prepared transformation balance sheet of the absorbed company with date 31.12.2016. According to that Audit Report, the value, under capitalizing, of the absorbed company "KENFOOD TROFOGNOSIA SA" amounted to € 136.910. Following the merger by absorption, it was determined the exchange ratio of the shares of the absorbed company in relation to the shares of the acquirer as a percentage of the share capital of the acquirer.

The aforementioned merger was approved by virtue of Decision 8559/2018 of the Deputy Chief Executive Officer of Piraeus, registered in the General Commercial Register on 18/09/2018 under Registration Number 1475949 pursuant to the provisions of articles 68 par. 2 and 69-77 of Law 2190/1920 and art. 54 of Law 4172/2013, as in force. The transformation balance sheet date was set 31st December 2016.

The same decision includes, also, the adoption of an amendment to article 5 of the Articles of Association of "NUTRIBAKES SA", according to which its share capital amounts now to € 670.310 from € 533.400 divided into 67.031 common registered shares of nominal value of € 10 from 53.340 common registered shares of a nominal value of € 10 each. The 67.031 new shares are available at 3,6319% to the shareholders of the absorbed company and 96,3681% to the shareholders of the acquirer. As a result, LOULIS MILLS SA now owns 67,46% instead of 70% in "NUTRIBAKES SA".

"LOULIS MILLS SA" announces that in order to complete the initial agreement between "LOULIS MILLS S.A." and the rest of the shareholders, the Company acquired 1.707 shares from the rest of the shareholders for € 58.823,22 in total. Thus, "LOULIS MILLS S.A." possesses now 70% of "NUTRIBAKES SA". Lastly, the subsidiary "NUTRIBAKES SA" decided the amendment of its company name into "KENFOOD SA".

The fair value of the recognized assets and liabilities of the absorbed company at the acquisition date amounted to : Property € 1,8 million, Inventory € 1,3 million, Deferred Tax Asset € 0,5 million, Borrowings € 2,6 million and Other Liabilities € 4,6 million. That absorption resulted to a Goodwill of an amount of € 3,5 million which after impairment test amounted to € 1 million (see note 7.3).

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.

2. Additional Information and Explanations

2.1 Basis for the preparation of the financial statements.

Compliance with International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS)

The financial statements are in accordance with the International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and have been adopted by the European Union.

Basis for the preparation of the financial statements.

The Company's Financial Statements have been prepared on the basis of going concern and in accordance with the 'historic cost' principle except of some assets and liabilities which, according to the requirements of IFRS, are valuated at fair value.

Reporting Period

The current consolidated financial statements include the financial statements of LOULIS MILLS SA and the Company's subsidiaries (Group) and refer to the period from January 1st 2018 to December 31st 2018.

Presentation of Financial Statements

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

Significant Accounting Policies and Estimations

The significant accounting policies applied in the preparation of the financial statements of the Group and the Company are referred to note 6.3 The policies are applied with consistency for all the periods except of some cases for which a relative disclosure is made.

The preparation of the financial statements involves the adoption of significant assumptions and estimations as well as the Management's judgment in the course of the application of the accounting policies. The areas which required significant assumptions and estimations are referred to note 6.4.

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

Προτὐπων 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 2018 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 implemented to the financial statements

IAS/IFRS	Effective Date
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 2 Share Based Payments (Amendment – Classification and Measurement of Share Based Payment Transactions)	1 January 2018
IFRS 4 Insurance Contracts (Amendment – Applying IFRS 9 Financial Instruments)	1 January 2018
Annual Improvements to IFRSs 2014 – 2016 Cycle (IFRS 1 First-time Adoption of IFRS and IAS 28 Investments in Associates and Joint Ventures)	1 January 2018
IAS 40 Investment Property (Amendment - Transfers of Investment Property)	1 January 2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

From the amendments referred above, the standards that impacted significantly the preparation of the financial statements of 2018 and resulted in significant change in the applied accounting policies were:

- IFRS 9 Financial Instruments and
- IFRS 15 Revenue from Contracts with Customers

The effect from the application of the new standards on the recognition and measurement of transactions is presented in the Statement of Changes in Equity and particularly in the followings:

Effect from adoption of IFRS 9 & IFRS 15 on the Accounting Policies

The Group adopted IFRS 9 and IFRS 15 with a transition date January 1st 2018. As a result of the application of IFRS 15 and the change in the accounting policy of revenue, the financial statements of the previous year have been restated. The Group decided not to review the comparative information regarding the adoption of IFRS 9 and as a result it is not included in the adjusted financial statements of the previous year. Instead, those changes have been adopted at the date of the initial application (January 1st,2018) and have been included in the starting balances of equity.

The flowing tables present the recognized adjustments to every single item in the financial statements.

IFRS 9 Financial Instruments

IFRS 9 "Financial Instruments" replaces IAS 39 and primarily affects the classification and measurement, impairment and hedge accounting of financial instruments.

Classification & measurement

On 1 January 2018 (the date of the initial application of IFRS 9), the Management of the Group and the Company assessed the business models that apply to the financial assets held by the Group and the Company and classified them in the appropriate category of IFRS 9.

The Group and the Company measure financial assets initially at their fair value by adding transaction costs, and if a financial asset is not measured at its fair value, it will be measured through profit or loss. Transactions costs of the financial assets that are measured at fair value through profit or loss are considered expenses. Trade receivables are initially measured at the transaction price.

According to the provisions of IFRS 9, bonds are measured at amortised cost or at fair value through the statement of other comprehensive income or at fair value through profit or loss. The classification is based on two criteria: a) the business model for managing the instruments and b) whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the 'SPPI criterion').

Impairment

The Group and the Company recognize impairment provisions for expected credit losses for all financial assets except for those that are measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows and all cash flows that the Group and the Company expects to receive. The difference is discounted using an estimate of the original effective interest rate of the financial asset. For contractual assets, trade receivables and leases, the Group and the Company have applied the simplified approach to the standard and have calculated the expected credit losses on the basis of the expected credit losses over the life of those assets.

The Group and the Company have applied the Standard from 1 January 2018 retrospectively, without reviewing comparative information from previous years. Therefore, the adjustments resulting from the new classification and the new impairment rules do not appear in the financial position of 31 December 2017 and are presented in the Statement of Changes in Equity.

The flowing table presents the impact from the adoption of IFRS 9 on the Financial Position of the Group and Company at December 31st,2018:

(Amounts in €)	Group 31.12.2017	IFRS 9 Transition adjustments	01.01.2018 Adjusted
ASSETS			
Non-current Assets			
Property, Plant and Equipment	95.842.849	0	95.842.849
Investment Property	285.407	0	285.407
Other Intangible Assets	917.234	0	917.234
Investments in Subsidiaries	0	0	0
Other Non-Current Receivables	19.963	0	19.963
	97.065.453	**0**	**97.065.453**
Current Assets			
Inventories	19.069.097	0	19.069.097
Trade Receivables	37.233.709	(2.549.678)	34.684.031
Derivative Financial Assets	780	0	780
Cash and Cash Equivalents	4.284.542	0	4.284.542
Other Current Assets	10.839.296	0	10.839.296
	71.427.424	(2.549.678)	68.877.746
Total Assets	**168.492.877**	**(2.549.678)**	**165.943.199**
EQUITY AND LIABILITIES			
Equity attributable to Equity Holders of the Parent			
Share Capital	16.093.063	0	16.093.063
Share Premium Account	33.656.792	0	33.656.792
Other Reserves	41.985.742	(1.840.990)	40.144.752
Total equity of Company's shareholders	91.735.597	(1.840.990)	89.894.607
Non-Controlling Interest	476.890	(3.810)	473.080
Total Equity	**92.212.487**	**(1.844.800)**	**90.367.687**
Non - Current Liabilities			
Non - Current Loans and Borrowings	30.693.617	0	30.693.617
Deferred Tax Liabilities	14.275.353	(704.878)	13.570.475
Provisions for Retirement Benefits	768.141	0	768.141
Other Non-Current Liabilities	3.551.341	0	3.551.341
	49.288.452	(704.878)	48.583.574
Current Liabilities			
Trade Payables	10.178.016	0	10.178.016
Loans and Borrowings	11.064.319	0	11.064.319
Derivative Financial Liabilities	21.330	0	21.330
Tax Liabilities	1.166.410	0	1.166.410
Other Current & Accrued Liabilities	4.561.863	0	4.561.863
	26.991.938	0	26.991.938
Total Equity and Liabilities	**168.492.877**	**(2.549.678)**	**165.943.199**

	Company		
(Amounts in €)	**31.12.2017**	**IFRS 9 Transition adjustments**	**01.01.2018 Adjusted**
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	93.556.690	0	93.556.690
Investment Property	285.407	0	285.407
Other Intangible Assets	179.464	0	179.464
Investments in Subsidiaries	1.798.315	0	1798315
Other Non-Current Receivables	19.963	0	19.963
	95.839.839	**0**	**95.839.839**
Current Assets			
Inventories	17.903.856	0	17.903.856
Trade Receivables	35.743.880	(2.531.789)	33.212.091
Derivative Financial Assets	780	0	780
Cash and Cash Equivalents	3.609.001	0	3.609.001
Other Current Assets	6.628.331	0	6.628.331
	63.885.848	(2.531.789)	61.354.059
Total Assets	**159.725.687**	**(2.531.789)**	**157.193.898**
EQUITY AND LIABILITIES			
Equity attributable to Equity Holders of the Parent			
Share Capital	16.093.063	0	16.093.063
Share Premium Account	33.656.792	0	33.656.792
Other Reserves	38.373.298	(1.832.099)	36.541.199
Total Equity of Company’s shareholders	88.123.153	(1.832.099)	86.291.054
Non-Controlling Interest	0	0	0
Total Equity	**88.123.153**	**(1.832.099)**	**86.291.054**
Non - Current Liabilities			
Non - Current Loans and Borrowings	30.693.617	0	30.693.617
Deferred Tax Liabilities	14.225.638	(699.690)	13.525.948
Provisions for Retirement Benefits	741.249	0	741.249
Other Non-Current Liabilities	3.551.341	0	3.551.341
	49.211.845	(699.690)	48.512.155
Current Liabilities			
Trade Payables	8.485.632	0	8.485.632
Loans and Borrowings	8.367.814	0	8.367.814
Derivative Financial Liabilities	21.330	0	21.330
Tax Liabilities	1.130.251	0	1.130.251
Other Current & Accrued Liabilities	4.385.662	0	4.385.662
	22.390.689	0	22.390.689
Total Equity and Liabilities	**159.725.687**	**(2.531.789)**	**157.193.898**

Lastly, the Company and the group have not applied hedging accounting. Therefore, they will continue to apply their present hedge accounting policy, although they will consider initiating the hedge accounting in accordance with IFRS 9 requirements when a new hedging relationship arises.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 "Construction Contracts", IAS 18 "Revenue" and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers.

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 standard also defines the accounting for the additional costs of taking out a contract and the direct costs required to complete the contract.

Revenue should be recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to the customers, except for amounts collected on behalf of third parties (value added tax, other sales tax). Variable amounts are included in the consideration and are estimated using either the expected value method, or the most likely amount method.

An entity recognizes revenue when (or as) meets the obligation to execute a contract by transferring the goods or services promised to the customer. The customer acquires control of the good or service if he is able to direct the use and derive virtually all the economic benefits from that good or service. Control is passed over a period or at a specific time.

Revenue from the sale of goods is recognized when the control of the good is transferred to the customer, usually upon delivery, and there is no unfulfilled obligation that could affect the acceptance of the good by the customer. The main products of the Group and Company are mill's products and mixtures for bakery & pastry.

Revenue from the provision of services is recognized in the accounting period in which the services are provided and measured according to the nature of the services provided using either (out put) methods or (in put) methods. The main services of the Group and Company are training services.

The customer requirement is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the customer. A conventional asset is recognized when the Group and the Company have satisfied its obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Group's right to invoicing.

The contractual obligation is recognized when the Company and the Group receive a consideration from the customer (prepayment) or when it retains the right to a price that is unconditional (deferred income) before the performance of the contract's obligations and the transfer of the goods or services. The contractual obligation is de-recognized when the contractual obligations are executed and the income is recorded in the income statement.

The Group assessed the relative revenue according to the five steps, as described in the standard, in order to detect any areas that may be affected. The obligations derived from contracts with customers do not exceed to subsequent periods. From January 1st, 2018 the obligations derived from contracts with customers are deducted from the sales affecting the gross profit and the distribution cost while the net profit remains unaffected.

The following table presents the impact from the IFRS 15 adoption in the Statement of Comprehensive Income of the Group and Company for the previous year (01.01.2017 – 31.12.2017):

	Group		
	01.01 - 31.12.2017		
	Total Activities	**IFRS 15 Transition Adjustments**	**Total Activities Adjusted**
Sales	97.659.669	(1.674.996)	95.984.673
Cost of Sales	(75.933.415)		(75.933.415)
Gross Profit	**21.726.254**	**(1.674.996)**	**20.051.258**
Other Income	4.083.381		4.083.381
Distribution Expenses	(15.160.089)	1.674.996	(13.485.093)
Administration Expenses	(3.761.355)		(3.761.355)
Other Expenses	(399.054)		(399.054)
Fair Value Valuation of Bonds and Participations	(95.310)		(95.310)
Financial Income	33.861		33.861
Financial Expenses	(2.037.748)		(2.037.748)
Profits/(Losses) before Taxes	**4.389.940**	**0**	**4.389.940**
Tax Expense	(1.621.944)		(1.621.944)
Profit/(Loss)	**2.767.996**	**0**	**2.767.996**
Owners of the Parent Company	2.758.349		2.758.349
Non-Controlling Interests	9.647		9.647

	Company		
	01.01 - 31.12.2017		
	Total Activities	**IFRS 15 Transition Adjustments**	**Total Activities Adjusted**
Sales	92.153.609	(1.674.996)	90.478.613
Cost of Sales	(72.247.268)		(72.247.268)
Gross Profit	**19.906.341**	**(1.674.996)**	**18.231.345**
Other Income	3.992.880		3.992.880
Distribution Expenses	(13.700.680)	1.674.996	(12.025.684)
Administration Expenses	(3.270.179)		(3.270.179)
Other Expenses	(394.065)		(394.065)
Fair Value Valuation of Bonds and Participations	(95.310)		(95.310)
Financial Income	18.531		18.531
Financial Expenses	(1.895.939)		(1.895.939)
Profits/(Losses) before Taxes	**4.561.579**	**0**	**4.561.579**
Tax Expense	(1.652.875)		(1.652.875)
Profit/(Loss)	**2.908.704**	**0**	**2.908.704**
Owners of the Parent Company	2.908.704		2.908.704
Non-Controlling Interests	0		0

For comparability reasons, the following table presents the sales per product category for the Group and Company for the previous year (01.01.2017 – 31.12.2017):

	Group		
	01.01 - 31.12.2017		
	Total Sales	**IFRS 15 Transition Adjustments**	**Total Sales Adjusted**
Professional Products	77.708.340		77.708.340
Consumer Products	14.452.833	(1.674.996)	12.777.837
Mixtures and Raw Materials of Bakery and Pastry	5.428.514		5.428.514
Training Services	69.982		69.982
Total	**97.659.669**		**95.984.673**

	Company		
	01.01 - 31.12.2017		
	Total Sales	**IFRS 15 Transition Adjustments**	**Total Sales Adjusted**
Professional Products	77.700.776		77.700.776
Consumer Products	14.452.833	(1.674.996)	12.777.837
Mixtures and Raw Materials of Bakery and Pastry	0		0
Training Services	0		0
Total	**92.153.609**		**90.478.613**

New standards, amendments to standards and interpretations issued, mandatorily effective for subsequent periods

Pronouncement	**Effective for periods beginning on**	**Adopted by the EU**
IFRS 16 Leases»	1 January 2019	Yes
IFRS 9 (Amendment – Prepayment Features with Negative Compensation and Modifications of Financial Liabilities)	1 January 2019	Yes
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019	Yes
IAS 28 – Investments in Associates and Joint Ventures (Amendment – Long-term Interests in Associates and Joint Ventures)	1 January 2019	No
Annual Improvements to IFRSs 2015 – 2017 Cycle (IFRS 3 Business Combinations and IFRS 11 Joint Arrangements, IAS 12 Income Taxes, and IAS 23 Borrowing Costs)	1 January 2019	No
Amendment to IAS 19 Employee Benefits	1 January 2019	No

Pronouncement	Effective for periods beginning on	Adopted by the EU
Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018)	1 January 2020	No
Amendment to IFRS 3 Business Combinations (issued on 22 October 2018)	1 January 2020	No
Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018)	1 January 2020	No
IFRS 17 Insurance Contracts	1 January 2021	No

The amendments, mandatorily effective in future accounting periods, that shall have significant impact on the financial statements of the Group and the Company are:

- IFRS 16 Leases
- » IFRIC 23 Uncertainty over Income Tax Positions

The Group and the Company has progressed its projects dealing with the implementation of these new pronouncements and is able to provide the following information regarding their likely impact:

IFRS 16 Leases

The IFRS 16 introduces a single model for the accounting treatment on the part of the lessee requiring the lessee to recognize assets and liabilities for all lease agreements with a maturity of more than 12 months unless the underlying asset is of negligible value.
Regarding accounting treatment by the lessor, IFRS 16 substantially integrates the requirements of IAS 17. The lessor therefore continues to categorize the lease agreements in operating or finance leases and to follow different accounting treatment for each type of contract.

The Standard will mainly affect the existing accounting treatment of the Group and the Company's operating leases for which no assets are recognized and related liabilities.

When determining the lease term, the management reviews all relevant events and circumstances that create an economic incentive to exercise the right to extend the lease or to not exercise the right to terminate the lease. Extension rights (or periods of termination) are included in the lease term only if it is reasonably certain that it will be extended (or not terminated). A reassessment of the lease term takes place with the occurrence of a significant event or a significant change in circumstances that affects this estimate and falls under the control of the lessee. To determine the reference borrowing rate to be used, the Group uses its judgment to set the appropriate reference rate and the corresponding credit spread.

Operating leases which will be recognized in the balance sheet after the adoption of IFRS 16, mainly concern cars.

The Group and the Company will apply the standard from the mandatory adoption date on the 1st of January 2019. They intend to apply the simplified transition method and will not restate the comparative figures for the year prior to the first adoption of the standard. In addition, the Group has decided to reduce the degree of complexity of the implementation of the standard by making use of practical solutions that are being allowed by the model such as:

● Apply the exception of leases being treated as short-term leases when they do not provide a purchase option, and

● apply the exemption of low value leases to leases of underlying assets with a low value.

The Group has not yet completed its assessment of the effect of IFRS 16 as it is in the process of implementing a new system software and finalizing IFRS accounting policies, procedures and audit procedures of IFRS 16.

The Group expects to recognize on the 1st of January 2019 liabilities from leases between € 0,8 million and € 1 million. The impact on equity will be insignificant.

IFRIC 23 «Uncertainty over Income Tax Treatments»

The Group and the Company review the issues which have uncertain income tax treatment either separately or jointly based on an approach that might provide the best possible estimations for resolving these issues. In addition, the Company and the Group will estimate both the tax rate and the tax basis by taking into consideration the possibility of the income tax authority accepting the particular treatment of the tax issues. In any other case, the Company and the Group should use along its calculations either the "expected value" method or the "most likely amount" method.

Other Amendments

The other amendments applied mandatorily in subsequent periods are not expected to have significant impact on the financial statements of the Group and the Company.

3. Basic Accounting Principles Applied

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

3.1 Subsidiaries

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 goodwill.

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 Revenue Recognition

IFRS 15 supersedes IAS 11 "Construction Contracts", IAS 18 "Revenue" and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers.

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 standard also defines the accounting for the additional costs of taking out a contract and the direct costs required to complete the contract.

Revenue should be recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to the customers, except for amounts collected on behalf of third parties (value added tax, other sales tax). Variable amounts are included in the consideration and are estimated using either the expected value method, or the most likely amount method.

An entity recognizes revenue when (or as) meets the obligation to execute a contract by transferring the goods or services promised to the customer. The customer acquires control of the good or service if he is able to direct the use and derive virtually all the economic benefits from that good or service. Control is passed over a period or at a specific time.

Revenue from the sale of goods is recognized when the control of the good is transferred to the customer, usually upon delivery, and there is no unfulfilled obligation that could affect the acceptance of the good by the customer.

The customer requirement is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the customer. A conventional asset is recognized when the Group and the Company have satisfied its obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Group's right to invoicing.

The contractual obligation is recognized when the Company and the Group receive a consideration from the customer (prepayment) or when it retains the right to a price that is unconditional (deferred income) before the performance of the contract's obligations and the transfer of the goods or services. The contractual obligation is de-recognized when the contractual obligations are executed and the income is recorded in the income statement.

The Company's revenue per catergory is recognized as follows:

i. Sales of goods

Sales of goods are recognized when the Group delivers the property and risks associated with the ownership of the goods to the customers, the goods are accepted by them and the collection of the receivable is reasonably assured.

ii. Interest Income

Interest income is recognized on a time proportion basis using the effective interest rate.

iii. Rental income

Receivables from rentals are recognized in the income statement on the basis of the rental amount corresponding to the period under review.

iv. Income from dividends

Dividends are recognized as income when the right to receive the dividend is established.

3.3 Foreign currency translation

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 translated to the operating currency using exchange rates in effect during the date of the transactions. Profit and losses from foreign exchange difference, which arise from the settlement of such transactions during the period and from the conversion of monetary items expressed in foreign currency with the effective exchange rates during the balance sheet date, are registered in the results.

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 translated into the reference currency of the Group as follows:

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

3.4 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 subsequent accumulated depreciation amount.

Depreciation of tangible fixed assets is calculated on a straight-line basis in order to allocate the cost or the fair value of the asset onto their estimated 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.

3.5 Investment Property

Investment Property is held to generate rental income 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 assets are 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.

Following their initial recording, the investments in property are recorded at fair value.

3.6 Goodwill

Goodwill arisen **from merge/acquisition of companies initially is** recognized **at cost which is the** excess amount of the merge cost, over the Group's proportion in the fair value of the acquired net assets.

Following the initial recognition, goodwill is measured at cost less any accumulated impairment loss. The Group conducts impairment tests annually. Impairment loss recorded for goodwill is not reversible in subsequent periods.

3.7 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.

3.8 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.

3.9 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.

3.10 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 receivable 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.

3.11 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.

3.12 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.

Software programs and the relative licenses that are separately acquired are capitalized on the basis of the costs incurred for the acquisition and installation of that software 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 when incurred.

3.13 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.

3.14 Foreign Currency Translation

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 profits 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.

3.15 Share Capital

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.

3.16 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.

3.17 Liability for Retirement 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.

3.18 Leases

Leases of assets when 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.

3.19 Related Parties Disclosure

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.

3.20 Cash and Cash 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.

3.21 Financial Instruments: Recognition and Measurement

The standard presents 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,

• Receivables that have to do with tax transactions, which have been legally enforced by the state

• Anything not covered by a contract to give the Company 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 provision, 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 Useful 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 aims 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 ex-post 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.

4.11 Merger of companies

At the acquisition of a company, significant judgement is involved in the determination of the fair value and the useful life of the acquired tangible and intangible assets. Future events may change the assumptions used by the Group which could affect the Group’s results and equity.

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 2018 and the previous year 2017, are presented to the table below:

Group

	Land	Buildings	Investment Property	Machinery	Vehicles	Furniture & other equipment	Assets under construction	Total
Purchase Cost								
Balance at 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 at 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 at 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	368.248	0	112	4.043	49.086	0	421.489
Balance at 31.12.2017	**0**	**(23.904.708)**	**0**	**(18.392.457)**	**(1.218.471)**	**(3.423.728)**	**0**	**(46.939.364)**
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**	**51.498.311**	**285.407**	**28.438.448**	**247.972**	**871.887**	**1.780.690**	**96.128.255**
Purchase Cost								
Balance at 01.01.2018	**13.005.540**	**75.403.019**	**285.407**	**46.830.905**	**1.466.443**	**4.295.615**	**1.780.690**	**143.067.619**
Acquisitions from merged Companies	100.128	1.494.862	0	1.067.757	53.006	296.862	0	3.012.615
Revaluations	341.424	628.257	55.709	0	0	0	0	1.025.390
Acquisitions	1.002.573	1.813.207	0	1.176.229	58.440	527.044	3.163.937	7.741.430
Disposals	0	0	0	(108.559)	(45.010)	(202.449)	(368.919)	(724.937)
Balance at 31.12.2018	**14.449.665**	**79.339.345**	**341.116**	**48.966.332**	**1.532.879**	**4.917.072**	**4.575.708**	**154.122.117**
Accumulated Depreciation								
Balance at 01.01.2018	**0**	**(23.904.708)**	**0**	**(18.392.457)**	**(1.218.471)**	**(3.423.728)**	**0**	**(46.939.364)**
Acquisitions from acquired Companies	0	(243.819)	0	(620.723)	(43.608)	(274.050)	0	(1.182.200)
Acquisitions	0	(2.165.750)	0	(1.644.568)	(51.942)	(292.327)	0	(4.154.587)
Disposals	0	0	0	70.550	43.541	198.841	0	312.932
Balance at 31.12.2018	**0**	**(26.314.277)**	**0**	**(20.587.198)**	**(1.270.480)**	**(3.791.264)**	**0**	**(51.963.219)**
Net Book Value 01.01.2018	**13.005.540**	**51.498.311**	**285.407**	**28.438.448**	**247.972**	**871.887**	**1.780.690**	**96.128.255**
Net Book Value 31.12.2018	**14.449.665**	**53.025.068**	**341.116**	**28.379.134**	**262.399**	**1.125.808**	**4.575.708**	**102.158.898**

Company

	Land	Buildings	Investment Property	Machinery	Vehicles	Furniture & Other Equipment	Assets under Construction	Total
Purchase Cost								
Balance at 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 at 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 at 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	368.248	0	112	2.364	49.086	0	419.810
Balance at 31.12.2017	**0**	**(23.903.670)**	**0**	**(18.383.049)**	**(1.215.216)**	**(3.410.844)**	**0**	**(46.912.779)**
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**	**51.487.283**	**285.407**	**28.391.762**	**226.932**	**830.007**	**368.919**	**93.842.096**
Purchase Cost								
Balance at 01.01.2018	**12.251.786**	**75.390.953**	**285.407**	**46.774.811**	**1.442.148**	**4.240.851**	**368.919**	**140.754.875**
Revaluations	344.581	639.242	55.709	0	0	0	0	1.039.532
Acquisitions	1.002.573	1.806.492	0	1.170.389	56.860	488.267	199.900	4.724.481
Disposals	0	0	0	(108.559)	(45.010)	(202.449)	(368.919)	(724.937)
Balance at 31.12.2018	**13.598.940**	**77.836.687**	**341.116**	**47.836.641**	**1.453.998**	**4.526.669**	**199.900**	**145.793.951**
Accumulated Depreciation								
Balance at 01.01.2018	**0**	**(23.903.670)**	**0**	**(18.383.049)**	**(1.215.216)**	**(3.410.844)**	**0**	**(46.912.779)**
Acquisitions	0	(2.155.903)	0	(1.628.764)	(48.998)	(274.227)	0	(4.107.892)
Disposals	0	0	0	70.550	43.541	198.841	0	312.932
Balance at 31.12.2018	**0**	**(26.059.573)**	**0**	**(19.941.263)**	**(1.220.673)**	**(3.486.230)**	**0**	**(50.707.739)**
Net Book Value 01.01.2018	**12.251.786**	**51.487.283**	**285.407**	**28.391.762**	**226.932**	**830.007**	**368.919**	**93.842.096**
Net Book Value 31.12.2018	**13.598.940**	**51.777.114**	**341.116**	**27.895.378**	**233.325**	**1.040.439**	**199.900**	**95.086.212**

It is noted that a valuation of the Company's land, buildings and investment property at fair value has been conducted on December 31st, 2018. 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 2nd level (Note 8.1).

2. Other Intangible Assets

The changes in other intangible assets of the Group and the Company, during the current year 2018 and the previous year 2017 are presented to the table below:

Group

	Software	Trademarks	Total
Purchase Cost			
Balance at 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 at 31.12.2017	**968.356**	**717.206**	**1.685.562**
Accumulated Depreciation			
Balance at 01.01.2017	**(704.738)**	**(12.134)**	**(716.872)**
Acquisitions	(50.883)	(573)	(51.456)
Disposals	0	0	0
Balance at 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**
Purchase Cost			
Balance at 01.01.2018	**968.356**	**717.206**	**1.685.562**
Acquisitions from merged Companies	25.387	0	25.387
Revaluations	0	0	0
Acquisitions	46.057	0	46.057
Disposals	0	0	0
Balance at 31.12.2018	**1.039.800**	**717.206**	**1.757.006**
Accumulated Depreciation			
Balance at 01.01.2018	**(755.621)**	**(12.707)**	**(768.328)**
Acquisitions from merged Companies	(25.388)	0	(25.388)
Acquisitions	(69.559)	(574)	(70.133)
Disposals	0	0	0
Balance at 31.12.2018	**(850.568)**	**(13.281)**	**(863.849)**
Net Book Value 01.01.2018	**212.735**	**704.499**	**917.234**
Net Book Value 31.12.2018	**189.232**	**703.925**	**893.157**

Company

	Software	Trademarks	Total
Purchase Cost			
Balance at 01.01.2017	**827.016**	**17.206**	**844.222**
Revaluations	0	0	0
Acquisitions	96.323	0	96.323
Disposals	0	0	0
Balance at 31.12.2017	**923.339**	**17.206**	**940.545**
Accumulated Depreciation			
Balance at 01.01.2017	**(702.121)**	**(12.134)**	**(714.255)**
Acquisitions	(46.253)	(573)	(46.826)
Disposals	0	0	0
Balance at 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**
Purchase Cost			
Balance at 01.01.2018	**923.339**	**17.206**	**940.545**
Revaluations	0	0	0
Acquisitions	17.972	0	17.972
Disposals	0	0	0
Balance at 31.12.2018	**941.311**	**17.206**	**958.517**
Accumulated Depreciation			
Balance at 01.01.2018	**(748.374)**	**(12.707)**	**(761.081)**
Acquisitions	(56.680)	(574)	(57.254)
Disposals	0	0	0
Balance at 31.12.2018	**(805.054)**	**(13.281)**	**(818.335)**
Net Book Value 01.01.2018	**174.965**	**4.499**	**179.464**
Net Book Value 31.12.2018	**136.257**	**3.925**	**140.182**

3. Goodwill

	Group/Company
Balance at 01.01.2017	**0**
Acquisitions/disposals	0
Impairment	0
Balance at 31.12.2017	**0**
Balance at 01.01.2018	**0**
Acquisitions from merged companies	3.567.116
Impairment	(2.567.116)
Balance at 31.12.2018	**1.000.000**

Acquisitions in goodwill derive from the acquisition of a company within 2018. Further information is available to note 6.1.

At 31.12.2018, the Group conducted impairment test of the current goodwill. The recoverable amount of the goodwill which concerns the company KENFOOD SA amounts to € 1.000.000 and it has been determined according to the net discounted cash flow expected to arise from the operation of the company (value in use). The resulting loss due to impairment amounted to € 2.567.116 and it has been included in the Group's results.

The main assumptions used to determine the goodwill are as follows:

WACC/Weighted Average Cost Of Capital: The WACC used amounted to 9,3 %.

EBITDA: the budgetary amounts of EBITDA have been determined according to previous experience and comply with their assumptions comply with the "value in use" approach. The main assumptions reflect previous experience of the Management and other available information from internal sources regarding the course of the industry.

Growth rate: the growth rate used for the impairment test is based on rational and valid assumptions, which reflect the best possible estimation of the Management. The growth rate beyond 5 years is 0,75% according to a conservative estimation for the course of the industry and the Greek economy.

4. Investments in Subsidiaries

The following table presents the LOULIS MILLS SA investments in subsidiaries

	Direct Participation Rate % of the parent	31.12.2018	31.12.2017
Kenfood S.A.	70,00%	1.379.521	1.241.918
Greek Baking School S.A.	99,67%	104.650	104.650
Loulis Logistics Services S.A.	99,67%	29.900	29.900
LIFE Bulgaria Ltd	100,00%	231.622	231.622
Grinco Holdings Ltd	100,00%	68.960	68.960
Lafco Leader Asian Food Company Ltd	100,00%	0	121.265
Total:		**1.814.653**	**1.798.315**

5. Other Non-Current Receivables

The analysis of other non-Current Receivables is as follows:

	Group		Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Given guarantees	16.131	19.963	14.071	19.963
Other non-Current Receivables	60.000	0	0	0
Total:	**76.131**	**19.963**	**14.071**	**19.963**

6. Inventory

The table below presents the analysis of inventory:

	31.12.2018	
	Group	**Company**
Merchandise	852.018	275.388
Finished & Semi-Finished Products	4.420.709	4.113.199
Raw and Packing Materials	16.645.694	15.454.115
Advances for Stock Purchase	0	0
Total:	**21.918.421**	**19.842.702**

	31.12.2017	
	Group	**Company**
Merchandise	1.354.114	195.659
Finished & Semi-Finished Products	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**

7. Trade Receivables

The analysis of trade receivables is as follows:

	Group		Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Trade Receivables/Other Receivables	30.068.138	26.536.242	26.163.214	25.490.652
Notes Receivable	96.551	467.085	89.551	457.085
Notes Overdue	432.678	367.463	430.878	365.663
Cheques Receivable	7.820.543	10.025.789	7.429.270	9.586.756
Cheques Receivable overdue	3.740.327	3.176.656	3.210.148	3.176.656
Receivables from Related Companies	0	0	0	6.594
Receivables from Associates	0	0	0	0
Less: Provisions	(8.861.749)	(3.339.526)	(5.855.499)	(3.339.526)
Total:	**33.296.488**	**37.233.709**	**31.467.562**	**35.743.880**

At 31.12.2018 and 2017 the ageing analysis of the current and overdue trade receivables is as follows:

	Group		Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Trade Receivables not in arrears	29.129.039	30.195.777	27.810.839	28.945.426
Trade Receivables overdue 1-60 days	2.147.058	2.909.768	1.844.933	2.769.773
Trade Receivables overdue 61-180 days	1.735.438	1.018.443	1.160.411	958.332
Trade Receivables overdue >181 days	9.146.702	6.449.247	6.506.878	6.409.875
Total:	**42.158.237**	**40.573.235**	**37.323.061**	**39.083.406**

From 01.01.2018 the Group and the Company adopted the simplified approach of IFRS 9 and calculates the expected credit loss over the life of the receivables. Further information is available to note 6.2.2.

The following tables present the Group and the Company's exposure to credit risk:

	Group- 31.12.2018				
	Not in arrears	**Overdue 1-60 days**	**Overdue 61-180 days**	**Overdue > 181 days**	**Total**
Total of Trade Receivables	29.129.039	2.147.058	1.735.438	9.146.702	**42.158.237**
Expected credit loss	0	(81.835)	(586.014)	(8.193.900)	**(8.861.749)**
Expected % of credit loss	0,00%	-3,81%	-33,77%	-89,58%	**-21,02%**

	Company- 31.12.2018				
	Not in arrears	**Overdue 1-60 days**	**Overdue 61-180 days**	**Overdue > 181 days**	**Total**
Total of trade receivables	27.810.839	1.844.933	1.160.411	6.506.878	**37.323.061**
Expected credit loss	0	(54.943)	(204.641)	(5.595.915)	**(5.855.499)**
Expected % of credit loss	0,00%	-2,98%	-17,64%	-86,00%	**-15,69%**

8. Derivative Financial Assets/Liabilities

	Group/ Company	
	31.12.2018	**31.12.2017**
Receivables from Financial Derivatives	127.800	780
Total:	**127.800**	**780**

	Group/ Company	
	31.12.2018	**31.12.2017**
Liabilities from Financial Derivatives	51.750	21.330
Total:	**51.750**	**21.330**

9. Cash and Cash Equivalent

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

	31.12.2018	
	Group	**Company**
Cash in hand	27.648	19.827
Cash at bank	5.223.069	4.249.610
Total:	**5.250.717**	**4.269.437**

	31.12.2017	
	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**

10.Other Current Assets

The table below presents the analysis of Other Current Assets:

	Group		**Company**	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Sundry Debtors	6.443.567	11.399.093	5.332.680	7.088.890
Receivables from the Greek State	44.870	65.465	0	0
Advances and Credits Suspense Accounts	8.369	51.630	5.066	28.991
Prepaid Expenses	194.370	175.274	184.136	166.116
Accrued Income Receivable	3.500	3.500	0	0
Short-term Receivables from Related Parties	0	0	2.812.889	200.000
Less: Provisions	(1.161.192)	(855.666)	(897.862)	(855.666)
Total:	**5.533.484**	**10.839.296**	**7.436.909**	**6.628.331**

11. Other Reserves

The analysis of other reserves is as follows:

	31.12.2018	
	Group	**Company**
Reserve from the Revaluation of Other Assets	3.800.971	3.800.971
Statutory Reserves	1.713.471	1.641.544
Extraordinary Reserves	103.990	103.990
Non Taxable Reserves	3.407.114	3.208.286
Reserve from Foreign Exchange Differences	3.482.805	0
Other Reserves	7.843.920	6.592.716
Profit/ (Loss) after Tax	20.478.709	24.120.217
Total:	**40.830.980**	**39.467.724**

	31.12.2017	
	Group	**Company**
Reserve from the Revaluation of Other Assets	4.159.652	4.159.652
Statutory Reserves	1.599.076	1.586.423
Extraordinary Reserves	103.990	103.990
Non Taxable Reserves	3.258.580	3.208.286
Reserve from Foreign Exchange Differences	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**

12. 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		Company	
Short -Term Borrowings	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Borrowings	5.905.028	5.774.638	1.503.935	3.078.133
Bond Loans	5.157.111	5.100.000	5.100.000	5.100.000
Financial Lease	296.366	189.681	199.858	189.681
Total:	**11.358.505**	**11.064.319**	**6.803.793**	**8.367.814**

	Group		Company	
Long – Term Borrowings	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Bond Loans	29.965.000	30.350.000	29.750.000	30.350.000
Financial Lease	1.988.550	343.617	142.522	343.617
Total:	**31.953.550**	**30.693.617**	**29.892.522**	**30.693.617**
Total Borrowing:	**43.312.055**	**41.757.936**	**36.696.315**	**39.061.431**

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 01.01.2017	33.734.678	533.299	34.267.977
Cashflow:			
- Proceeds from Bank Borrowings	(12.410.041)	35.450.000	23.039.959
- Repayment of Bank Borrowings	(15.550.000)	0	(15.550.000)
Balance at 31.12.2017	**5.774.637**	**35.983.299**	**41.757.936**
Reclassification from Long-Term to Short-Term Borrowing	5.289.682	(5.289.682)	
Balance at 31.12.2017	**11.064.319**	**30.693.617**	**41.757.936**

Balance at 01.01.2018	11.064.319	30.693.617	41.757.936
Cashflow:			
- Proceeds from Bank Borrowings	(446.020)	4.500.000	4.053.980
- Repayment of Bank Borrowings	(5.127.500)	0	(5.127.500)
Balance at 31.12.2018	**5.490.799**	**35.193.617**	**40.684.416**
Additions from Merged Companies	412.991	2.214.648	2.627.639
Reclassification from Long-Term to Short-Term Borrowing	5.454.715	(5.454.715)	0
Balance at 31.12.2018	**11.358.505**	**31.953.550**	**43.312.055**

	Company		
	Short -Term Borrowings	**Long – Term Borrowings**	**Total**
Balance at 01.01.2017	31.742.391	533.299	32.275.690
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	**3.078.132**	**35.983.299**	**39.061.431**
Reclassification from Long-Term to Short-Term Borrowing	5.289.682	(5.289.682)	
Balance at 31.12.2017	**8.367.814**	**30.693.617**	**39.061.431**
Balance at 01.01.2018	8.367.814	30.693.617	39.061.431
Cashflow:			
- Proceeds from Bank Borrowings	(1.765.117)	4.500.000	2.734.883
- Repayment of Bank Borrowings	(5.100.000)	0	(5.100.000)
Balance at 31.12.2018	**1.502.697**	**35.193.617**	**36.696.314**
Reclassification from Long-Term to Short-Term Borrowing	5.301.096	(5.301.095)	0
Balance at 31.12.2018	**6.803.793**	**29.892.522**	**36.696.315**

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

	Group	
	Repayment of Bond Loans	**Repayment of Financial Lease**
Within 2019	5.157.111	296.366
Within 2020	7.655.000	229.640
Within 2021	5.205.000	117.854
Within 2022	17.066.250	108.791
Within 2023	38.750	113.223
Within 2024	0	117.836
Within 2025	0	122.637
Within 2026 - 2035	0	1.178.569
Total:	**35.122.111**	**2.284.916**

	Company	
	Repayment of Bond Loans	Repayment of Financial Lease
Within 2019	5.100.000	199.858
Within 2020	7.600.000	129.200
Within 2021	5.150.000	13.322
Within 2022	17.000.000	0
Total:	**34.850.000**	**342.380**

13. Deferred Tax

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

Deferred Tax

	Group		Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Deferred Tax Asset	1.800.302	353.261	904.092	345.462
Deferred Tax Liability	(13.580.842)	(14.628.614)	(13.122.069)	(14.571.100)
Total:	**(11.780.540)**	**(14.275.353)**	**(12.217.977)**	**(14.225.638)**

Deferred Tax

	Group
Opening Balance of Deferred Tax 2017	**(13.690.354)**
Deferred Tax Asset due to provision for Inventory Obsolescence	0
Deferred Tax Asset due to provisions for Receivables	0
Deferred Tax Asset due to provision for Employee Compensation	14.569
Deferred Tax Liability due to Fixed Assets	(605.432)
Deferred Tax Liability due to Other Intangible Assets	5.864
Closing Balance of Deferred Tax 2017	**(14.275.353)**
Opening Balance of Deferred Tax 2018	**(14.275.353)**
Deferred Tax Asset due to provision for Inventory Obsolescence	(11.250)
Deferred Tax Asset due to provisions for Receivables	399.642
Deferred Tax Asset due to provision for Employee Compensation	(14.469)
Deferred Tax Asset due to Tax Loss from Previous Years	(381.732)
Deferred Tax Asset due to Acquisition of Companies	940.078
Deferred Tax Liability due to Fixed Assets	1.551.673
Deferred Tax Liability due to Other Intangible Assets	(72.900)
Deferred Tax Liability due to Other Liabilities	514.772
Deferred Tax Liability due to Acquisition of Companies	(431.001)
Closing Balance of Deferred Tax 2018	**(11.780.540)**

Deferred Tax

	Company
Opening Balance of Income Deferred Tax 2017	**(13.659.977)**
Deferred Tax Asset due to provision for Inventory Obsolescence	0
Deferred Tax Asset due to provisions for Receivables	0
Deferred Tax Asset due to provision for Employee Compensation	6.770
Deferred Tax Liability due to Fixed Assets	(578.295)
Deferred Tax Liability due to Other Intangible Assets	5.864
Closing Balance of Income Deferred Tax 2017	**(14.225.638)**
Opening Balance of Deferred Tax 2018	**(14.225.638)**
Deferred Tax Asset due to provision for Inventory Obsolescence	(11.250)
Deferred Tax Asset due to provisions for Receivables	590.284
Deferred Tax Asset due to provision for Employee Compensation	(20.404)
Deferred Tax Liability due to Fixed Assets	1.450.812
Deferred Tax Liability due to Other Intangible Assets	(1.781)
Closing Balance of Deferred Tax 2018	**(12.217.977)**

Deferred Tax Assets and Deferred Tax Liabilities are included offset in the item "Deferred Tax Liabilities" of the Statement Of Financial Position.

14. Other Non-Current Liabilities

	Group		Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Other Provisions	0	0	0	0
Long-Term Tax Liabilities	0	0	0	0
Subsidies for Fixed Assets	3.346.119	3.551.341	3.346.119	3.551.341
Long-Term Liabilities to Associated Companies	0	0	0	0
Total:	**3.346.119**	**3.551.341**	**3.346.119**	**3.551.341**

15. Liability for Retirement Benefits

The Liability for Retirement Benefits is included in the financial statements according to IFRS 19 and it is based on an actuarial study with date December 31, 2018.

For the calculations of the study the following actuarial assumptions have been used:

	31.12.2018	31.12.2017
Financial Assumptions		
Discount Rate	1,60%	1,70%
Expected Salary Increase	2,00%	2,00%
Inflation	2,00%	2,00%
Demographic Assumptions		
Mortality Table	EVK2000	EVK2000
Impotency	EVK2000	EVK2000
Retirement Exit Dates	as specified from the primal public social security body of each employee	
Turnover:		
- from 0 Year to 20 Years	3,00%	2,50%
- from 20 Years to 40 Years	1,00%	1,00%
- over 40 Years	0,00%	0,00%

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

Defined Benefit Plans at Retirement	Group		Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Current Cost Service	27.561	24.974	24.241	23.301
Interest Cost	13.424	13.345	12.644	12.922
Settlement/Curtailment Impact	57.312	47.446	57.312	47.446
Past Service Cost	0	0	0	0
Staff Transfer Cost	(2.513)	0	0	0
Amounts charged in Profit & Loss Statement::	**95.784**	**85.765**	**94.197**	**83.669**
Actuarial (Profit)/Loss for the Period	5.862	4.013	4.130	2.744
Total amounts charged in the Statement of Comprehensive Income:	**101.646**	**89.778**	**98.327**	**86.413**

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:

	Group		Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Present Value of the Liability-Opening Balance:	**768.141**	**741.433**	**741.249**	**717.906**
Total Expense	95.784	85.765	94.197	83.669
Actuarial (Profit)/Loss for the Period	5.862	4.013	4.130	2.744
Staff Transfer Cost	0	0	2.513	0
Benefits Paid	(107.907)	(63.070)	(107.907)	(63.070)
Additions from merged Companies	25.581	0	0	0
Present Value of Defined Benefit Obligations at the End of the Period:	**787.461**	**768.141**	**734.182**	**741.249**
Fair value of plans' assets	0	0	0	0
Net Liability in Balance Sheet at the End of the Period:	**787.461**	**768.141**	**734.182**	**741.249**

16. Trade Payables

The analysis of Suppliers and Other Liabilities for the Group and the Company for the current year 2018 and the previous year 2017 is presented in the two tables below:

	31.12.2018	
	Group	**Company**
Suppliers (Third Parties)	9.880.196	8.486.793
Intra-Group Suppliers	0	28.753
Cheques Payable (Post-Dated)	1.130.096	0
Advances from Customers	773.597	747.315
Total:	**11.783.889**	**9.262.861**

	31.12.2017	
	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**

Ageing Analysis of Suppliers

	Group		**Company**	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
0 - 180 days	11.723.590	10.082.011	9.204.992	8.392.515
> 181 days	60.299	96.005	57.869	93.117
Total:	**11.783.889**	**10.178.016**	**9.262.861**	**8.485.632**

17. Tax Liabilities

The analysis of the Tax Liabilities for the Group and the Company for the current year 2018 and the previous year 2017 is presented in the following table:

	31.12.2018	
	Group	**Company**
Tax & Duties Payable (not including Income Tax)	303.865	163.321
Income Tax	1.177.579	1.177.579
Total:	**1.481.444**	**1.340.900**

	31.12.2017	
	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**

18. Other Current Liabilities

	31.12.2018	
	Group	Company
Insurance and Pension Fund Dues	440.611	341.513
Dividends Payable	0	0
Sundry Creditors	6.980.666	6.958.963
Unearned and Deferred Income	60.288	33.548
Accrued Expenses	1.029.711	1.025.038
Total:	**8.511.276**	**8.359.062**

	31.12.2017	
	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**

19. Revenue

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

	Group		Company	
	2018	2017	2018	2017
Professional Products	79.956.675	77.708.340	79.866.287	77.700.776
Consumer Products	12.018.973	12.777.837	12.018.973	12.777.837
Mixtures & Raw Material for Bakery & Pastry	6.671.385	5.428.514	0	0
Training Services	79.869	69.982	0	0
Total:	**98.726.902**	**95.984.673**	**91.885.260**	**90.478.613**

20. Other Income

	Group		Company	
	2018	2017	2018	2017
Other Operating Income	2.917.701	3.112.740	2.813.897	3.024.380
Extraordinary and non-Operating Income	295.722	219.694	294.805	217.553
Extraordinary Profit	10.862	720.012	10.862	720.012
Prior Period Income	373.353	30.935	288.996	30.935
Income from unused Prior Period Provisions	2.698	0	0	0
Other non-Operating Income	0	0	0	0
Total:	**3.600.336**	**4.083.381**	**3.408.560**	**3.992.880**

21. Other Expenses

	Group		Company	
	2018	2017	2018	2017
Extraordinary and non-Operating Expenses	(2.719.133)	(26.526)	(128.853)	(23.932)
Extraordinary Losses	(96.808)	(300.511)	(96.808)	(299.458)
Prior Period Expenses	(341.804)	(72.017)	(287.365)	(70.675)
Provisions for Extraordinary Contingencies	(126.376)	0	(53.086)	0
Total	**(3.284.121)**	**(399.054)**	**(566.112)**	**(394.065)**

22. Distribution Expenses

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

	Group		Company	
	2018	2017	2018	2017
Materials	(40.493)	(65.338)	(40.493)	(65.338)
Salaries and Staff Cost	(3.456.694)	(3.174.085)	(3.031.165)	(2.750.871)
Third Party Fees	(858.647)	(1.037.470)	(737.001)	(949.966)
Charges for Outside Services	(1.037.729)	(1.013.132)	(858.721)	(834.453)
Taxes - Fees	(245.447)	(239.950)	(212.475)	(209.942)
Other Expenses	(7.791.959)	(7.342.165)	(7.110.583)	(6.607.895)
Depreciation	(614.788)	(612.953)	(604.281)	(607.219)
Total:	**(14.045.757)**	**(13.485.093)**	**(12.594.719)**	**(12.025.684)**

23. Administration Expenses

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

	Group		Company	
	2018	2017	2018	2017
Materials	(16.371)	(28.899)	(16.371)	(28.899)
Salaries and Staff Cost	(1.608.659)	(1.554.550)	(1.529.049)	(1.473.795)
Third Party Fees	(675.790)	(556.981)	(395.687)	(299.273)
Charges for Outside Services	(533.226)	(508.382)	(490.051)	(474.677)
Taxes - Fees	(134.477)	(81.278)	(111.343)	(71.649)
Other Expenses	(479.435)	(614.689)	(385.049)	(520.993)
Depreciation	(544.721)	(416.576)	(519.345)	(400.893)
Total:	**(3.992.679)**	**(3.761.355)**	**(3.446.895)**	**(3.270.179)**

24. Financial Expenses/Income

	Group		Company	
	2018	**2017**	**2018**	**2017**
Interest Charges and Relevant Expenses	(2.109.771)	(2.024.826)	(1.891.022)	(1.883.017)
Other Financial Expenses	(13.424)	(12.922)	(12.644)	(12.922)
Interest Income and Relevant Income	27.089	33.861	33.935	18.531
Total	**(2.096.106)**	**(2.003.887)**	**(1.869.731)**	**(1.877.408)**

25. Tax Expense

	Group	
	2018	**2017**
Property Tax	(45.474)	(46.782)
Tax Auditing Differences	(80.872)	0
Provision for Income Tax	(1.177.579)	(926.616)
Provisions & Other Tax Liabilities	0	0
Deferred Tax	1.149.824	(648.546)
Total:	**(154.101)**	**(1.621.944)**

	Company	
	2018	**2017**
Property Tax	(45.474)	(46.782)
Tax Auditing Differences	(80.872)	0
Provision for Income Tax	(1.177.579)	(976.885)
Provisions & Other Tax Liabilities	0	0
Deferred Tax	1.178.650	(629.208)
Total:	**(125.275)**	**(1.652.875)**

The corporate income tax rate of legal entities in Greece is 29% for 2018 but according to article 23 of the recent Law 4579/2018, the corporate income tax rate in Greece shall be gradually decreased by 1% every year, as follows:

- 28% for 2019
- 27% for 2020
- 26% for 2021
- 25% for 2022 and onwards.

Due to the aforementioned gradual decrease of the Income Tax Rate in Greece, the Deferred Tax is presented decreased in the Statement of Comprehensive Income of the current year by € 1,12 million for the Group and € 1,16 million for the Company.

26. Earnings per Share (Basic & Adapted)

	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Net Profit/(Loss) attributable to the Owners of the Parent	1.260.522	2.758.349	3.425.353	2.908.704
Weighted average of Shares Outstanding (after the deduction of the weighted average of Own Shares)	17.120.280	17.121.248	17.120.280	17.121.248
Basic Profit/(Loss) per Share	**0,0736**	**0,1611**	**0,2001**	**0,1699**

27. Profit/(Loss) from Revaluation of Property

	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit/(Loss) from Revaluation of Property	(496.179)	(219.127)	(488.002)	(219.127)
Income Tax that relates to Other Comprehensive Income	131.034	63.547	129.321	63.547
Total:	**(365.145)**	**(155.580)**	**(358.681)**	**(155.580)**

8. FINANCIAL 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.

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	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Fixed Assets	103.052.055	97.045.490	95.226.394	94.021.561
Other Long-term Receivables	76.131	19.963	14.071	19.963
Total	**103.128.186**	**97.065.453**	**95.240.465**	**94.041.524**
Current Assets				
Inventrory	21.918.421	19.069.097	19.842.702	17.903.856
Trade Receivables	33.296.488	37.233.709	31.467.562	35.743.880
Cash and Cash Equivalents	5.250.717	4.284.542	4.269.437	3.609.001
Financial Receivables	127.800	780	127.800	780
Other Current Assets	5.533.484	10.839.296	7.436.909	6.628.331
Total	**66.126.910**	**71.427.424**	**63.144.410**	**63.885.848**
Long-term Liabilities				
Borrowings	31.953.550	30.693.617	29.892.522	30.693.617
Provisions and Other Long-Term Liabilities	15.914.120	18.594.835	16.298.278	18.518.228
Total	**47.867.670**	**49.288.452**	**46.190.800**	**49.211.845**
Short-term Liabilities				
Suppliers	11.783.889	10.178.016	9.262.861	8.485.632
Borrowings	11.358.505	11.064.319	6.803.793	8.367.814
Financial Liabilities	51.750	21.330	51.750	21.330
Other Liabilities	9.992.720	5.728.273	9.699.962	5.515.913
Total	**33.186.864**	**26.991.938**	**25.818.366**	**22.390.689**

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**		
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**	**Fair Value Hierarchy**
Land	14.449.665	13.005.540	13.598.940	12.251.786	Level 2
Buildings	53.025.068	51.498.312	51.777.114	51.487.284	Level 2
Investment Properties	341.116	285.407	341.116	285.407	Level 2
Financial Receivables	127.800	780	127.800	780	Level 2

Liabilities	**Group**		**Company**		
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**	**Fair Value Hierarchy**
Financial Liabilities	51.750	21.330	51.750	21.330	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.

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 1,99 at December 31, 2018 towards 2,65 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 eliminate the Group's exposure to that risk through achieving appropriate agreements with its suppliers and using 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 2018	1,00%	-366.963	-433.121
	-1,00%	366.963	433.121
Amounts 2017	1,00%	-390.614	-417.579
	-1,00%	390.614	417.579

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 S.A. Shares

The Company’s shares are common and listed on the Athens Stock Exchange's market bearing the symbol LOULI. 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 € 16.093.063,20 divided into 17.120.280 common registered shares of a par value of € 0,94 each.

The Ordinary General Meeting dated 14.06.2018 decided the increase of the share capital of the Company by the amount of € 1.027.216,80 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 € 1.027.216,80 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 € 1.027.216,80, i.e. € 0,06 per share. Following the increase and the simultaneous decrease mentioned above, the share capital remains at the amount of € 16.093.063,20, divided into 17.120.280 common registered shares, of a nominal value of € 0,94 per share.

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

Balance Sheet	31/12/2018	31/12/2017	31/12/2018 vs 31/12/2017
1 euro = Leva	1,9558	1,9558	0,00%

P&L	average 2018	M.O. 2017	average 2018 vs average 2017
1 euro = Leva	1,9558	1,9558	0,00%

3. Comparative Information

Where necessary, the comparative amounts have been adjusted to comply with 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 31.12.2018 to secure bond loans of an amount of € 34,85 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 31.12.2018: Group 281, Company 237, compared with 262 for the Group and 239 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 - 2018			
	Sales of Good & Services	Purchases of Good & Services	Receivables	Liabilities
Associates	0	0	0	0
Executives and Members of Management	0	0	145.372	26
Total:	**0**	**0**	**145.372**	**26**

	Company - 2018			
	Sales of Good & Services	Purchases of Good & Services	Receivables	Liabilities
Nutribakes S.A.	144.487	885.688	200.000	28.753
Greek Baking School S.A.	8.400	43.050	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	18.689	1.034.792	2.612.889	0
Associates	0	0	0	0
Executives and Members of Management	0	0	464	26
Total:	**172.056**	**1.963.530**	**2.813.353**	**28.779**

	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
Kenfood SA (former 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
Lafco Leader Asian Food Company 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**

Fees of Executives and Members of the Management

	Group		Company	
	2018	2017	2018	2017
Salaries and Other Fees	909.432	894.143	629.664	585.805
Total:	**909.432**	**894.143**	**629.664**	**585.805**

8. Bond Loans 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.

In particular, 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, c) € 2 million and on August 16, 2017 and d) € 2 million on 15th February 2018. 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

The corporate income tax rate of legal entities in Greece is 29% for 2018 but according to article 23 of the recent Law 4579/2018, the corporate income tax rate in Greece shall be gradually decreased by 1% every year, as follows:

- 28% for 2019
- 27% for 2020
- 26% for 2021
- 25% for 2022 and onwards.

10. Capital Expenses

Investments in fixed assets for 2018 amount to € 7.419 thousand for the Group and € 4.374 thousand for the Company.

11. Contingent Liabilities/ Receivables

The Group’s contingent liabilities relate to the Banks, other guarantees and other issues that arise from the Group’s usual operations and they are not expected to have significant additional burden to the Group.

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 arise towards the State in the future.

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.

Unaudited Tax Years

For the fiscal years 2011 up to 2015 the Greek Public Limited companies (SA) whose financial statements were mandatorily audited by a Certified Auditor, were subject to tax audit by the same Auditor or audit firm who audited their annual financial statements and received "Tax Compliance Certification" according to par.5, art.82 of L.2238/1994 and art.65A of L.4174/2013. For the fiscal years 2016 and onwards the tax audit and the provision of the "Tax Compliance Certification" is optional. The Group has chosen to continue being tax audited by the Auditors, which is now optional for the Group's most significant subsidiaries. It is noted that according to the tax legislation up to 2018, the fiscal years up to 2012 are considered to be written off.

In particular, for fiscal years 2011, 2012 and 2013, the parent Company has been subjected to tax auditing from an auditor in accordance with article 82 paragraph 5 of Law 2238/1994 and has received a "Tax Compliance Certification" with an unqualified opinion. For the fiscal years 2014, 2015, 2016 & 2017 for the parent Company and 2015, 2016 & 2017 for the subsidiary NUTRIBAKES SA the tax audit has been conducted by an auditor in accordance with article 65A paragraph 1 of Law 4174/2013 as amended by the Law 4262/2014 and have received a "Tax Compliance Certification" with an unqualified opinion.

For the fiscal year 2018, the parent Company and its subsidiary KENFOOD SA have been subjected to tax auditing from an auditor in accordance with Law 4174/2013 article 65A as currently in effect. That audit is in progress and the related tax certificate is expected to be provided after the publication of financial statements of 31/12/2018. If upon completion of the tax audit additional tax liabilities occur, we consider that they will not have substantial impact on the financial statements.

12. Fees of the Board of Directors

The total remuneration paid to the members of the Board of Directors of LOULI MILLS SA within 2018 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 31.12.2018 are as follows:

The increase in the item "Property, Plant & Equipment" in the "Statement of Financial Position" is mainly due to the purchase of an asset in Mandra of Attica of an amount of € 2 million and the purchase of a mill in Bulgaria of an amount of € 2,25 million.
In the current year and after the completion of the acquisition of "KENFOOD SA" by the Group's subsidiary "NUTRIBAKES SA" (see note 6.1), the arisen goodwill of an amount of € 3,5 million has been impaired to the mount of € 1,0 million as presented in the item "Goodwill" in the "Statement of Financial Position". Respectively, the item "Other Expenses" in the "Statement of Comprehensive Income" is increased by the amount of the impairment of an amount of € 2,5 million.

The decrease in the "Deferred tax Liability" of an amount of € 1,11 million for the Group and € 1,15 for the Company is mainly due to the gradual decrease of the corporate income tax rate in Greece according to L.4579/2018.

14. Earnings per Share

The Board of Directors of the Company shall propose not to distribute a dividend from the profits of the year 2018 due to the uncertain economic environment as well as for liquidity reasons. 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 22.04.2019.

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.

On January 14, 2019 the Company proceeded with the issuing of a bond loan of a total amount of € 3 million in order to finance its overall business. The bond loan is of two years duration and was issued in association with Alpha Bank S.A.

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

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

Sourpi, 22 April 2019

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

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