



**KRI-KRI MILK INDUSTRY S.A.**

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

**General Commercial Registry No.: 113772252000**

**INTERIM FINANCIAL REPORT**

**FOR THE PERIOD**

**1.1.2017 – 30.6.2017**

**IN ACCORDANCE WITH ARTICLE 5 OF CODIFIED GREEK LAW 3556/2007**

**(TRANSLATION FROM THE GREEK ORIGINAL)**

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**DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS**

**(in accordance with article 5 (2) of Law 3556/2007)**

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

The Interim Financial Statements for the period ended 30 June 2017, which were drawn up in accordance with IFRS (34), give a true and fair view of the assets, liabilities, shareholder's equity and the financial results of "KRI-KRI Milk Industry S.A.", in accordance with §3-5 of article 5 of Law 3556/2007.

The Report of the Board of Directors for the period ended 30 June 2017 depicts in a true and fair manner the information that is required according to §6 of article 5 of Law 3556/2007.

Serres, 12 September 2017

Confirmed by

Chairman  
& Managing Director

Vice-Chairman

Member of the B.o.D.

PANAGIOTIS TSINAVOS  
ID AE373539

GEORGIOS KOTSAMBASIS  
ID AE376847

THEODOROS XENTES  
ID AZ159117

## KRI KRI MILK INDUSTRY S.A.

### REPORT OF THE BOARD OF DIRECTORS

#### **FOR THE PERIOD OF 1 JANUARY 2017 UNTIL 30 JUNE 2017**

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Dear shareholders,

the present report aims to provide a concise description of the financial information of the Company "KRI-KRI MILK INDUSTRY S.A." for the first half of the financial year, the major events that took place during the period under examination and their impact on the interim financial statements, the main risks and uncertainties to which the Company may be exposed to in the second half of the financial year and the transactions concluded between the Company and related parties.

#### **GENERAL INFORMATION**

KRI-KRI MILK INDUSTRY S.A. operates in the dairy industry. Our main business activities is the production of ice-cream and yogurt. Our distribution network is Panhellenic and comprises of super market chains and small points of sale. We export our products to more than 24 countries abroad. The headquarters and the production facilities are located in Serres, Northern Greece and a secondary distribution Centre is located in Aspropirgos region of Attica, Greece.

#### **I. PERFORMANCE AND FINANCIAL POSITION**

##### **SALES**

Company's turnover amounted €41.185k at first half of 2017, against €34.776k at first half of 2016 (increased by +18,4%).

Ice-cream sales present an increase of +7,4% amounting €13.161k against €12.255k of H1 2016.

Yogurt sales present an increase of +23,8% amounting €27.746k against €22.412k of H1 2016.

Finally, exports were 28,3% of total sales, presenting an increase of +57%.

##### **PROFITABILITY**

Gross profit margin was calculated to 39,5% (2016: 40,9%) and specifically a) 52,1% in Ice-cream (2016:48,8%) and b) 34,0% in Yogurt (2016:36,6%).

Company's profit before tax amounted €6.811k against €4.511k of 2016 (+51% increase). The net profit after tax amounted €4.904k against €3.597k of 2016. EBITDA amounted €8.216k against €6.169k of 2016 (+33,2% increase).

##### **EXTRAORDINARY ITEMS**

It is noted that the results of H1 2016 include a bad debt provision of €1.531k, under the terms of the consolidation agreement of the companies of the MARINOPOULOS group.

##### **LOANS**

Management seeks to maintain a small exposure to debt. At 30/6/2017, the balance of Company's loans amounts to €11.110k, while net debt is close to zero.

## BASIC FINANCIAL RATIOS

		<u>30/6/2017</u>	<u>31/12/2016</u>
Debt to capital=	<u>Debt</u> Total equity + Debt	19,1%	16,7%
Debt to equity=	<u>Debt</u> Total Equity	23,6%	20,1%
		<u>30/6/2017</u>	<u>30/6/2016</u>
ROA=	<u>Profit after Tax</u> Total Assets	5,4%	4,4%
ROE=	<u>Profit after Tax</u> Total Equity	10,4%	8,5%

## II. IMPORTANT EVENTS OF CURRENT FINANCIAL YEAR

### OUR POSITION IN THE MARKET

In Ice-cream sector, we continued to grow our arithmetic distribution, proceeded with the launch of new products and successfully implemented promotional trade policies. So, we managed to achieve a significant increase in sales of branded products, while increasing our share.

In yogurt, our sales continue to increase. We reinforce our portfolio with new products, while developing our customer base with promotion strategies.

Overseas, yogurt sales are booming. This result comes from expanding current collaborations, but also from the utilization of the Greek yogurt dynamics in the markets of the West. Europe where we have a presence.

### INVESTMENTS

For the upgrading of the yogurt factory, we implement investment projects with a total budget of 18 million €, with implementation deadline until the end of 2018. For these projects, the Company has submitted applications for their inclusion in the development law n. 4399/2016.

### DIVIDEND

The Tactical General Meeting of the Shareholders has decided to the distribution of dividends for the financial year 2016 of gross value €0,09.

## SAFETY, ENVIRONMENT, CORPORATE SOCIAL RESPONSIBILITY

Safety in the workplace, environmental protection, harmonious co-existence with the local community and on-going staff training continue to be non-negotiable goals, linked to the operation of the company. Also, specific actions are carried out within the framework of the Corporate Social Responsibility program.

## III. MAJOR RISKS & UNCERTAINTIES

Due to the nature of its operations, the Company is exposed to various financial risks such as, market risk (fluctuations of exchange rates, interest rates and of production costs), credit risk and liquidity risk. The Company's overall risk management program focuses on financial market unpredictability and aims to minimize the potential negative impact on the Company's financial performance.

Risk management is carried out by the Company's main financial department, which operates under certain rules approved by the Board. The Board of Directors provides instructions and guidelines on general risk management and special instructions on managing specific risks such as currency risk, interest rate risk and credit risk.

### MARKET RISK

#### *Foreign currency risk*

The main bulk of the Company's operations are conducted within the EU and is being priced in Euro. So, there is a limited exposure to the foreign currency risk.

#### *Interest rate risk*

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

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

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

From the total loans of the Company at 30.6.2017, the amount of € 5.000.000 is related to a fixed interest rate and the amount of €6.109.857 is related to a floating rate.

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

#### Risk of fluctuation of raw material prices

The Company is exposed to risk of loss of income in case of sudden changes in prices of raw materials. This is a result of the inability to roll these costs to sales prices in a timely manner.

### **CREDIT RISK**

The Company has established and applies credit control procedures in order to minimize credit risk. Generally, sales are distributed to a large number of customers, resulting in an efficient dispersion of the commercial risk, except maybe the big super market chains in Greece.

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

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

The company's management emphasizes on reducing working capital needs. It promotes the reduction of credit limits and reduce the credit period to its customers, to enhance free cash flow.

### **LIQUIDITY RISK**

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

### **OPERATING RISKS**

#### Suppliers - stock

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

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

#### Staff

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

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

## **IV. Macroeconomic risks in Greece**

The macroeconomic and financial environment in the country remains fragile. The return to economic stability depends heavily on the actions and decisions of the institutions in the country and abroad.

These developments may, to a certain extent, adversely affect the Company's operations in Greece. For this reason, the Management has identified the areas affected by developments in the macroeconomic environment in Greece and has taken the necessary measures to minimize the effects of the risks and uncertainties faced by the Company from its exposure in Greece.

## **V. Prospects for the second half of financial Year 2017**

At 3<sup>rd</sup> Quarter of 2017, sales and operating profit trend is similar to H1 2017. The same trend is expected for the 4<sup>th</sup> Quarter of 2017, unless any extraordinary economic or political developments occur.

## V. Related party transactions

bond loan of € 5.000.000. This loan is for 5 years, without collaterals and according to the usual terms of the banking market.

The Company maintains an obligation to related parties (its key shareholders) arising from the coverage of a

Related party transactions are analyzed as follows:

	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
Payment of interest on a bond loan*	98.836	109.792

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

	<u>30/6/2017</u>	<u>31/12/2016</u>
Payables to related parties*	5.000.000	5.000.000

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

<u>COMPENSATION OF DIRECTORS</u>	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
Remuneration of the members of the Board of Directors	335.308	218.700
Salaries of the members of the Board of Directors	50.091	71.019
<b>Total</b>	<b><u>385.399</u></b>	<b><u>289.719</u></b>

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

	<u>30/06/2017</u>	<u>30/06/2016</u>
Transactions with the members of the B.O.D and key management personnel	58.139	64.583
Liabilities to the members of the B.O.D and key management personnel*	2.835.308	2.718.700

\* Bond loan covered by major shareholders

**Serres, 12 September 2017**

THE PRESIDENT OF THE BOARD

THE MEMBERS

Exact excerpt from the Board of Directors' book of proceeding

The President &  
CEO

Panagiotis Tsinavos

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**REVIEW REPORT ON INTERIM FINANCIAL INFORMATION**  
**To the Shareholders of the Company "KRI – KRI MILK INDUSTRY AE"**

**Introduction**

We have reviewed the accompanying condensed statement of financial position of the Company "KRI – KRI MILK INDUSTRY AE" as at 30 June 2017 and the relative condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the condensed interim financial information, which is an integral part of the six-month financial report under the L. 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard "IAS 34".

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## Report on Other Legal and Regulatory Requirements

Our review did not identify any inconsistency or mismatching of the other data of the provided by the article 5 of L. 3556/2007 six-month financial report with the accompanying condensed interim financial information.

Athens, 14 September 2017

STYLIANOS M. XENAKIS

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 11541



Associated Certified Public Accountants s.a.  
member of Crowe Horwath International  
3, Fok. Negri Street – 112 57 Athens, Greece  
Institute of CPA (SOEL) Reg. No. 125

		<b>KRI KRI MILK INDUSTRY S.A.</b> Company's registration number 30276/06/B/93/12 113772252000 Head office: 3rd Km Serres-Drama, Serres 62125	
<b>FIGURES AND INFORMATION for the period of 1 January 2017 until 30 June 2017</b>			
<p>The figures and information given below aim to offer summary information about the financial position of KRI KRI MILK INDUSTRY S.A. The reader, who intends to have a complete insight of the company's financial position and results, should access the annual financial statements prepared according to International Financial Reporting Standards, as well as the audit reports of the certified auditors, wherever it is required. Indicatively, the reader can visit the company's web site (www.krikri.gr), where the above statements are presented.</p>			
State authority: Ministry of Development and Competitiveness Company's website: <a href="http://www.krikri.gr">www.krikri.gr</a> Date of BoD approval of financial statements: 12.9.2017		Certified Auditor: Stylianos M. Xenakis (Reg no 11541) Auditing firm: SOL S.A. (Reg no 125) Type of review report: Unqualified	
<b>Board of Directors:</b> Tsinafos Panagiotis Kotsambasis Georgios Xentes Theodoros Kamarinopoulos Panagiotis Kiriakidis Anastasios			
STATEMENT OF FINANCIAL POSITION (Amounts in €)		STATEMENT OF COMPREHENSIVE INCOME (Amounts in €)	
		1/1-30/6/2017 1/1-30/6/2016	
<b>ASSETS</b>	<b>30/6/2017 31/12/2016</b>	<b>Sales</b>	<b>41.184.598 34.775.808</b>
<b>Non-current assets</b>		Gross Profit	16.261.577 14.212.630
Tangible assets	38.548.765 37.814.391	<b>Profit before taxes, financial and investment income</b>	<b>6.942.578 4.749.563</b>
Investment in properties	122.100 123.443	<b>Profit before taxes</b>	<b>6.810.900 4.510.729</b>
Intangible assets	624.107 632.231	<b>Net profit for the period</b>	<b>4.903.891 3.597.226</b>
Investments in subsidiaries	0 0		
Other non current assets	1.620.554 1.601.829	<b>Net profit per share from continuous operations - Basic and reduced (in €)</b>	<b>0,1483 0,1088</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>40.924.625 40.171.894</b>	<b>Earnings before interest, taxes, depreciations and amortizations (EBITDA)</b>	<b>8.216.165 6.168.922</b>
<b>Current assets</b>		STATEMENT OF CASH FLOWS (Amounts in €)	
Inventories	10.220.102 7.377.290		1/1-30/6/2017 1/1-30/6/2016
Trade and other receivables	28.159.659 21.932.096	<b>OPERATING ACTIVITIES</b>	
Cash and cash equivalents	11.699.248 6.839.970	Profit before taxes	6.810.900 4.510.729
<b>TOTAL CURRENT ASSETS</b>	<b>50.079.009 36.149.356</b>	Adjustments for:	
<b>TOTAL ASSETS</b>	<b>91.003.534 76.321.250</b>	Depreciation	1.520.268 1.544.302
		Provisions	140.680 1.783.688
<b>EQUITY AND LIABILITIES</b>		Foreign exchange differences, net	3.297 8.219
<b>Equity</b>		Amortization of government grants relating to capital expenses	(306.193) (174.427)
Share capital	12.594.752 12.594.752	Investment income	(75.604) (21.715)
Reserves	19.540.115 17.885.880	Interest and related expenses	200.846 250.984
Retained earnings	15.014.557 14.740.854	Changes in working capital:	
<b>Total equity</b>	<b>47.119.423 45.191.485</b>	Decrease / (Increase) in inventories	(2.890.005) (2.275.567)
<b>Liabilities</b>		Decrease / (Increase) in receivables	(6.276.155) (9.770.856)
<b>Non-current liabilities</b>		(Decrease) / Increase in payables (except banks)	6.012.971 8.246.588
Long-term borrowings	9.800.000 7.253.173	Less:	
Accrued pension and retirement obligations	681.710 649.680	Interest and related expenses paid	(198.831) (255.956)
Deferred income tax liabilities	1.895.440 1.738.096	Taxes paid	0 0
Government grants	8.091.590 8.397.783	<b>Cash flow from operating activities (a)</b>	<b>4.942.173 3.845.989</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>20.468.740 18.038.732</b>	<b>INVESTING ACTIVITIES</b>	
<b>Current liabilities</b>		Purchase of tangible and intangible assets	(2.204.878) (1.086.773)
Short-term borrowings	1.309.857 1.814.075	Proceeds from sales of intangibles and property, plant and equipment	74.897 27.000
Trade and other payables	19.629.756 10.544.135	Interest received	12.540 12.274
Current income tax liabilities	2.475.757 732.825	Subsidies received	0 0
<b>TOTAL CURRENT LIABILITIES</b>	<b>23.415.371 13.091.035</b>	<b>Cash flow from investing activities (b)</b>	<b>(2.117.441) (1.047.499)</b>
<b>TOTAL LIABILITIES</b>	<b>43.884.111 31.129.767</b>	<b>FINANCING ACTIVITIES</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>91.003.534 76.321.252</b>	Proceeds from borrowings	6.000.000 0
		Repayments of loans	(3.965.455) (1.356.650)
		Dividends paid to company's shareholders	0 0
		<b>Cash flow from financing activities (c)</b>	<b>2.034.645 (1.356.650)</b>
		<b>Change in cash and equivalents (a+b+c)</b>	<b>4.859.278 1.441.841</b>
		Cash and equivalents at beginning of period	6.839.970 5.456.079
		<b>Cash and equivalents at end of period</b>	<b>11.699.248 6.897.920</b>
STATEMENT OF CHANGES IN EQUITY (Amounts in €)			
		30/6/2017 30/6/2016	
Total Equity at beginning of period (1.1.2017 and 1.1.2016 accordingly)	45.191.485 40.939.050		
Total comprehensive income after taxes (Continuous operations)	4.903.802 3.597.226		
Share capital increase	0 0		
Dividends provided for or paid	(2.975.862) (1.983.908)		
Purchase (sale) of common stock	0 0		
<b>Total Equity at end of period (30.6.2017 and 30.6.2016 accordingly)</b>	<b>47.119.425 42.552.369</b>		
ADDITIONAL DATA AND INFORMATION			
<p>1. The Basic Accounting Principles have been compiled with those of the Balance Sheet as of 31/12/2016 as referring to the notes in section B of the annual financial statements.</p>			
<p>2. The Company had prepared consolidated financial statements for the year ended 31 December 2014. It no longer prepares consolidated financial statements because the sole subsidiary was disposed of in 2014, while its 49,29% interest in the associate company KRI KRI BULGARIA AD is impaired by 100%, after its liquidation in recent years (note C3).</p>			
<p>3. The Tactical General Meeting of the Shareholders of 27.6.2017 has decided to the distribution of dividends for the financial year 2016 of gross value €0,09 (2015: €0,06).</p>			
<p>4. Number of personnel at 30 June 2017: 343 and at 31 June 2016: 313.</p>			
<p>5. There are no pledges on fixed assets.</p>			
<p>6. Any disputes under litigation or arbitration, court or arbitration decisions may not have an impact on the Company's financial position or operation.</p>			
<p>7. The Company has not been tax audited for the years 2009 and 2010 as referred in note C21 of the Financial Statements.</p>			
<p>8. There are no other affiliated companies, according to IAS 24, to KRI KRI S.A.</p>			
<p>9. The amounts of the Company's sales and purchases cumulatively from the beginning of the period and the balance of the Company's receivables and liabilities with its related parties according to IAS 24 at the end of the current period are:</p>			
	30.6.2017		
a) Sales of goods and services	0		
b) Expenses	98.836		
c) Financing	0		
d) Receivables from related parties	0		
e) Liabilities to related parties	5.000.000		
f) Key management compensation and transactions	443.538		
g) Receivables from key management	0		
h) Payables to key management	2.835.308		
<p>10. The Company's provisions are analyzed below:</p>			
	30.6.2017		
Provisions for unaudited tax years	142.944		
Other provisions	2.967.993		
<p>The amount of other provisions is for doubtful debts (€1.942.760), retirement and termination employees benefits (€681.710) and destruction of non-saleable inventory (€343.523).</p>			
<p>11. There are no important post-balance sheet events that should modify the reported statements.</p>			
Serres, 12 September 2017			
Chairman & Managing Director	Vice-Chairman	Financial Director	Chief Accountant
Panagiotis Tsinafos ID AE375339	Georgios Kotsambasis ID AE376847	Konstantinos Sarmadakis ID AN389135	Evangelos Karagiannis ID T215570



**KRI-KRI MILK INDUSTRY S.A.**

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

**General Commercial Registry No.: 113772252000**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE PERIOD**

**1.1.2017 – 30.6.2017**

**IN ACCORDANCE WITH IFRS (IAS 34)**

## Statement of Comprehensive Income

	Note	1/1-30/6/2017	1/1-30/6/2016
<b>Sales</b>		<b>41.184.598</b>	<b>34.775.808</b>
Cost of sales		(24.923.021)	(20.563.177)
<b>Gross profit</b>		<b>16.261.577</b>	<b>14.212.630</b>
Distribution expenses		(8.271.203)	(8.270.885)
Administration expenses		(1.412.779)	(1.352.721)
Research and development expenses		(70.389)	(58.011)
Other income	C.10	372.887	194.872
Other (loss) / gain net	C.11	62.485	23.678
<b>Profit before taxes, financial and investment income</b>		<b>6.942.578</b>	<b>4.749.563</b>
Financial income	C.12	69.167	12.274
Financial expenses	C.12	(200.846)	(251.108)
Financial income (net)		(131.678)	(238.835)
<b>Profit before taxes</b>		<b>6.810.900</b>	<b>4.510.729</b>
Income tax	C.13	(1.907.099)	(913.503)
<b>Net profit for the period</b>		<b>4.903.801</b>	<b>3.597.226</b>
<b>Net profit per share from continuous operations</b>			
- Basic and diluted (in €)	C.14	<b>0,1483</b>	<b>0,1088</b>

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

## Statement of Financial Position

	Note	30/6/2017	31/12/2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	C.1	38.548.765	37.814.391
Investment in properties		122.100	123.443
Intangible assets	C.2	624.107	632.231
Investments in subsidiaries	C.3	0	0
Other non current assets		1.629.554	1.601.829
		<b>40.924.525</b>	<b>40.171.894</b>
<b>Current assets</b>			
Inventories		10.220.102	7.377.290
Trade and other receivables	C.4	28.159.659	21.932.096
Cash and cash equivalents	C.5	11.699.248	6.839.970
		<b>50.079.009</b>	<b>36.149.356</b>
<b>Total assets</b>		<b>91.003.534</b>	<b>76.321.250</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	C.6	12.564.752	12.564.752
Reserves		19.540.115	17.885.880
Retained earnings		15.014.557	14.740.854
<b>Total equity</b>		<b>47.119.423</b>	<b>45.191.485</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	C.7	9.800.000	7.253.173
Accrued pension and retirement obligations		681.710	649.680
Deferred income tax liabilities		1.895.440	1.738.096
Government grants	C.8	8.091.590	8.397.783
		<b>20.468.740</b>	<b>18.038.731</b>
<b>Current liabilities</b>			
Short-term borrowings	C.7	1.309.857	1.814.075
Trade and other payables	C.9	19.629.756	10.544.135
Current income tax liabilities		2.475.757	732.825
		<b>23.415.371</b>	<b>13.091.034</b>
<b>Total liabilities</b>		<b>43.884.111</b>	<b>31.129.765</b>
<b>Total equity and liabilities</b>		<b>91.003.534</b>	<b>76.321.250</b>

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

## Statement of changes in equity

	Share capital	General reserve	Special reserves	Other reserves	Actuarial gains-losses reserve	Retained earnings	Total Equity
<b>Balance at 31.12.2015</b>	<b>12.564.752</b>	<b>1.757.116</b>	<b>13.622.176</b>	<b>38.275</b>	<b>6.851</b>	<b>12.949.881</b>	<b>40.939.050</b>
Profit for the period						3.597.226	3.597.226
<b>Total comprehensive income for the period</b>						<b>3.597.226</b>	<b>3.597.226</b>
Reserves increase		152.469	2.308.993			(2.461.462)	
<b>Transactions with owners in their capacity as owners</b>							
Dividends provided for or paid						(1.983.908)	(1.983.908)
<b>Balance at 30.6.2016</b>	<b>12.564.752</b>	<b>1.909.585</b>	<b>15.931.169</b>	<b>38.275</b>	<b>6.851</b>	<b>12.101.737</b>	<b>42.552.368</b>
<b>Balance at 31.12.2016</b>	<b>12.564.752</b>	<b>1.909.585</b>	<b>15.931.169</b>	<b>38.275</b>	<b>6.851</b>	<b>14.740.854</b>	<b>45.191.485</b>
Profit for the period						4.903.802	4.903.802
<b>Total comprehensive income for the period</b>						<b>4.903.802</b>	<b>4.903.802</b>
Reserves increase		289.735	1.364.501			(1.654.235)	
<b>Transactions with owners in their capacity as owners</b>							
Dividends provided for or paid						(2.975.862)	(2.975.862)
<b>Balance at 30.6.2017</b>	<b>12.564.752</b>	<b>2.199.320</b>	<b>17.295.670</b>	<b>38.275</b>	<b>6.851</b>	<b>15.014.558</b>	<b>47.119.423</b>

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

**Cash flow statement**

<i>Indirect method</i>	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
<b>OPERATING ACTIVITIES</b>	6.810.900	4.510.729
Profit before taxes		
Adjustments for:	1.520.268	1.544.302
Depreciation	140.680	1.783.688
Provisions	3.297	8.219
Amortization of government grants relating to capital expenses	(306.193)	(174.427)
Investment income	(75.604)	(21.715)
Interest and related expenses	200.846	250.984
	<u>8.294.195</u>	<u>7.901.779</u>
Changes in working capital:		
Decrease / (Increase) in inventories	(2.890.005)	(2.275.567)
Decrease / (Increase) in receivables	(6.276.155)	(9.770.856)
(Decrease) / Increase in payables (except banks)	6.012.971	8.246.588
Less:		
Interest and related expenses paid	(198.831)	(255.956)
Taxes paid	0	0
<b>Cash flow from operating activities (a)</b>	<b>4.942.174</b>	<b>3.845.989</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible and intangible assets	(2.204.878)	(1.086.773)
Proceeds from sales of intangibles and property, plant and equipment	74.897	27.000
Interest received	12.540	12.274
Subsidies received	0	0
<b>Cash flow from investing activities (b)</b>	<b>(2.117.441)</b>	<b>(1.047.499)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	6.000.000	0
Repayments of loans	(3.965.455)	(1.356.650)
<b>Cash flow from financing activities (c)</b>	<b>2.034.545</b>	<b>(1.356.650)</b>
<b>Change in cash and equivalents (a+b+c)</b>	<b>4.859.278</b>	<b>1.441.841</b>
Cash and equivalents at beginning of period	6.839.970	5.456.079
<b>Cash and equivalents at end of period</b>	<b>11.699.248</b>	<b>6.897.919</b>

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

## A. General information

KRI-KRI MILK INDUSTRY S.A. operates in the dairy industry. Its main business activities is the production of ice-cream and yogurt.

The headquarters are located in 3rd km Serres-Drama, 62125, Serres, Greece, its website is www.krikri.gr and its shares are listed on Athens Stock Exchange (Food sector).

These financial statements have been approved by the Board of Directors at 12 September 2017.

## B. Significant accounting policies

### B.1 Basis of preparation

These financial statements covering the period from 1.1.2017 to 30.6.2017 have been prepared according to IAS 34.

The interim financial statements for the six-month period have been prepared on the basis of the same accounting principles followed for the preparation and presentation of the financial statements for the year 2016, except for the new standards and interpretations adopted, the implementation of which was compulsory for periods after 1 January 2017.

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2016, which have been posted on the Company's website and have been prepared in accordance with IFRSs.

The company has prepared consolidated financial statements for the year ended 31 December 2014. It no longer prepares consolidated financial statements as the sole subsidiary was disposed of in 2014 while its 49.29% interest in the associate company KRI KRI BULGARIA AD is impaired by 100% given that this company has been in liquidation in recent years (see note C3).

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

### **New standards, amendments to standards and interpretations:**

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2017. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

### **Standards and Interpretations effective for the current financial year**

There are no new standards, amendments to standards and interpretations that are mandatory for periods beginning on 1.1.2017.

### **Standards and Interpretations effective for subsequent periods**

*IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)*

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

*IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)*

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise 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 Company is currently investigating the impact of IFRS 15 on its financial statements.

*IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)*

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Company is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

*IFRS 17 "Insurance contracts" (effective for annual periods beginning on or after 1 January 2021)*

IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

*IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 1 January 2017)*

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

*IAS 7 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2017)*

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been endorsed by the EU.

*IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after 1 January 2018)*

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have not yet been endorsed by the EU.

*IFRS 4 (Amendments) "Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts" (effective for annual periods beginning on or after 1 January 2018)*

The amendments introduce two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) give companies whose activities are predominantly con-

nected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39. The amendments have not yet been endorsed by the EU.

*IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018)*

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have not yet been endorsed by the EU.

*IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after 1 January 2018)*

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

*IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019)*

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

**Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle)**

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been endorsed by the EU.

*IFRS 12 "Disclosures of Interests in Other Entities"*

The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information. The amendment is effective for annual periods beginning on or after 1 January 2017.

*IAS 28 "Investments in associates and Joint ventures"*

The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition. The amendment is effective for annual periods beginning on or after 1 January 2018.

## B.2 Financial risk management

The interim financial statements do not include disclosure of all risks required in the preparation of the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2016.

Due to the nature of its operations, the Company is exposed to various financial risks such as, market risk (fluctuations of exchange rates, interest rates and of production costs), credit risk and liquidity risk. The Company's overall risk management program focuses on financial market unpredictability and aims to minimize the potential negative impact on the Company's financial performance.

Risk management is carried out by the Company's main financial department, which operates under certain rules approved by the Board. The Board of Directors provides instructions and guidelines on general risk management and special instructions on managing specific risks such as currency risk, interest rate risk and credit risk.

### (a) Market risk

#### Foreign currency risk

The main bulk of the Company's operations are conducted within the Euro zone so there is a limited exposure to the foreign currency risk.

#### Interest rate risk

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

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

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

From the total loans of the Company at 30.6.2017, the amount of €5.000.000 is related to a fixed interest rate and the amount of €6.109.857 is related to a floating rate.

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

#### Loans sensitivity analysis on interest change

	Interest variability	Profit before taxes effect
1.1-30.6.2017	+1%	(47.326)
	-1%	47.326
1.1-30.6.2016	+1%	(43.556)
	-1%	43.556

Note: The above table does not include the positive effect of interest received from bank deposits.

The Management estimates that there is no material risk related to interest rates on bank deposits.

#### Risk of fluctuation of raw material prices

The Company is exposed to risk of loss of income in case of sudden changes in prices of raw materials. This is a result of the inability to roll these costs to sales prices in a timely manner.

### (b) Credit risk

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

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

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

The company's management emphasizes on reducing working capital needs. It promotes the reduction of credit limits and reduce the credit period to its customers, to enhance free cash flow.

### (c) Liquidity risk

The Company manages liquidity risk by maintaining adequate cash reserves and credit lines from banks. At pre-

sent, available overdraft can adequately cover any immediate cash requirement.

#### (d) Operating risks

##### Suppliers - stock

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

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

##### Staff

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

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

#### B.4 Fair value measurement

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

1) Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. («Level 1»).

2) Other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. («Level 2»).

3) Unobservable inputs for the asset or liability. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available. («Level 3»).

##### Fair value of financial assets and liabilities

	Level 3
Long-term loans	<u>10.090.823</u>

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

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

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

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

##### Fair value of investment property

	Level 3
Investment property	<u>150.000</u>

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

#### B.5 Significant accounting estimations and judgments of the management

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

For the preparation of the interim financial statements the significant judgments and estimates of the Management regarding the application of the Company's accounting principles are the same as those used for the preparation and presentation of the Company's annual financial statements for the year 2016 .

Also, the main sources of uncertainty that existed in the preparation of the annual financial statements of 31 December 2016 remained the same for the interim financial statements as at 30 June 2017.

#### B.6 Comparative information

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

## C. Notes to the financial statements

### C1. Property, plant and equipment

Property, plant and equipment are analyzed as follows:

	Land	Buildings	Plant & equipment	Motor vehicles	Furniture & other Equipment	Total
<b>COST</b>						
Balance at 1 June 2016	1.279.191	11.396.013	44.712.271	1.104.979	1.750.957	60.243.411
Additions	0	22.900	752.382	63.706	43.336	882.325
Disposals	0	0	(93.061)	(18.167)	0	(111.228)
Write-offs		0	(15.666)	0	0	(15.666)
Transfers		(9.627)	(203.872)	61.974	152.464	939
Balance at 30 June 2016	1.279.191	11.409.286	45.152.054	1.212.493	1.946.757	60.999.781
<b>ACCUMULATED DEPRECIATION</b>						
Balance at 1 June 2016		(2.464.578)	(18.269.697)	(1.010.274)	(1.165.779)	(22.910.329)
Depreciation expense		(169.916)	(1.239.917)	(15.780)	(66.728)	(1.492.341)
Disposals		0	87.777	18.167	0	105.943
Write-offs		0	15.666	0	0	15.666
Transfers		(957)	172.616	(60.433)	(114.608)	(3.382)
Balance at 30 June 2016		(2.635.450)	(19.233.555)	(1.068.321)	(1.347.114)	(24.284.442)
<b>Net book value at 30 June 2016</b>	<b>1.279.191</b>	<b>8.773.836</b>	<b>25.918.499</b>	<b>144.172</b>	<b>599.642</b>	<b>36.715.341</b>
<b>COST</b>						
Balance at 1 June 2017	1.269.109	11.536.646	47.257.644	1.290.594	2.031.360	63.385.353
Additions	0	223.148	1.749.575	167.245	89.222	2.229.190
Disposals	0	0	(129.012)	(116.068)	0	(245.080)
Write-offs	0	0	0	0	(431)	(431)
Transfers	0	0	0	0	0	0
Balance at 30 June 2017	1.269.109	11.759.794	48.878.207	1.341.770	2.120.150	65.369.031
<b>ACCUMULATED DEPRECIATION</b>						
Balance at 1 June 2016		(2.805.441)	(20.292.892)	(1.057.315)	(1.415.315)	(25.570.964)
Depreciation expense		(170.174)	(1.193.920)	(26.839)	(72.495)	(1.463.428)
Disposals		0	97.688	116.068	0	213.756
Write-offs		0	0	0	367	367
Balance at 30 June 2017		(2.975.615)	(21.389.124)	(968.085)	(1.487.443)	(26.820.268)
<b>Net book value at 30 June 2017</b>	<b>1.269.109</b>	<b>8.784.179</b>	<b>27.489.083</b>	<b>373.685</b>	<b>632.707</b>	<b>38.548.765</b>

There are no pledges on fixed assets.

**C2. Intangible assets**

Intangible assets are analyzed as follows:

	Software licenses	Trademarks	Total
<u>COST</u>			
Balance at 1 January 2016	969.314	38.405	1.007.719
Additions	32.193	0	32.193
Transfers	(939)	0	(939)
Balance at 30 June 2016	1.000.567	38.405	1.038.973
<u>ACCUMULATED DEPRECIATION</u>			
Balance at 1 January 2016	(392.119)	(21.763)	(413.882)
Depreciation expense	(48.537)	(2.080)	(50.617)
Transfers	3.382	0	3.382
Balance at 30 June 2016	(437.274)	(23.843)	(461.117)
<b>Net book value at 30 June 2016</b>	<b>563.294</b>	<b>14.562</b>	<b>577.856</b>
<u>COST</u>			
Balance at 1 January 2017	1.102.972	38.405	1.141.378
Additions	47.373	0	47.373
Transfers	0	0	0
Balance at 30 June 2017	1.150.345	38.405	1.188.750
<u>ACCUMULATED DEPRECIATION</u>			
Balance at 1 January 2017	(483.223)	(25.924)	(509.147)
Depreciation expense	(53.417)	(2.080)	(55.497)
Transfers	0	0	0
Balance at 30 June 2017	(536.640)	(28.004)	(564.643)
<b>Net book value at 30 June 2017</b>	<b>613.705</b>	<b>10.401</b>	<b>624.107</b>

**C3. Investment in associates**

Investments in associates are analyzed as follows:

	30/6/2017	31/12/2016
Investments in associates:	0	0

Shareholding in associates:

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

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

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

**Impairment loss review**

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

**C4. Trade and other receivables**

Trade and other receivables are analyzed as follows:

	<u>30/6/2017</u>	<u>31/12/2016</u>
Trade receivables	28.790.387	20.612.703
Less: Allowance for bad debts	<u>(1.942.760)</u>	<u>(1.881.304)</u>
	26.847.627	18.731.399
Creditors advances	498.017	183.587
VAT Receivables	77.319	2.091.277
Greek state -others	93.687	281.556
State grants receivables	599.862	599.862
Other receivables	<u>43.147</u>	<u>44.415</u>
<b>Total</b>	<b><u>28.159.659</u></b>	<b><u>21.932.096</u></b>

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

At 30.06.2017 the Trade receivables totaling €1.942.760 appear impaired. These requirements relate to customers who show financial distress and Management estimates that they will not be able to meet their financial obligations. It is estimated that a part of the bad debt provisions will be recovered in future time.

Provision analysis for doubtful accounts:

	<u>1/1 - 30/6/2017</u>	<u>1/1 - 31/12/2016</u>	<u>1/1 - 30/6/2016</u>
Opening balance	1.881.304	3.402.707	3.402.707
Additions	62.706	1.531.000	1.531.000
Reversals	(1.250)	(21.403)	(14.819)
Receivables write-off	<u>0</u>	<u>(3.031.000)</u>	<u>0</u>
<b>Ending balance</b>	<b><u>1.942.760</u></b>	<b><u>1.881.304</u></b>	<b><u>4.918.888</u></b>

It is noted that in the previous year, the Company proceeded with the write-off of a claim amounting to € 3.031.000, under the terms of the consolidation agreement of the companies of the MARINOPOULOS group. From this write-off, an amount of € 1.531.000 was accounted for the results of the previous financial year and € 1.500.000 was accounted for the results of financial year 2015.

**C5. Cash and cash equivalents**

Cash and cash equivalents are analyzed as follows:

	<u>30/6/2017</u>	<u>31/12/2016</u>
Cash at bank and in hand	6.089.415	3.839.928
Short-term bank deposits	<u>5.609.832</u>	<u>3.000.042</u>
<b>Total</b>	<b><u>11.699.248</u></b>	<b><u>6.839.970</u></b>

Cash and cash equivalents refer to bank deposits and cash in the Company's treasury and can be converted into cash immediately.

**C6. Issued capital**

Issued capital at 30.6.2016 amounts €12.564.751,68 and comprises of 33.065.136 fully paid ordinary shares, which have a par value of €0,38.

	Number of shares	Pair Value	Share Capital	Total
31-Dec-16	33.065.136	0,38 €	12.564.752	12.564.752
<b>30-Jun-17</b>	<b>33.065.136</b>	<b>0,38 €</b>	<b>12.564.752</b>	<b>12.564.752</b>

**Γ7. Borrowings**

Borrowings are analyzed as follows:

	30/6/2017	31/12/2016
<u>NON-CURRENT BORROWINGS</u>		
Bond loans	5.000.000	7.253.173
Long-term loans	4.800.000	0
<b>Total non-current borrowings</b>	<b>9.800.000</b>	<b>7.253.173</b>
<u>CURRENT BORROWINGS</u>		
Current liability of non-current loans	1.309.857	1.814.075
<b>Total current borrowings</b>	<b>1.309.857</b>	<b>1.814.075</b>
<b>Total borrowings</b>	<b>11.109.857</b>	<b>9.067.248</b>

Maturity of non-current bank borrowings:

	30/6/2017	31/12/2016
Between 1-2 years	6.200.000	6.501.782
Between 2-5 years	3.600.000	751.391
<b>Total non-current borrowings</b>	<b>9.800.000</b>	<b>7.253.173</b>

Changes on loans balances are analyzed as follows:

Balance at 1 January 2016	11.178.814
Loans paid	(1.356.650)
Financial instruments valuation	(4.213)
<b>Balance at 30 June 2016</b>	<b>9.817.951</b>

Balance at 1 January 2017	9.067.248
Loans received	6.000.000
Loans paid	(3.965.455)
Financial instruments valuation	8.064
<b>Balance at 30 June 2017</b>	<b>11.109.857</b>

## Analysis of current long-term loans:

Loaner	Type of loan	Date of agreement	Initial value	Balance at 30/6/2017
National bank of Greece SA National bank of Greece Cyprus (LTD)	Bonds / 10year / floating interest rate	31/12/2007	2.000.000	109.857
Major shareholders	Bonds / 5year / fixed interest rate	18/12/2013	5.000.000	5.000.000
Alpha Bank SA	Long-term / 5year / floating interest rate	7/4/2017	6.000.000	6.000.000

The fair value of long-term loans is calculated to €10.090.823 («Level 3»).

## Effective interest rate of borrowings:

	1/1-30/6/2017	1/1-31/12/2016
Effective interest rate	<u>3,85%</u>	<u>4,06%</u>

**C8. Government grants**

Movement of government grants relating to capital expenses:

	30/6/2017	31/12/2016
Opening balance	<u>8.397.783</u>	<u>1.679.368</u>
Recognitions / Receipts during the year	0	7.681.265
Charge in income statement	<u>(306.193)</u>	<u>(962.850)</u>
<b>Ending balance</b>	<b><u>8.091.590</u></b>	<b><u>8.397.783</u></b>

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

**C9. Trade and other payables**

Trade and other payables are analyzed as follows:

	30/6/2017	31/12/2016
Trade payables	<u>14.051.060</u>	<u>8.661.690</u>
Cheques payables	585.575	599.082
Social security	179.622	310.713
Other Taxes and duties	218.665	215.894
Dividends payables	2.979.566	3.704
Advances of state subsidies	0	64.298
Customers' advances	278.818	291.804
Other payables	<u>1.336.451</u>	<u>396.950</u>
<b>Total</b>	<b><u>19.629.756</u></b>	<b><u>10.544.135</u></b>

The most important changes in "Trade and other payables" are found in the line "Trade payables" regarding the seasonality in the ice cream sector (see also note C17), the line "Dividends payables" regarding the decision of the Tactical General Meeting to distribute dividends (see also note C16) and the line "Other payables" mainly related to transitional accounts and periodic distribution accounts.

**C10. Other income**

Other income is analyzed by type as follows:

	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
Income from subsidies	1.370	1.370
Income from services	60.765	15.320
Rental income	4.559	3.756
Amortization of government grants relating to capital expenses	306.193	174.427
<b>Total</b>	<b>372.887</b>	<b>194.872</b>

**C11. Other (loss) / gain net**

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

	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
Gains on disposal of property, plant and equipment	76.070	21.715
Reversal of non-utilized provisions	0	14.819
Other income	5.364	12.529
Losses on disposal of property, plant and equipment	(466)	(0)
Tax related fines and penalties	(672)	(644)
Foreign currency exchange differences	(3.297)	(8.220)
Other expenses	(14.513)	(16.521)
<b>Total</b>	<b>62.485</b>	<b>23.678</b>

**C12. Financial income - expenses**

Financial income-expenses are analyzed by type as follows:

	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
<b>FINANCIAL INCOME</b>		
Interest income	12.915	12.274
Other capital gains	56.252	0
<b>Total financial income</b>	<b>69.167</b>	<b>12.274</b>
<b>FINANCIAL EXPENSES</b>		
Interest expense	177.112	210.579
Bank fees and charges	13.717	31.042
Other financial expenses	10.016	9.488
<b>Total financial expenses</b>	<b>200.846</b>	<b>251.108</b>
<b>Financial income - expenses (net)</b>	<b>(131.678)</b>	<b>(238.835)</b>

**C13. Income tax expense**

Income tax expense is analyzed as follows:

	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
Current tax	1.749.754	1.308.363
Deferred tax	157.345	(394.860)
<b>Total</b>	<b>1.907.099</b>	<b>913.503</b>

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

**C14. Net profit per share**

Basic and diluted earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding, excluding any holding of own shares.

	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
Net profit attributable to parent's shareholders	4.903.801	3.597.226
Weighted average number of ordinary shares	33.065.136	33.065.136
<b>Basic and diluted earnings per share (€ per share)</b>	<b>0,1483</b>	<b>0,1088</b>

**C15. Earnings before interest, taxes, depreciation and amortization**

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

	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
<b>EBITDA</b>	<b>8.216.166</b>	<b>6.168.922</b>

**C16. Operating segment information**

The chief operating decision maker, in the case of KRI-KRI the CEO, receives internal financial reports to measure the performance of the operating segments and to distribute the resources between them.

Under the operating distinction the Company's reportable segments are identified as follows:

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

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

The segments results for the periods ended 30.6.2017 and 30.6.2016 are analyzed as follows:

<u>1/1-30/6/2017</u>	Sales	Cost of Sales	Distribution Cost	Operating Earnings
<b>Icecream</b>	<b>13.160.851</b>	<b>(6.298.471)</b>	<b>(3.577.818)</b>	<b>3.284.562</b>
Greece	11.787.539	(5.266.874)	(3.443.141)	3.077.524
Other countries	1.373.312	(1.031.596)	(134.677)	207.038
<b>Dairy-Yogurt</b>	<b>27.746.311</b>	<b>(18.310.771)</b>	<b>(4.693.259)</b>	<b>4.742.281</b>
Greece	17.459.581	(10.978.723)	(3.593.718)	2.887.140
Other countries	10.286.730	(7.332.048)	(1.099.541)	1.855.140
Rest	277.436	(313.779)	(126)	(36.468)
<b>Total</b>	<b>41.184.598</b>	<b>(24.923.021)</b>	<b>(8.271.203)</b>	<b>7.990.374</b>
<u>1/1-30/6/2016</u>	Sales	Cost of Sales	Distribution Cost	Operating Earnings
<b>Icecream</b>	<b>12.254.870</b>	<b>(6.269.632)</b>	<b>(3.571.603)</b>	<b>2.413.634</b>
Greece	10.829.445	(5.214.908)	(3.378.768)	2.235.769
Other countries	1.425.425	(1.054.724)	(192.836)	177.865
<b>Dairy-Yogurt</b>	<b>22.411.968</b>	<b>(14.206.228)</b>	<b>(4.696.018)</b>	<b>3.509.722</b>
Greece	16.424.497	(9.904.573)	(4.348.993)	2.170.931
Other countries	5.987.471	(4.301.655)	(347.025)	1.338.791
Rest	108.970	(87.318)	(3.263)	18.389
<b>Total</b>	<b>34.775.808</b>	<b>(20.563.177)</b>	<b>(8.270.885)</b>	<b>5.941.746</b>

**C17. Dividends**

The Tactical General Meeting of the Shareholders of 27.6.2017 has decided to the distribution of dividends for the financial year 2016 of gross value €0,09 (2015: €0,06). The total amount has been settled at 23.8.2017.

**C18. Seasonality**

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

In the dairy industry, sales and operating profits are almost paralleled in months.

**C19. Contingent assets – liabilities**

The Company has contingent liabilities (in relation with bank and other guarantees) arisen in the ordinary course of business. These contingent liabilities are not expected to generate any material fund outflows. No additional payments are expected at the date of preparation of these financial statements.

Any disputes under litigation or arbitration, court or arbitration decisions may not have an impact on the Company's financial position or operation.

**C20. Related party transactions**

Related party transactions are analyzed as follows:

	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
Payment of interest on a bond loan*	98.836	109.792

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

	<u>30/6/2017</u>	<u>31/12/2016</u>
Payables to related parties*	5.000.000	5.000.000

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

<u>COMPENSATION OF DIRECTORS</u>	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>
Remuneration of the members of the Board of Directors	335.308	218.700
Salaries of the members of the Board of Directors	50.091	71.019
<b>Total</b>	<b><u>385.399</u></b>	<b><u>289.719</u></b>

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

	<u>30/6/2017</u>	<u>30/6/2016</u>
Transactions with the members of the B.O.D and key management personnel	58.139	64.583
Liabilities to the members of the B.O.D and key management personnel*	2.835.308	2.718.700

\* Bond loan covered by major shareholders

**C21. Additional facts and information**

The Company has not been audited for the years 2009 and 2010. Because the tax audit may not recognize certain expenditure is likely to impose additional taxes and surcharges. For this reason, a provision totaling €142.944 is formed.

**C22. Post balance sheet events**

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

Serres, 12 September 2017

Chairman  
& Managing Director

Vice-Chairman

Financial Director

Chief Accountant

Panagiotis Tsinavos  
ID AE373539

Georgios Kotsambasis  
ID AE376847

Konstantinos Sarmadakis  
ID AN389135

Evangelos Karagiannis  
ID T215570