KRI-KRI MILK INDUSTRY S.A.

General Commercial Registry No.: 113772252000

INTERIM FINANCIAL REPORT

FOR THE PERIOD

1.1.2023 – 30.6.2023

IN ACCORDANCE WITH LAW 3556/2007

(TRANSLATION FROM THE GREEK ORIGINAL)

This Condensed Financial Report was prepared in accordance with article 5 of Law 3556/2007 and was approved by the Board of Directors of KRI-KRI SA. on September 25, 2023. It is posted online, at the website: https://www.krikri.gr/oikonomikes-katastaseis/

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DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

(in accordance with article 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 2023, which were drawn up in accordance with IFRS (IAS 34), give a true and fair view of the assets, liabilities, shareholders' 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 2023 depicts in a true and fair manner the information that is required according to §6 of article 5 of Law 3556/2007.

Serres, 25 September 2023

Confirmed by

Chairman & Managing Director	Vice-Chairman	Member of the B.o.D.
PANAGIOTIS TSINAVOS ID AE373539	GEORGIOS KOTSAMBASIS ID AE376847	GEORGIOS TSINAVOS ID AH350985

KRI KRI MILK INDUSTRY S.A.

REPORT OF THE BOARD OF DIRECTORS

FOR THE PERIOD OF 1 JANUARY 2023 UNTIL 30 JUNE 2023

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Dear shareholders,

This six-month Report of the Board of Directors concerns the period of the first half of the year (01.01.2023-30.06.2023) of the current year 2023. The Report was prepared in accordance with the relevant provisions of law 3556/2007 (Government Gazette 91A / 30.04.2007) and the executive decisions issued on it by the Hellenic Capital Market Commission.

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 are the production of ice cream, yogurt and fresh milk. Our extensive distribution network comprises of supermarket chains and small points of sale all across Greece. We export our products to more than 30 countries abroad. The headquarters and the production facilities are located in Serres, northern Greece. Additionally, the Company owns and operates a logistics center located in Aspropyrgos, region of Attica, Greece. Its main purpose is the distribution of our products to southern Greece.

SALES

Company's turnover amounted to €112.974k in the first half of 2023, compared to €83.386k in the first half of 2022 (increased by +35,5%).

Ice-cream sales present an increase of 9,2% amounting to €23.657k compared to €21.663k of H1 2022. Accordingly, ice cream sales volume decreased by -2,7%.

Yogurt sales present an increase of +44,3% amounting to €88.312k compared to €61.207k of H1 2022. Accordingly, yogurt sales volume increased by +16,4%.

Finally, exports stood at 48,9% of total sales, presenting an increase of +44,3% compared to H1 2022.

PROFITABILITY

Gross profit margin was calculated to 36,6% (2022: 22,3%) and specifically a) 48,1% in Ice-cream (2022: 44,2%) and b) 33,2% in Yogurt (2022: 14,6%).

Company's profit before tax amounted to €26.181k compared to €5.073k in 2022 (+416,1% increase). The net profit after tax amounted to €21.191k compared to €4.056k in 2022. EBITDA amounted to €28.721k compared to €7.497k in 2022 (+283,1% increase).

LOANS

Management seeks to maintain a small exposure to debt. At 30/6/2023, the balance of Company's loans amounts to €13.402k, while net debt is almost zero.

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

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

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

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

- impairment of assets

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

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

1. *EBITDA Margin*

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

The Statement of Comprehensive Income includes " Earnings before interest, taxes, depreciation and amortization (EBITDA)", to which no adjustment is made.

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

2. *EBIT Margin*

This Ratio, like the previous one, is widespread in the investment community and is part of the general unit of profitability ratios, having the advantage of isolating the effects of financial investment results and income taxation.

The Statement of Comprehensive Income includes " Earnings before interest and taxes (EBIT)", to which no adjustment is made.

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

3. *Free Cash Flows to the Firm*

This index is part of the general unit of efficiency indices, as it shows the amount of cash available for distribution to shareholders and lenders of the company and at the same time is one of the key indicators of financial soundness.

The index is calculated by adding total inflows / (outflows) from Operating Activities to the total inflows / (outflows) from Investment Activities, of the Cash Flow Statement.

4. *Capital Structure ratios*

These ratios show the degree of financing of the company with foreign capital. The Ratios used by the company are the Capital Leverage Ratio and the Debt Ratio.

The Capital Leverage Ratio is calculated if divided Total Debt by the sum of total Equity and Total Debt.

The Debt Ratio is calculated by dividing Total Debt by the amount of Total Equity.

5. *Efficiency ratios*

In general, the return on Equity shows the profit that corresponds to the investment of a company's shareholders. It belongs to the group of profitability indicators and is also generally used for the purpose of comparing similar companies and evaluating the management of a company.

The Return on Equity Ratio is calculated by dividing the net income, ie "Profit after Tax", by the amount of Total Equity.

The Efficiency ratio is calculated by dividing the net income, ie "Profit after Tax", by the total Assets.

BASIC FINANCIAL RATIOS

		30/6/2023	31/12/2022	30/6/2022
1. EBITDA Margin	EBITDA / Sales	25,4%	5,2%	9,0%
2. EBIT Margin	EBIT / Sales	23,3%	2,3%	6,2%
3. Free cash flow	Operating activities + Investment activities	10.216.222	(4.258.519)	(2.649.348)
4. Debt to capital	Total Debt / Total Debt & Total Equity	11,8%	15,7%	7,5%
4b. Debt to Equity	Total Debt / Total Equity	13,4%	18,6%	8,1%
5a. ROA	Profit after Tax / Total Assets	13,3%	2,5%	3,0%
5b. ROE	Profit after Tax / Total Equity	21,1%	4,0%	4,7%

II. IMPORTANT EVENTS OF CURRENT FINANCIAL YEAR

OUR POSITION IN THE MARKET

In the domestic ice cream market, our sales increased by +9.1% in value. Even though weather conditions were not favorable during the critical months for the ice cream sales (May and June), ice cream sales recovered in the rest of the summer season. Thus, for the entire season ice cream sales reached a +15% level compared to 2022.

Yogurt sales show a strong growth in the domestic Greek market. Specifically, our sales increased by +37.8%, exceeding €38.7m. The current inflationary environment has led the overall market to a decrease in consumption volume (-0.6%), while the value increased by +12.1% [IRI data, Jan.-Jun. 2023]. At the same time, there is a strong shift of consumers to private label yogurts, because of their choices for value-for-money products. As a result, private label yogurt market share increased by +4.8 p.p. in volume, applying strong pressure on branded yogurts. That pressure has led KRI-KRI branded yogurts to a small market share loss (-0.2 percentage points), however that is lower compared to our main competitors [IRI data in value, Jan.-Jun. 2023]. In general, KriKri seems to benefit from those market developments, since it is the largest producer of private label yogurts in the domestic market. In terms of profitability, the gross profit margin reached 32.7%, which is lower than that of 2021. This is a result of the Company's decision to absorb part of the additional input costs, including transport and energy costs. Of course, economies of scale in yogurt segment led to high double-digit EBIT margin.

Export yogurt sales show a strong growth of +49.8% in value, exceeding €49m. This boost in sales is contributed by the major markets of Italy and the UK as well as other countries such as Sweden, Austria and Belgium. As far as KriKri's profitability figures are concerned, they have recovered back to their normal levels. The EBIT margin has also improved significantly. That is mainly a result of economies of scale and the dilution of sales and admin costs, which are, for the most part, fixed.

INVESTMENTS

CAPEX exceeded €3.8 million during the first half of 2023. Most of those expenses relate to the purchase of production machinery (€1.3m), the expansion of offices and warehouses (€0.6m) and the purchase of freezers (€1.2m).

DIVIDEND

The Annual General Meeting decided the distribution of dividend for the financial year 2022 of gross value €0.20 per share (2021: €0.20).

ENVIRONMENT, CORPORATE SOCIAL RESPONSIBILITY, GOVERNANCE

The Company emphasizes non-financial factors concerning the environment, social responsibility and governance (Environmental, Social, Governance "ESG") and determine the sustainability of the Company, implementing specific policies and publishing the corresponding indicators (see Annual Financial Report 2022).

Environment

The Company's Management is particularly aware of environmental protection. The topics related to this pillar mainly concern: greenhouse gas emissions, energy consumption, risks and opportunities from climate change, waste management and the environmental impact of packaging.

Corporate Social Responsibility

In the context of Corporate Governance, which ensures the long-term and balanced development of the Company for the benefit of employees, consumers and shareholders, the Company implements Corporate Social Responsibility (CSR) actions, which is also the basic "tool" of Corporate Governance. The issues related to this pillar mainly concern: women's participation in human resources, human rights policies, actions to strengthen the local community and, above all, product quality and safety.

This financial year, with the recovery of profit margins to their normal levels of 2021, but under a strongly inflationary economic and business environment, KriKri continues its initiatives aiming to support its consumers, farmers and employees. More specifically:

- Consumers: increased budget for product price reductions through promotions.

- Farmers: An additional payment of total €500.000 as a "premium for cooperation", recognizing their trust and their great personal effort to keep uninterruptedly supplying KriKri with milk.

- Employees: An additional average monthly salary is given to every employee, as an one-off bonus. The total cost of this initiative is €1.000.000.

Governance

The Company's governance policies are particularly important for its long-term sustainability and development. The issues related to this pillar mainly concern: the composition and operation of the Board of Directors and the Committees, as well as the policies of business ethics, risk management and highlighting essential issues.

III. MAJOR RISKS & UNCERTAINTIES FOR THE SECOND HALF OF THE YEAR

Due to the nature of its operations, the Company is exposed to various financial risks. 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 Risk Management Unit, 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.

The main operational risks and uncertainties for the second half of the year are, in summary, the following.

MARKET RISK

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.

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.

From the total loans of the Company at 30.6.2023, the amount of € 6.900.000 is related to a fixed interest rate and the amount of €6.501.777 is related to a floating rate.

CREDIT RISK

The Company has established and applies credit control procedures in order to minimize credit risk.

In general, sales are distributed among a large number of customers, with the consequence that there are no substantial risks of dependence. However, there are two exceptions. A domestic supermarket chain and a customer abroad where KriKri's sales exceed 10% of the total sales for H1-2023. The total sales to these two customers amount to approximately €29 million, for both yogurt and ice cream.

OPERATING RISKS

Suppliers - stock

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

There are no indications of a substantial risk of shortages or limited availability of basic raw materials or packaging materials.

IV. EXCEPTIONAL RISKS

Natural Disasters

In early September, heavy floods occurred in the region of Thessaly, located in the middle of Greece.

As the Company's production facilities are based in Serres, in northern Greece, there was not any direct damage by the floods. Moreover, the supply of raw milk was not affected, as our raw milk suppliers are located within the area near Serres. Generally, the floods caused extensive damage to agricultural production as well as the farms. It is too early to have a clear picture of the extent of the damage. Approximately 14% of the country's raw cow's milk is produced in the region of Thessaly. The first estimates indicate that most of the cattle farms were saved, while the goat and sheep farms suffered extensive damage.

As part of the risk management function, the Company's policy includes having alternative suppliers for any critical material. That helps us mitigate the risk of raw material shortages in the event that a supplier unexpectedly fails to meet our demand.

Any shortage of supply (for animal feed or raw milk), which may cause our input costs to increase, is expected to be temporary and of minor impact.

V. PROSPECTS FOR THE SECOND HALF OF THE YEAR 2023

For the rest of the financial year 2023, KriKri's Management estimates that the strong growth of its financial figures will continue. Thus, it updates the profitability estimates. Based on the Management's revised forecast for 2023, total sales are expected to exceed €200m, while Earnings Before Taxes and Interest (EBIT) are expected to reach €33m (+33% increase compared to the initial forecast of €24.8m).

VI. RELATED PARTY TRANSACTIONS

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

Transactions with related legal parties

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

During the current period, there were not any transactions with IEG.

Transactions with related natural persons

The Company maintains an obligation to related parties (its key shareholders) arising from the coverage of bond loans of €9.200.000. Those loans were issued on 18/12/2013 and on 03/04/2023, they are unsecured and are according to ordinary market terms. Their expiration is determined on 18/12/2023 and on 03/04/2023 respectively. The balance of those bond loan as at 30/6/2023, amounts to €6.900.000.

Related party transactions are analyzed as follows:

	1/1-30/6/2023	1/1-30/6/2022
Payment of interest on a bond loan*	75.857	40.725

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

	30/6/2023	31/12/2022
Receivables from related parties*	360	240
Payables to related parties*	6.900.000	2.700.000

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

COMPENSATION OF DIRECTORS	1/1-30/6/2023	1/1-30/6/2022
Remuneration of the members of the Board of Directors**	0	0
Salaries of the members of the Board of Directors	0	0
Total	**0**	**0**

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY MANAGEMENT PERSONNEL	30/6/2023	30/6/2022
Transactions with the members of the B.O.D and key management personnel	55.370	37.708
Liabilities to the members of the B.O.D and key management personnel*	4.600.000	2.500.000

* Bond loan covered by major shareholders
** The Annual General Meeting of Shareholders of 11.7.2023 decided to distribute, from the profits of 2022, the remuneration of BoD members, totaling €480.000. This expense will be charged in the second half of the current year.

VII. BRANCHES

The Company operates a branch in Aspropyrgos, Attica. The branch operates as a logistics center to serve the market of southern Greece.

VIII. RESEARCH & DEVELOPMENT

The Company has a separate department dealing with product research and development (new development and improvement / development of existing ones) and new production technologies. During the current six-month period, R&D expenses amounted to €181.760.

IX. OWN SHARES

During the year, the Company acquired 20.240 own shares with an average purchase price of €7.96 per share. The total acquisition value of the own shares amounted to €161.058. As at 30.06.2023, the Company owns 69.201 of treasury shares the value of them amounts to €455.054.

X. POST BALANCE SHEET EVENTS

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

Serres, 25 September 2023

THE CHAIRMAN OF THE BOD THE MEMBERS

Exact quote from the Board of Directors' book of proceeding

The Chairman & CEO

Panagiotis Tsinavos

Grant Thornton

Review Report on Interim Financial Information

To the Board of Directors of KRI KRI S.A.

Introduction

We have reviewed the accompanying condensed statement of financial position of KRI KRI SA as at 30 June 2023 and the relative condensed statements of comprehensive income, changes in equity and cash flow for the six-month period then ended, as well as the selected explanatory notes, that comprise the interim financial information, which forms an integral part of the six-month financial report under Law 3556/2007.

Management is responsible for the preparation and fair presentation of this condensed interim financial information, in accordance with the International Financial Reporting Standards, as adopted by the European Union and apply for 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 (ISRE) “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, as incorporated into the Greek legislation, 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 interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard “IAS 34”.

Report on Other Legal and Regulatory Requirements

Based on our review, we did not identify any material inconsistency or misstatement in the representations of the members of the Board of Directors and the information included in the six-month Board of Director's Management Report, according to article 5 and 5a of L. 3556/2007, in respect of the accompanying condensed interim financial information.

Athens, 26 September 2023

The Chartered Accountant

Stergios Ntetsikas

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

Grant Thornton
Chartered Accountants Management Consultants
58, Katehaki Av., 115 25 Athens, Greece
Registry Number SOEL 127

KRI-KRI MILK INDUSTRY S.A.

General Commercial Registry No.: 113772252000

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD

1.1.2023 – 30.6.2023

IN ACCORDANCE WITH IFRS (IAS 34)

Statement of Comprehensive Income

	Note	1/1-30/6/2023	1/1-30/6/2022
Sales	C1	**112.973.757**	**83.386.108**
Cost of sales	C3	(71.660.919)	(64.789.270)
Gross profit	C1	**41.312.838**	**18.596.838**
Distribution & selling expenses	C1, C3	(13.541.488)	(12.178.820)
Administration expenses	C3	(1.718.988)	(1.517.472)
Research and developement expenses	C3	(181.760)	(234.455)
Other income		397.440	424.384
Other (loss) / gain net		65.831	61.199
Profit before taxes, financial and investment income	C1	**26.333.873**	**5.151.674**
Financial income	C4	72.045	43.595
Financial expenses	C4	(210.601)	(108.065)
Financial cost of leasing	C4	(13.856)	(13.987)
Financial income (net)		(152.412)	(78.457)
Profit before taxes		**26.181.461**	**5.073.217**
Income tax	C5	(4.990.764)	(1.017.090)
Net profit for the period (A)		**21.190.697**	**4.056.127**
Other comprehensive income after tax (B)		0	0
Total comprehensive income after tax (A + B)		**21.190.697**	**4.056.127**
Net profit per share from continuous operations			
- Basic and diluted (in €)	C6	**0,6422**	**0,1227**

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

Statement of Financial Position

	Note	30/6/2023	31/12/2022
ASSETS			
Non-current assets			
Tangible assets	C7	75.253.992	73.879.559
Rights of use of assets	C8	590.382	520.111
Investment in properties		10.082	10.082
Intangible assets		198.298	185.147
Other non current assets		178.210	181.735
		76.230.964	**74.776.634**
Current assets			
Inventories	C9	18.643.714	15.299.030
Trade and other receivables	C10	46.092.309	28.690.740
Current income tax receivables		0	2.110.152
Financial instruments		1.992.600	0
Cash and cash equivalents		15.827.664	7.221.288
		82.556.287	**53.321.210**
Total assets		**158.787.251**	**128.097.844**
EQUITY AND LIABILITIES			
Equity			
Share capital		12.564.752	12.564.752
Reserves		24.686.060	24.686.060
Reserves of own shares		(455.051)	(541.306)
Retained earnings		63.436.734	42.192.614
Total equity		**100.232.495**	**78.902.120**
Liabilities			
Non-current liabilities			
Long-term borrowings	C11	9.700.000	6.750.000
Long term portion of leasing		391.021	355.857
Accrued pension and retirement obligations		335.313	304.149
Deferred income tax liabilities		4.705.377	4.277.489
Government grants		5.330.691	5.524.536
		20.462.402	**17.212.031**
Current liabilities			
Short-term borrowings	C11	3.701.777	7.945.948
Short term portion of leasing		226.831	190.058
Trade and other payables	C12	31.720.749	23.847.688
Current income tax liabilities		2.442.997	0
		38.092.354	**31.983.694**
Total liabilities		**58.554.756**	**49.195.725**
Total equity and liabilities		**158.787.251**	**128.097.844**

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

Statement of changes in equity

	Share capital	General reserve	Reserve of Tax Law	Other reserves	Reserve of own shares	Actuarial gains-losses reserve	Retained earnings	Total Equity
Balance at 31.12.2021	**12.564.752**	**4.188.251**	**20.265.377**	**38.275**	**(60.897)**	**59.467**	**45.775.743**	**82.830.965**
Profit for the period							4.056.127	4.056.127
Total comprehensive income for the period							**4.056.127**	**4.056.127**
Transactions with owners in their capacity as owners								
(Purchase) of own shares					(226.328)			(226.328)
Distribution of own shares					139.097		(8.162)	130.935
Balance at 30.6.2022	**12.564.752**	**4.188.251**	**20.265.377**	**38.275**	**(148.130)**	**59.467**	**49.823.707**	**86.791.698**
Balance at 31.12.2022	**12.564.752**	**4.188.251**	**20.390.759**	**38.275**	**(541.306)**	**68.778**	**42.192.614**	**78.902.120**
Profit for the period							21.190.697	21.190.697
Total comprehensive income for the period							**21.190.697**	**21.190.697**
Transactions with owners in their capacity as owners								
(Purchase) of own shares					(161.058)			(161.058)
Distribution of own shares					247.313		53.423	300.736
Balance at 30.6.2023	**12.564.752**	**4.188.251**	**20.390.759**	**38.275**	**(455.051)**	**68.778**	**63.436.734**	**100.232.495**

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

Cash flow statement

Indirect method	1/1-30/6/2023	1/1-30/6/2022
OPERATING ACTIVITIES		
Profit before taxes	26.181.461	5.073.217
Adjustments for:		
Depreciation	2.580.843	2.547.104
Provisions	558.739	598.722
Foreign exchange differences, net	482	6.956
Amortization of government grants relating to capital expenses	(193.845)	(201.943)
Other non-cash items	247.313	147.259
Investment income	(27.856)	(84.868)
Interest and related expenses	224.457	122.052
	29.571.595	8.208.499
Changes in working capital:		
Decrease / (Increase) in inventories	(3.387.448)	(4.425.868)
Decrease / (Increase) in receivables (trade)	(17.269.052)	(15.764.587)
Decrease / (Increase) in other long-term receivables	3.525	(145.182)
(Decrease) / Increase in payables (except banks)	7.703.568	13.691.714
Less:		
Interest and related expenses paid	(161.394)	(112.188)
Taxes paid	0	0
Cash flow from operating activities (a)	**16.460.796**	**1.452.387**
INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(4.324.518)	(4.165.931)
Proceeds from sales of intangibles and property, plant and equipment	500	20.600
Interest received	72.045	43.596
Purchase of financial instruments	(1.992.600)	0
Cash flow from investing activities (b)	**(6.244.573)**	**(4.101.735)**
FINANCING ACTIVITIES		
Proceeds from borrowings	4.200.000	1.489.920
Repayments of loans	(5.500.000)	(3.114.920)
Repayments of financial leases	(148.788)	(136.407)
(Purchase) of own shares	(161.058)	(226.329)
Decrease / (Increase) of restricted deposits	0	2.230.000
Cash flow from financing activities (c)	**(1.609.846)**	**242.264**
Change in cash and equivalents (a+b+c)	**(8.606.376)**	**(2.407.084)**
Cash and equivalents at beginning of period	7.221.288	10.749.735
Cash and equivalents at end of period	**15.827.664**	**8.342.651**

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 are the production of ice-cream, yogurt and milk.

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 on 25 September 2023.

The interim condensed financial statements have not been audited but reviewed.

B. Significant accounting policies

B.1 Basis of preparation

These interim financial statements covering the period from 1.1.2023 to 30.6.2023 have been prepared according to IAS 34. The basis of their preparation is the historical cost and the "principle of going concern", taking into account all macroeconomic and microeconomic factors and their impact on the smooth operation of the Company.

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 2022, except for the new standards and interpretations adopted, the implementation of which was compulsory for periods after 1 January 2023.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022, which have been posted on the Company's website and have been prepared in accordance with IFRSs.

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

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 1.1.2023. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2023.

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

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. Furthermore, in June 2020, the IASB issued amendments, which do not affect the fundamental principles introduced when IFRS 17 has first been issued. The amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain, as well as ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying the Standard for the first time. The above have been adopted by the European Union with effective date of 01/01/2023.

The amendments do not affect the company's Financial Statements.

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

In February 2021, the IASB issued narrow-scope amendments that pertain to accounting policy disclosures. The objective of these amendments is to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. More specifically, companies are required to disclose their material accounting policy information rather than their significant accounting policies. The above have been adopted by the European Union with effective date of 01/01/2023.

The amendments do not affect substantially the company's Financial Statements.

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

In February 2021, the IASB issued narrow-scope amendments that they clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The above have been adopted by the European Union with effective date of 01/01/2023.

The amendments do not affect substantially the company's Financial Statements.

Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (effective for annual periods starting on or after 01/01/2023)

In May 2021, the IASB issued targeted amendments to IAS 12 to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The above have been adopted by the European Union with effective date of 01/01/2023.

The amendments do not affect substantially the company's Financial Statements.

Amendments to IFRS 17 "Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information" (effective for annual periods starting on or after 01/01/2023)

In December 2021, the IASB issued a narrow-scope amendment to the transition requirements in IFRS 17 to address an important issue related to temporary accounting mismatches between insurance contract liabilities and financial assets in the comparative information presented when applying IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" for the first time. The amendment aims to improve the usefulness of comparative information for the users of the financial statements. The above have been adopted by the European Union with effective date of 01/01/2023.

The amendments do not affect substantially the company's Financial Statements.

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

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

Amendments to IAS 12 "Income taxes": International Tax Reform – Pillar Two Model Rules (effective immediately and for annual periods starting on or after 01/01/2023)

In May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 "Income Taxes": International Tax Reform—Pillar Two Model Rules. The amendments introduced a) a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and b) targeted disclosure requirements for affected entities. Companies may apply the temporary exception immediately, but disclosure requirements are required for annual periods commencing on or after 1 January 2023.

The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any.

The above have not been adopted by the European Union.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01/01/2024)

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. Furthermore, in July 2020, the IASB issued an amendment to defer by one year the effective date of the initially issued amendment to IAS 1, in response to the Covid-19 pandemic. However, in October 2022, the IASB issued an additional amendment that aim to improve the information companies provide about long-term debt with covenants. IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company's ability to do so is often subject to complying with covenants. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted.

The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any.

The above have not been adopted by the European Union.

Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback" (effective for annual periods starting on or after 01/01/2024)

In September 2022, the IASB issued narrow-scope amendments to IFRS 16 "Leases" which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases that same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The issued amendments add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the Accounting Standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any.

The above have not been adopted by the European Union.

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Supplier Finance Arrangements (effective for annual periods starting on or after 01/01/2024)

In May 2023, the International Accounting Standards Board (IASB) issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The IASB issued Supplier Finance Arrangements to require an entity to provide additional disclosures about its supplier finance arrangements. The amendments require additional disclosures that complement the existing disclosures in these two standards. They require entities to provide users of financial statements with information that enable them a) to assess how supplier finance arrangements affect an entity's liabilities and cash flows and to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. The amendments to IAS 7 and IFRS 7 are effective for accounting periods on or after 1 January 2024.

The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any.

The above have not been adopted by the European Union.

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for annual periods starting on or after 01/01/2025)

In August 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates that require entities to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The amendments introduce a definition of currency exchangeability and the process by which an entity should assess this exchangeability. In addition, the amendments provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable and require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability. The amendments to IAS 21 are effective for accounting periods on or after 1 January 2025.

The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any.

The above have not been adopted by the European Union.

B.2 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 2022.

B.3 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 2022.

Also, the main sources of uncertainty that existed in the preparation of the annual financial statements of 31 December 2022 remained the same for the interim financial statements as of 30 June 2023.

B.4 Comparative information

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

C. Notes to the financial statements

C1. Operating segment information

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

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

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

◇ *Dairy-Yogurt– Greece and Overseas.* 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 Overseas.

The segments results for the periods ended 30.6.2023 and 30.6.2022 are analyzed as follows:

1/1-30/6/2023	Sales	Gross profit	Distribution & selling expenses	Operating profits	EBIT
Ice Cream	**23.656.623**	**11.406.465**	**(5.021.820)**	**6.384.645**	**5.930.579**
Greece	18.000.884	9.864.471	(4.316.175)	5.548.296	5.235.587
Overseas	5.655.739	1.541.993	(705.644)	836.349	694.992
Dairy – Yogurt	**88.312.133**	**29.299.071**	**(8.517.485)**	**20.781.586**	**19.538.017**
Greece	38.780.940	12.564.097	(4.964.773)	7.599.325	6.985.768
Overseas	49.531.193	16.734.974	(3.552.712)	13.182.262	12.552.248
Rest	1.005.000	607.302	(2.184)	605.118	865.276
Total	**112.973.757**	**41.312.838**	**(13.541.488)**	**27.771.349**	**26.333.873**

1/1-30/6/2022	Sales	Gross profit	Distribution & selling expenses	Operating profits	EBIT
Ice Cream	**21.662.787**	**9.581.808**	**(4.804.914)**	**4.776.894**	**4.262.989**
Greece	16.493.557	8.439.193	(4.460.905)	3.978.288	3.629.376
Overseas	5.169.229	1.142.615	(344.009)	798.606	633.613
Dairy – Yogurt	**61.207.122**	**8.919.522**	**(7.373.906)**	**1.545.616**	**487.228**
Greece	28.142.071	5.243.966	(4.255.803)	988.164	449.395
Overseas	33.065.051	3.675.556	(3.118.103)	557.453	37.833
Rest	516.199	95.507	0	95.507	401.457
Total	**83.386.108**	**18.596.838**	**(12.178.820)**	**6.418.019**	**5.151.674**

The "Operating profits" index is an Alternative Performance Measures (APM) and is calculated as follows: Gross Profit minus Distribution & selling expenses.

C2. Earnings before interest, taxes, depreciation and amortization

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

	1/1-30/6/2023	1/1-30/6/2022
Net profit for the period	21.190.697	4.056.127
Adjustments for:		
Income tax	4.990.765	1.017.090
Financial income (net)	152.412	78.457
Depreciation and amortization	2.580.843	2.547.104
EBITDA before government grants	**28.914.716**	**7.698.778**
Amortization of government grants relating to capital expenses	(193.845)	(201.943)
EBITDA	**28.720.872**	**7.496.835**

EBITDA serves as an additional indicator of our operating performance and not as a replacement for measures such as cash flows from operating activities and operating income. We believe that EBITDA is useful to investors as a measure of operating performance because it eliminates variances caused by the amounts and types of capital employed and amortization policies and helps investors evaluate the performance of our underlying business. In addition, we believe that EBITDA is a measure commonly used by analysts and investors in our industry. Accordingly, we have disclosed this information to permit a more complete analysis of our operating performance. Company's management, for the purpose of these financial statements, assumes that EBITDA represents the sum of Profit after tax plus income tax, net financial results and depreciation/amortization minus amortization of government grants relating to capital expenditures. Other companies may calculate EBITDA in a different way. EBITDA is not a measurement of financial performance under IFRS and should not be considered an alternative to net profit/(loss), as an indicator of our operating performance or any other measure of performance derived in accordance with IFRS.

C3. Expenses by type

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

1/1-30/6/2023	Cost of Sales	Distribution	Administration	Research& Development	Total
Raw materials and consumables used	62.485.004	568.216	16.292	7.080	63.076.591
Staff costs	3.828.036	2.402.856	696.662	122.531	7.050.084
Energy costs	2.170.729	392.771	19.515	0	2.583.015
Maintenance expenses	427.799	188.115	223.587	669	840.171
Transport & shipping expenses	426.089	4.394.243	11.335	432	4.832.098
Advertising/marketing expenses	0	2.930.351	0	0	2.930.351
Freelancers fees	42.662	323.487	265.968	28.713	660.829
Depreciation	1.671.278	820.968	150.148	11.431	2.653.824
Bad debt provision	0	411.829	0	0	411.829
Other expenses	609.324	1.108.652	335.481	10.905	2.064.362
	71.660.919	**13.541.488**	**1.718.988**	**181.760**	**87.103.155**

1/1-30/6/2022	Cost of Sales	Distribution	Administration	Research& Development	Total
Raw materials and consumables used	56.173.216	427.558	1.763	7.800	56.610.336
Staff costs	2.941.591	2.079.196	588.461	96.216	5.705.464
Energy costs	2.599.570	771.865	36.721	0	3.408.156
Maintenance expenses	258.298	208.797	143.565	337	610.997
Transport & shipping expenses	406.390	3.616.901	8.079	168	4.031.537
Advertising/marketing expenses	75.097	2.750.657	10.035	1.822	2.837.610
Freelancers fees	131.416	293.719	228.364	113.956	767.454
Depreciation	1.489.887	834.932	215.162	7.124	2.547.104
Bad debt provision	0	493.900	0	0	493.900
Other expenses	713.807	701.296	285.324	7.033	1.707.460
	64.789.270	**12.178.820**	**1.517.472**	**234.455**	**78.720.018**

C4. Financial income - expenses

Financial income-expenses are analyzed by type as follows:

	1/1-30/6/2023	1/1-30/6/2022
FINANCIAL INCOME		
Interest income	9.221	894
Other capital gains	62.824	42.701
Total financial income	**72.045**	**43.595**
FINANCIAL EXPENSES		
Interest expense	(179.347)	(85.157)
Bank fees and charges	(31.253)	(22.907)
Total financial expenses	**(210.601)**	**(108.065)**
FINANCIAL COST OF LEASING		
Financial cost of leasing	(13.856)	(13.987)
Financial income - expenses (net)	**(152.412)**	**(78.457)**

C5. Income tax expense

Income tax expense is analyzed as follows:

	1/1-30/6/2023	1/1-30/6/2022
Current tax	4.536.100	969.890
Prior year tax	26.777	(58.488)
Deferred tax adjusted in P/L	427.888	105.689
Total	**4.990.764**	**1.017.090**

The corporate income tax rate in Greece for the period ended 30 June 2023 is 22%.

C6. Net profit per share

Basic and diluted earnings per share are calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of ordinary shares outstanding, excluding any holding of own shares. The total amount of the ordinary shares as at 30.06.2023 amounts to 33.065.136 and the Company holds 69.201 own shares.

	1/1-30/6/2023	1/1-30/6/2022
Net profit attributable to parent's shareholders	21.190.697	4.056.127
Weighted average number of ordinary shares	32.996.221	33.044.354
Basic and diluted earnings per share (€ per share)	**0,6422**	**0,1227**

C7. Property, plant and equipment

Property, plant and equipment are analyzed as follows:

	Land	Buildings	Plant & equipment	Motor vehicles	Furniture & other Equip-ment	Assets under construction	Total
Cost							
Balance on 1 January 2022	1.773.962	17.949.731	82.765.988	1.236.888	3.088.019	5.438.051	112.252.639
Additions	235.324	60.280	2.611.427	87.060	164.021	4.425.555	7.583.667
Disposals	0	0	(126.556)	(155.271)	(414)	0	(282.241)
Transfers	0	1.120.074	5.904.499	0	19.168	(7.043.741)	0
Interest Capitalisation	0	0	0	0	0	45.722	45.722
Write-offs	0	0	(267.044)	(5.500)	(310)	0	(272.854)
Balance on 31 December 2022	**2.009.286**	**19.130.085**	**90.888.314**	**1.163.177**	**3.270.484**	**2.865.587**	**119.326.933**
ACCUMULATED DEPRECIATION							
Balance on 1 January 2022	0	(4.838.166)	(33.017.882)	(1.119.417)	(2.179.390)	0	(41.154.855)
Depreciation expense	0	(549.206)	(4.038.996)	(66.090)	(183.255)	0	(4.837.547)
Disposals	0	0	126.547	145.412	414	0	272.373
Write-offs	0	0	267.044	5.500	111	0	272.655
Balance on 31 December 2022	**0**	**(5.387.372)**	**(36.663.287)**	**(1.034.595)**	**(2.362.120)**	**0**	**(45.447.374)**
Net book value on 31 December 2022	**2.009.286**	**13.742.713**	**54.225.027**	**128.572**	**908.365**	**2.865.587**	**73.879.559**
Cost							
Balance on 1 January 2023	2.009.286	19.130.085	90.888.314	1.163.177	3.270.484	2.865.587	119.326.933
Additions	99.729	140.470	1.404.641	25.185	87.414	1.914.469	3.671.907
Disposals	0	0	(111.339)	0	0	0	(111.339)
Transfers	0	91.331	365.500	0	0	(456.831)	0
Interest Capitalisation	0	0	0	0	0	134.626	134.626
Write-offs	0	0	(31.734)	0	0	0	(31.734)
Balance on 30 June 2023	**2.109.015**	**19.361.886**	**92.515.382**	**1.188.362**	**3.357.898**	**4.457.851**	**122.990.394**
ACCUMULATED DEPRECIATION							
Balance on 1 January 2023	0	(5.387.372)	(36.663.287)	(1.034.595)	(2.362.120)	0	(45.447.374)
Depreciation expense	0	(278.867)	(2.043.375)	(28.001)	(81.275)	0	(2.431.518)
Disposals	0	0	111.338	0	0	0	111.338
Write-offs	0	0	31.152	0	0	0	31.152
Balance on 30 June 2023	**0**	**(5.666.239)**	**(38.564.172)**	**(1.062.596)**	**(2.443.395)**	**0**	**(47.736.402)**
Net book value on 30 June 2023	**2.109.015**	**13.695.647**	**53.951.210**	**125.766**	**914.503**	**4.457.851**	**75.253.992**

There are no pledges on fixed assets.

C8. Rights of use of assets

Right of use of assets are analyzed as follows:

	Buildings	Motor Vehicles	Other	Total
COST				
Balance on 1 January 2022	294.964	26.478	1.067.178	1.388.620
Additions	18.799	4.674	95.329	118.802
Write-offs	0	0	(542.637)	(542.637)
Balance on 31 December 2022	313.763	31.152	619.870	964.785
ACCUMULATED DEPRECIATION				
Balance on 1 January 2022	(88.832)	(3.089)	(665.602)	(757.523)
Depreciation expense	(40.060)	(6.193)	(179.286)	(225.539)
Write-offs	0	0	538.389	538.389
Balance on 31 December 2022	(128.892)	(9.282)	(306.499)	(444.673)
Net book value on 31 December 2022	**184.871**	**21.870**	**313.371**	**520.111**
COST				
Balance on 1 January 2023	313.763	31.152	619.870	964.785
Additions	0	186.023	0	186.023
Write-offs	(8.880)	(45.772)	0	(54.652)
Balance on 30 June 2023	304.883	171.403	619.870	1.096.157
ACCUMULATED DEPRECIATION				
Balance on 1 January 2023	(128.892)	(9.282)	(306.499)	(444.673)
Depreciation expense	(20.093)	(88.954)	(3.200)	(112.247)
Write-offs	5.375	45.772	0	51.146
Balance on 30 June 2023	(143.610)	(52.464)	(309.700)	(505.774)
Net book value on 30 June 2023	**161.273**	**118.939**	**310.171**	**590.382**

As at 30.6.2023, the liability for operational leasing is €617.852 (as at 31.12.2022: €545.915).

C9. Inventories

Inventories are analyzed as follows:

	30/6/2023	31/12/2022
Merchandise	124.695	26.582
Finished goods	7.351.990	4.549.791
Raw materials	11.379.000	10.891.863
Less: Provisions for obsolete inventory	(211.972)	(169.206)
Total	**18.643.714**	**15.299.030**

The most important changes of the item "Inventories" are in the line "Finished goods" and in the line "Raw materials". The increase of them is related to the increase in sales and to the high seasonality of the ice cream sector (see also note C14).

Analysis of impairment of obsolete inventory:

	30/6/2023	31/12/2022
Opening balance	169.206	91.294
Additions	42.766	77.912
Ending balance	**211.972**	**169.206**

C10. Trade and other receivables

Trade and other receivables are analyzed as follows:

	30/6/2023	31/12/2022
Trade receivables	47.184.674	27.685.262
Less: Allowance for bad debts	(2.788.808)	(2.376.979)
	44.395.866	25.308.283
Creditors advances	112.528	203.934
VAT Receivables	535.163	2.963.847
Greek state -others	13.334	13.333
Other receivables	1.035.418	201.342
Total	**46.092.309**	**28.690.740**

The most significant changes in the line "Trade and other receivables" are found in the line "Trade receivables" linked to the increase in sales and the high seasonality of the ice cream sector (see also note C14).

Under the principles of IFRS 9, the company uses a model to calculate expected credit losses. This model groups receivables according to the credit rating of each customer, links the rating to the probability of default and calculates the expected credit losses.

On 30/6/2023, the Company recognized increased doubtful receivables of €411.829. Therefore, on 30/6/2023, trade receivables totaling €2.788.808 appear impaired. It is estimated that part of these impairment losses will be recovered in the future.

Analysis of provision for doubtful debts:

	1/1-30/6/2023	1/1-31/12/2022
Opening balance	2.376.979	2.333.915
Additions	427.677	62.822
Reversals	(15.848)	(19.758)
Ending balance	**2.788.808**	**2.376.979**

C11. Borrowings

Borrowings are analyzed as follows:

	30/6/2023	31/12/2022
NON-CURRENT BORROWINGS		
Bond loans	9.700.000	6.750.000
Total non-current borrowings	**9.700.000**	**6.750.000**
CURRENT BORROWINGS		
Current liability of non-current loans	3.701.777	4.945.948
Short-term loans	0	3.000.000
Total current borrowings	**3.701.777**	**7.945.948**
Total borrowings	**13.401.777**	**14.695.948**

Maturity of non-current bank borrowings:

	30/6/2023	31/12/2022
Between 1-2 years	1.000.000	2.500.000
Between 2-5 years	8.700.000	4.250.000
Total non-current borrowings	**9.700.000**	**6.750.000**

Changes on loans balances are analyzed as follows:

Balance on 1 January 2022	8.680.628
Loans paid (cash item)	(5.980.000)
Loans receipt (cash item)	12.000.000
Financial instruments valuation	(4.680)
Balance on 31 December 2022	**14.695.948**

Balance on 1 January 2023	14.695.948
Loans paid (cash item)	(5.500.000)
Loans receipt (cash item)	4.200.000
Financial instruments valuation	5.829
Balance on 30 June 2023	**13.401.777**

Analysis of current long-term loans:

Loaner	Type of loan	Date of agreement	Initial value	Balance at 30/6/2023
Major shareholders	Bonds / 5year / fixed interest rate	18/12/2013 Amended 16/11/2018	5.000.000	2.700.000
Piraeus Bank	Bonds / 5year / floating interest rate	7/9/2022	6.500.000	6.501.777
Major shareholders	Bonds / 3year / fixed interest rate	3/4/2023	4.200.000	4.200.000

Effective interest rate of borrowings:

	1/1-30/6/2023	1/1-31/12/2022
Effective interest rate	4,08%	1,83%

C12. Trade and other payables

Trade and other payables are analyzed as follows:

	30/6/2023	31/12/2022
Trade payables	28.129.699	19.936.729
Cheques payables	1.244.431	301.858
Social security	307.076	476.322
Other Taxes and duties	271.379	289.864
Dividends payables	16.442	18.254
Customers' advances	469.852	557.772
Other payables	1.281.869	2.266.890
Total	**31.720.749**	**23.847.688**

The most important changes in "Trade and other payables" are found in the line "Trade payables" and "Cheques payables" and relate to the increase in sales and to the seasonality in the ice cream sector (see also note C14).

C13. Dividends

The Annual General Meeting of 11.7.2023 decided the distribution of dividend for the financial year 2022 of gross value €0.20 per share (2021: €0.20), amounted to a total of €6.613.027. The total amount has been settled on 30.8.2023.

C14. Seasonality

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

In the yogurt sector, sales and operating profits are almost evenly distributed in months.

C15. 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.

Income tax

From the year 2011 onwards, the Greek Societe Anonyme and Limited Liability Companies whose annual financial statements are mandatory reviewed by auditors, registered in the public register of Law. 3693/2008, are required to obtain an "Annual Certificate" as provided in par. 5 of article 82 of L.2238 / 1994 and article 65a of Law 4174/2013. The above certificate is issued following a tax audit conducted by the same statutory auditor or audit firm that audits the annual financial statements. Following the completion of a tax audit, the statutory auditor or audit firm issues the company's "Tax Compliance Report", accompanied by Appendix Analytical Element Information. For the years 2016-2020 the tax audit conducted by the audit companies, the certificate was issued, while not resulting tax liabilities beyond those recognized and reported in the financial statements.

For the year 2022 the Company has been subject to tax audit of the Auditors, as previewed from the tax provisions of Article 65a of Law 4174 / 2013 (ITC), as amended in accordance with Law 4410/2016. This audit is in progress and the related tax certificate is to be granted after publication of the financial statements for 2023 and it is estimated that any additional tax obligation that may arise would be immaterial.

C16. Related party transactions

Related party transactions are analyzed as follows:

	30/6/2023	30/6/2022
Payment of interest on a bond loan*	75.857	40.725
Income from IEG	0	0

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

	30/6/2023	31/12/2022
Receivables from related parties*	6.900.000	2.700.000
Payables to related parties (IEG)	360	240

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

COMPENSATION OF DIRECTORS	1/1-30/6/2023	1/1-30/6/2022
Remuneration of the members of the Board of Directors**	0	0
Salaries of the members of the Board of Directors	0	0
Total	**0**	**0**

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY MANAGEMENT PERSONNEL	30/6/2023	30/6/2022
Transactions with the members of the B.O.D and key management personnel	55.370	37.708
Liabilities to the members of the B.O.D and key management personnel*	4.600.000	2.500.000

* Bond loan covered by major shareholders

** The Annual General Meeting of Shareholders of 11.7.2023 decided to distribute, from the profits of 2022, the remuneration of BoD members, totaling €480.000. This cost will be charged in the second half of the current year.

C17. Post balance sheet events

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

Serres, 25 September 2023

Chairman & Managing Director	Vice-Chairman	Financial Director	Chief Accountant
Panagiotis Tsinavos ID AE373539	Georgios Kotsambasis ID AE376847	Konstantinos Sarmadakis ID AN389135	Evangelos Karagiannis ID AM894228