



Serres, 12th December 2022

Announcement

Considering the letter of the Hellenic Capital Market Commission dated 9/11/2022, KRI-KRI MILK INDUSTRY SA announces the following key figures:

- 1. Revenue from Sales, Earnings before Interest and Tax (EBIT), and Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for the Q3 of 2022 in a cumulative basis, alongside the corresponding comparative figures of last year.**

<i>(Amount in Euro €)</i>	01.01.2022- 30.09.2022	01.01.2021- 30.09.2021	Var %	01.07.2022- 30.09.2022	01.07.2021- 30.09.2021	Var %
Sales	137.266.845	110.241.498	24,51%	53.880.737	40.010.891	34,67%
Earnings before Interest and Tax (EBIT)	7.588.500	19.123.410	-60,32%	2.436.826	6.524.326	-62,65%
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	11.184.058	22.287.570	-49,82%	3.687.223	7.642.531	-51,75%

- 2. Significant changes in the loan balances and / or capital structure as well as other figures of the financial position, which took place during the third quarter of 2022.**

Based on the decision of the Board of Directors on 17/8/2022, Kri Kri SA ("the Company") proceeded to issue a bond loan, amounting to €6,500,000. The loan is for 5 years, without collateral, and was covered by Piraeus Bank.

The purpose of the loan is to finance the investment program which relates to the expansion of the Company's production capacity in the yogurt and ice cream production lines. The investment program has been included in the provisions of the development law 4399/2016.

During the third quarter of the financial year 2022, there were no significant changes in the capital structure, neither in other figures of the Company's financial position.

- 3. Covid-19**

In March 2020, the World Health Organization ("WHO") declared Covid-19 as a pandemic. The Company has taken a series of measures to manage the health crisis and to minimize the negative effects on its activities. Throughout this health crisis, the safety of workers is an absolute priority. Thus, the Company has developed the following initiatives through the establishment of a special team (the "Team"), which reports to the Senior Management, monitoring all relevant developments and evaluating the possible effects of Covid-19. The Team, in line with all the protocols of WHO, the

Greek Health Regulatory Authority and other competent authorities, has already drawn up and fully implemented a plan to ensure business continuity. This plan also includes additional planning which is relating to employees who are critical to production and business continuity, in order to minimize the risk of downtime.

Currently, using the experience we have gained during the current health crisis, the Company can effectively manage any new risks that relate to the current health crisis of Covid-19.

4. Energy Crisis

The current global energy crisis has a multi-level effect on the Company's cost base. One of the major effects is the continuously increasing cost of electricity and natural gas consumption, which are main factors of production. During the nine-month period in 2022, energy spending accounted for about 4.3% of total sales, against of 1.8% of last year's.

Furthermore, the energy crisis indirectly affects the cost of products' transportation and distribution. During the first nine months of 2022, those expenses constituted approximately 4.9% of total sales, compared to 4.5% in the same period last year. Additionally, the energy crisis has a strong effect on the formation and maintenance of an intensely inflationary environment. In our case, there is a significant increase in the production cost of raw milk, and consequently its price. That can be explained by the increase in the price of fertilizers which affect the cost of animal feed and overall the agricultural production. Moreover, the price of plastic, which is a basic packaging material, has increased significantly. Finally, inflation is expected to limit the real disposable income of households, and affect their consumption habits.

The Company has taken the following measures to manage the risk of energy supply reduction, as a consequence of the Ukrainian crisis: 1) we have been supplied with a diesel oil boiler to replace the supply of natural gas, 2) we use biogas which is produced from production's sewage in order to partially substitute the natural gas supply and 3) we have submitted our application to the Greek Energy Regulation Authority to be included in the scheme of "important industries", which will ensure our continuous supply of natural gas.

5. Ukraine Crisis

The Company does not have any operations in the Ukraine's or Russia's markets. However, the macroeconomic environment presents strong challenges due to various geopolitical tensions, including the ongoing war in Ukraine, since the beginning of 2022, the significant inflationary pressures and the high transport and energy costs. Global markets are facing a new, unprecedented condition which increases economic and social instability while they were trying to recover from the effects of the pandemic and return to a "normality". All of the above, combined with the increased interest rates, limit the purchasing power of consumers and create an uncertain and insecure business environment.

6. Estimation for the fourth quarter of 2022

KRI-KRI's management is cautious about the situation and developments in the economic environment. The recently triggered inflationary environment has also affected our basic input costs.

The increased prices of raw materials and energy led to the reduction of profit margins, as a result of the company's conscious decision to support the consumers, farmers and employees during this difficult period.

More specifically:

- Consumers: effort to maintain the selling prices of yogurt and ice cream products in a specific level, despite the continuous increases in the prices of raw materials, transportation and energy costs.
- Raw milk farmers: fair remuneration to milk producers by offering competitive market prices for raw milk.
- Employees: provision of horizontal support to all our employees using “inflationary allowance” schemes and targeted salary increases in low-wage employees.
- Environment and energy saving: invest in a biogas unit and a photovoltaic park aiming to reduce the company’s environmental footprint and at the same time to save energy in order to reduce the production cost.

According to currently available data, for full year 2022, the Management estimates that total sales would show a high double-digit growth, whereas operating profit margins may significantly decline.