KRI-KRI MILK INDUSTRY S.A.

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

General Commercial Registry No.: 113772252000

ANNUAL FINANCIAL REPORT

FOR THE PERIOD

1.1.2016 – 31.12.2016

IN ACCORDANCE WITH LAW 3556/2007

(TRANSLATION FROM THE GREEK ORIGINAL)

CONTENTS

DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

(in accordance with article 4 (2) of Law 3556/2007)

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

The Financial Statements for the period ended 31 December 2016, were prepared in accordance with IFRS, accurately present the assets, liabilities, shareholder's equity and the financial results of "KRI-KRI Milk Industry S.A." and the Report of the Board of Directors accurately presents the performance and position of "KRI-KRI Milk Industry S.A." including the description of basic risks and uncertainties that it faces.

Serres, 19 April2017

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 2016 UNTIL 31 DECEMBER 2016

Ladies and gentlemen,

The present Annual Report of the Board of Directors (hereinafter referred to as "Report") was prepared in accordance with the provisions of article 43a of cl.2190 / 1920 as amended and in force with law 4403/2016 Law 3556/2007 and the executive decisions of the Hellenic Capital Market Commission, and in particular the resolutions 1/434 / 3.7.2007 and 7/448 / 11-10-2007. The report includes all the necessary Information in an objective and adequate manner and with the principle of providing substantial and not typical information with regards to the issues included in such. It is noted that this Report includes, along with the 2016 financial statements, the required by law data and statements in the Annual Financial Report, which concern the financial year ended 31 December 2016. The sections of the Report and the content are as follows:

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 15 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 of products amounted €66.414k against €66.744k (decreased by -0,5%).

Ice-cream sales present a drop of 7% amounting €19.817k against €21.319k of 2015.

Yogurt sales present an increase of 2,6% amounting €46.598k against €45.426k of 2015.

Finally, exports were 23,6% of total sales presenting an increase of 30,4%.

PROFITABILITY

Company's profit before tax amounted €8.162k against €4.295k of 2015 (+90% increase). The net profit after tax amounted €6.236k against €3.843k of 2015 (62,3% increase). EBITDA amounted €10.990k against €7.311k of 2015 (50,3% increase).

EXTRAORDINARY ITEMS

It is noted that in the current 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 current year, while € 1.500.000 was accounted for the results of the previous financial year.

LOANS

At 1/12/2016 the bond agreement of the key shareholders was amended to extend the maturity dates of certain installments and reduce the interest rate.

At 31/12/2016, the balance of Company's loans amount to €9.067k.

BASIC FINANCIAL RATIOS

	Formula	31/12/2016	31/12/2015
Debt to capital=	Debt / Total equity + Debt	16,7%	21,4%
Debt to equity=	Debt / Total Equity	20,1%	27,3%
ROA=	Profit after Tax / Total Assets	8,2%	5,5%
ROE=	Profit after Tax / Total Equity	13,8%	9,4%

II. IMPORTANT EVENTS OF CURRENT FINANCIAL YEAR

OUR POSITION IN THE MARKET

The ice cream sector continues to suffer from the bad economic climate. We are defending these pressures by promoting our market share. To this end, 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 market share continues to grow. We reinforce our portfolio with innovative products (such as the SUPER SPOON yogurt line), while maintaining our competitive pricing policy.

Our domestic sales were strongly affected by the turmoil of the retail market caused by the financial distress of the MARINOPOULOS group companies. As a response to the credit exposure to the MARINOPOULOS group, we have had to interrupt the deliveries of our products, refusing to serve orders.

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

INVESTMENTS

During the year 2016, the final inspection of the investment programs implementation for ice cream and yogurt was completed by the State authority, which were included in the provisions of the development laws (Law 3299/04 and Law 3988/11, respectively).

For the reinforcement of the production infrastructure, a three-year investment plan of € 10 million was launched. For this project, the Company has submitted an application for its inclusion in the development law n. 4399/2016.

SAFETY, ENVIRONMENT, CORPORATE SOCIAL RESPONSIBILITY

Safety in the workplace, environmental protection, harmonious co-existence with the local community and ongoing 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 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 31.12.2016, the amount of € 5.000.000 is related to a fixed interest rate and the amount of € 4.067.248 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 and United Kingdom

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.

Also, political developments regarding the United Kingdom's decision to leave the European Union may, to a certain extent, negatively affect the export activity of the Company. It is noted that sales to the United Kingdom are less than 10% of the total turnover of the Company.

IV. Strategies – Future Performance Estimatations

STRATEGIES

In the ice cream industry, our main focus is to improve the sectoral operating result. At the same time, we are promoting the growth of numerical distribution, with emphasis on tourist areas.

In the dairy industry, with a modern factory with high production capacity and architecture, which allows for low processing costs, we aim to increase sales. In this direction, we actively promote the competitive advantages of our products (such as the use of 100% milk that was generated within the same day for the production of yogurts), while also strengthening our export orientation, responding to the increased demand for Greek yoghurt in foreign markets.

DIVIDEND POLICY

The KRI-KRI Dividend Policy promotes the distribution of an increased dividend each year, as profit margins allow.

The Tactical General Meeting of the Shareholders has decided to the distribution of dividends for the financial year 2015 of gross value €0,06

For the financial year 2016, the Board of Directors decided to propose to the Tactical General Meeting of the Shareholders the distribution of dividend of gross value €0,09 per share (2015: €0,06 per share). The distribution is dependent to the decision of the Tactical General Meeting of the Shareholders.

FUTURE PERFORMANCE ESTIMATES

The KRI-KRI administration has a cautious attitude towards the situation and developments in the economic environment. For the new year, it is a prerequisite to implement appropriate policies that will ensure adequate liquidity and maintain satisfactory profitability.

In any case, the uncertainty in the macroeconomic and financial framework and the volatile business environment both domestically and internationally do not allow a reliable estimate of the course of results for the full financial year of 2017.

V. Related party transactions

During the year 2016 there were no transactions and no balance of receivables or liabilities with related legal entities existed on 31/12/2016.

The Company maintains an obligation to related parties (its key shareholders) arising from the coverage of a bond loan of € 5.000.000. This loan is for 5 years, without collaterals and according to the usual terms of the banking market.

Related party transactions are analyzed a follows:

	31/12/2016	31/12/2015
Payment of interest on a bond loan*	216.632	215.451

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

	31/12/2016	31/12/2015
Payables to related parties*	5.000.000	5.000.000

Directors’ compensation and other transactions with key management personnel are analyzed a follows:

COMPENSATION OF DIRECTORS	31/12/2016	31/12/2015
Remuneration of the members of the Board of Directors	289.241	301.324
Salaries of the members of the Board of Directors	145.150	126.963
Total	**434.391**	**428.287**

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY MANAGEMENT PERSONNEL	31/12/2016	31/12/2015
Transactions with the members of the B.O.D and key management personnel	108.316	107.726
Liabilities to the members of the B.O.D and key management personnel*	2.500.000	2.638.050

* Bond loan covered by major shareholders

VI. Branch

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

VII. 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.

VIII. ANALYTICAL INFORMATION IN ACCORDANCE TO ARTICLE 4 OF LAW 3556/2007

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS

(According to paragraphs 7 and 8 of article 4 of Law 3356/2007)

(a) The share capital structure, including shares that are not admitted to trading on a regulated market in Greece or in another Member State, reporting for each class of shares the rights and obligations associated with this category And the percentage of the total share capital represented by the shares of that category..

The share capital of the Company amounts to € 12,564,751.68, divided into 33,065,136 shares of nominal value € 0.38 each and is fully paid up. All the shares of the company are common, nominal, with voting rights, listed for trading on the Athens Exchange and have all the rights and obligations established by the Law.

(b) Restrictions on the transfer of company shares, such as indicative restrictions on the holding of shares or the obligation to obtain prior approval from the company, other shareholders or a Public or Administrative Authority, without prejudice to article 4, paragraph 2 of Law 3371 / 2005.

The transfer of the company's shares is carried out in accordance with the Law and there are no restrictions on the transfer of the Company's statutes.

(c) Significant direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007.

On 31/12/2016, persons holding significant direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007 are:

Last Name	*First Name*	*Father Name*		*Percentage %*
TSINAVOS	PANAGIOTIS	GEORGIOS		30,49
OIKONOMOU	ATHANASIA	GEORGIOS		13,36
TSINAVOS	SPYRIDON	PANAGIOTIS	(KEM)	12,10
Co-beneficiaries: TSINAVOS SPYRIDON TSINAVOU EVANGELIA TSINAVOU CHARIKLEIA TSINAVOU SEVASTI				
TSINAVOU	EVANGELIA	SPYRIDON		6,50
TSINAVOU	CHARIKLEIA	SPYRIDON		6,42
TSINAVOS	GEORGIOS	PANAGIOTIS		5,02

(d) Holders of all kinds of shares that provide special control rights and a description of the related rights.

There are no Company shares that provide special control rights to their shareholders.

(e) Restrictions on voting rights, such as, but not limited to, voting rights to holders of a certain percentage of the share capital or to holders of a certain number of voting rights, and the time limits for the exercise of voting rights.

The Company's Articles of Association do not provide for restrictions on voting rights.

(f) Agreements between shareholders that are known to the Company and entail restrictions on the transfer of shares or restrictions on the exercise of voting rights.

The company is not aware of the existence of agreements between its shareholders, which impose restrictions on the transfer of its shares or on the exercise of the voting rights deriving from its shares.

(g) Rules for the appointment and replacement of members of the Board of Directors, as well as for the amendment of the Articles of Association, if different from the provisions of the Codified Law. 2190/1920.

The rules laid down in the Company's Articles of Association for the appointment and replacement of the members of the Board of Directors and the amendment of its provisions do not differ from the provisions of Law 2190/1920.

(h) Powers of the Board of Directors or certain members of the Board of Directors to issue new shares or purchase of own shares in accordance with article 16 of Codified Law 2190/1920. 2190/1920.

The Board of Directors and its members do not have the power to issue new shares or to buy own shares.

(i) Significant agreement entered into by the Company which enters into force, is amended or terminated in the event of a change in the control of the company following a public offer and the results of that agreement unless, by its nature, disclosure Agreement would cause serious damage to the company. The exemption of disclosure of the agreement does not apply when the disclosure obligation results from other provisions.

There are no agreements that enter into force, are amended or expire, in the event of a change of control of the company following a public offer,

(j) An agreement that the Company has concluded with members of its board of directors or its personnel, which provides for compensation in the event of resignation or dismissal without valid reason or termination of their term or employment due to the public offer.

There are no special agreements of the company with members of its Board of Directors or its personnel, which provide for the payment of compensation especially in case of resignation or dismissal without a valid reason or termination of their term or employment due to a public offer.

IX. CORPORATE GOVERNANCE

CORPORATE GOVERNANCE DECLARATION

This Corporate Governance Statement, as set out in Article 43bb of CL 2190/1920 as currently in force, is a specific part of the Annual Management Report of the Board of Directors and contains all the information required by law.

(a) Compliance with Corporate Governance Code

The Company has established and follows a Code of Corporate Governance, according to Law 3873/2010, which is posted on the Company's website www.krikri.gr.

(b) Deviations from the Corporate Governance Code and Justification of Such

There are no deviations from the Code of Corporate Governance established and followed by the Company.

(c) Corporate Governance Practices applied by the Company in addition to the provisions of the law

The Company's Board of Directors has established a Remuneration and Benefit Committee with advisory role in determining the Company's staff policy.

(d) Description of the internal control and risk management system as regards to the procedure of preparing financial statements

Internal control

The Board of Directors. The Company has ultimate responsibility for monitoring the adequacy of the company's internal control system including the internal audit system for the preparation of financial statements, which system is designed to ensure a reasonable but not absolute level of protection from a significantly misrepresentation or damage.

Internal control framework

The internal control system is evaluated on a sustained basis in order to confirm the maintenance of a safe and effective control environment. The annual control plan, prepared on the basis of the previous risk assessment and providing reasonable assurance that the Company's core business activities and financial risks are addressed, is approved on an annual basis by the Audit Committee. Specific business procedures have been introduced for areas with a high risk of fraud. The Audit Committee addresses all the major audit issues raised by both management and internal and external auditors and submits its findings to the Board of Directors. For all identified weaknesses in the internal control system, the Audit Committee ensures that the management takes all necessary corrective measures.

Corporate Policies and Procedures

The Company applies policies and procedures that ensure the effectiveness and efficiency of its core business activities, supporting both the internal control system it has adopted and effective risk management. The policies and procedures applied are subject to evaluation by the Board of Directors. Based on business unit reports and internal audit reports to ensure their adequacy and compliance.

Information systems

The Company has developed an Information System that supports financial information in an effective way. The Information System provides management with indicators that measure the Company's financial and operating profitability. Analysis of the results is carried out on a monthly basis covering all important business fields.

Danger management

The Company has set up the appropriate structures and procedures to assess and manage the risks associated with the preparation of the financial statements.

(e) Reference to points (c), (d), (f), (h) and (i) of Article 10 of Directive 2004/25/EC

The above are mentioned in paragraph "VIII. REFERENCES REFERRED TO IN ARTICLE 4 of Law 3556/2007 "(Explanatory Report) referring to the additional information of paragraphs 7 and 8 of article 4 of Law 3356/2007.

f) General Meeting and shareholders' rights

The General Meeting is the supreme body of the company, convened by the Board of Directors and entitled to decide on any matter concerning the company to which the shareholders are entitled, either in person or through a legally authorized representative, in accordance with the lawful procedure .
The Board of Directors. Ensures that the preparation and conduct of the General Meeting of Shareholders facilitates the effective exercise of shareholders' rights, who are informed of all matters relating to their participation in the General Meeting, including agenda items, and their rights in the General Assembly.
More specifically, regarding the preparation of the General Meeting in conjunction with the provisions of Law 3884/2010, the Company shall post on its web site at least twenty (20) days before the General Meeting, information on:
- the date, time and place of the General Meeting of Shareholders,
- the basic rules and practices of participation, including the right to enter items on the agenda and questions and the time limits within which such rights may be exercised,
- voting procedures, terms of proxy representation and the forms used for proxy voting,
- the proposed agenda for the Assembly, including draft decisions for discussion and voting, as well as any accompanying documents,
- the proposed list of candidate members of the Board of Directors; And their curriculum vitae (subject to election of members); and
- the total number of shares and voting rights at the date of the convocation.

i. The President of the Board of Directors The Company's Chief Financial Officer, the Chief Financial Officer and the Chairmen of the BoD Committees. Attend the General Meeting of Shareholders in order to provide information and information on issues raised for discussion and on questions or clarifications requested by shareholders. Furthermore, the General Meeting of Shareholders is also attended by the Company's Internal Audit Officer.
ii. At the meetings of the General Assembly, the Chairman of the Board of Directors is provisionally chaired, who also appoints the person who will serve as interim secretary.
iii. After the validation of the list of shareholders entitled to vote, the General Assembly immediately elects the final bureau, which is constituted by the President and the secretary who performs ballot duties. The decisions of the General Meeting are taken in accordance with the provisions of the current legislation and the provisions of the Articles of Association of the Company.
iv. A summary of the minutes of the General Meeting of Shareholders is available on the company's website.
v. In the GC Of the Company is entitled to participate and vote on any shareholder that appears as such in the records of the entity in which the securities of the Company are held. The exercise of these rights does not entail the freezing of the shares of the beneficial owner or the observance of any other similar procedure. The shareholder may appoint a representative if he so desires.

g) Composition and way of functioning of the Board of Directors and its Committees

Composition and mode of operation of the Board

The Company is governed by a Board of Directors, which according to the decision of the last General Meeting consists of five (5) members. All members of the Board of Directors Are elected by the General Assembly. The term of office of members is six years. A member of the Board of Directors may also be a legal person.

The current composition of the Board of Directors Includes the following five (5) members:
Tzinavos Panagiotis, Chairman & CEO
Kotsambasis Georgios, Vice-Chairman, Executive Member
Hosts Theodoros, Independent Non-Executive Member
Kamarinopoulos Panagiotis, Independent Non-Executive Member
Kyriakidis Anastasios, Independent Non-Executive Member

It is noted that at the meeting held on January 18, 2017, the Board of Directors decided to limit the members of the BoD to five out of seven following the resignation of three of its members and the election of Mr. Kyriakidis Anastasios as the missing fifth member.

The Board of Directors elects the Chairman and a Vice-Chairman from among its members. When the President is absent or impeded, his duties (as defined by law or statutes) are exercised by the Vice-President. The Board of Directors may meet validly, except at the registered office of the company, and wherever the company has a business establishment or a subsidiary. The Board of Directors may also meet by videoconference. The Board of Directors. Meets with the frequency necessary to ensure the effective performance of his / her duties. The Chairman of the Board of Directors shall chair the meetings of the Board of Directors, who may nominate a person to act as Secretary of the Board of Directors. The Board of Directors decides by a majority of the number of its present and / or legally represented members. The minutes of the meetings of the Board of Directors are signed either by its Chairman or by the Vice-President who are also entitled to issue copies and extracts thereof.

Composition and way of operation of BoD Committees

Control Committee

The Audit Committee is a committee of the Board of Directors and is formed to assist in the fulfillment of its supervisory responsibility for the financial information and information process, the compliance of the company and its subsidiaries with the legal and regulatory framework, Control system and supervising the audit function. The members of the Audit Committee are appointed by the General Meeting of the Company's shareholders following a proposal by the Board of Directors. The Audit Committee consists of at least two (2) non-executive members and an independent non-executive member of the Board of Directors who presides over its meetings and has experience / knowledge of financial and accounting matters. The Audit Committee meets as often as necessary but at least four times a year at the invitation of the Chairman and meets the company's regular auditor without the presence of the members of the management of the company at least twice a year.

The current composition of the Audit Committee includes the following three (3) members:

Xentes Theodoros, President
Kamarinopoulos Panagiotis, Member
Kyriakidis Anastasios, Member

Remuneration and Benefits Committee

The Board of Directors has established a Remuneration and Benefit Committee with advisory role in determining the Company's staff policy. More specifically, the Remuneration and Benefit Committee proposes to the Board of Directors all kinds of benefits paid to executive, management and senior management, while also regulating issues related to the company's general remuneration policy. The Committee consists of three (3) members, the majority of which are non-executive. The Chairman of the Remuneration Committee is appointed by the Company's Board of Directors and must be non-executive member. In the event that an Executive Member is involved in the composition of the Remuneration and Benefits Committee, this member is prevented from participating in the discussion and decision-making on any matter relating to his / her own salary. The Remuneration and Benefit Committee shall be convened by invitation of the President and shall meet as often as necessary, but at least once a year.
The current composition of the Remuneration and Benefit Committee includes the following three (3) members:
Xentes Theodoros, President
Kamarinopoulos Panagiotis, Member
Kyriakidis Anastasios, Member

(h) A diversity policy applicable to the Company's governing bodies

The Company applies an informal policy of diversifying the skills, opinions and skills of the members of its Board of Directors. Its goal is to serve corporate goals, as the pool of skills, experience and optics grows in the senior management body. All members of the Board of Directors are distinguished for their high professional training, their level of education, their experience and their organizational and administrative capabilities, and they are distinguished by the ethos and the integrity of their character.

Serres, 19 April 2017

THE PRESIDENT OF THE BOARD THE MEMBERS

Exact excerpt from the Board of Directors' book of proceeding

The President &
CEO

Panagiotis Tsinavos

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "KRI - KRI MILK INDUSTRY AE"

Report on the Financial Statements

We have audited the accompanying financial statements of "KRI - KRI MILK INDUSTRY AE", which comprise the statement of financial position as of 31 December 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing that have been incorporated into Greek legislation (G.G./B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company "KRI - KRI MILK INDUSTRY AE" as of 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Whereas management is responsible for the preparation of the Report of the Board of Directors and the Corporate Governance Statement included in this report, pursuant to the provisions of paragraph 5, article 2 (part B') of L. 4336/2015, we note that:

a) The Report of the Board of Directors includes a corporate governance statement which provides all the information set out in article 43bb of cod. L. 2190/1920.

b) In our opinion the Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of the article 43a and the paragraph 1 (cases c' and d') of the article 43bb of cod. L. 2190/1920 and its content corresponds with the accompanying financial statements for the year ended 31/12/2016.

c) Based on our understanding obtained when performing our audit of the Company "KRI - KRI MILK INDUSTRY AE" and its environment, we have not identified any material misstatements in the Report of the Board of Directors.

Athens, 21 April 2017

STYLIANOS M. XENAKIS

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 11541

ΣΟΛ CERTIFIED PUBLIC ACCOUNTANTS Crowe SOL

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

KRI KRI MILK INDUSTRY S.A.
Company's registration number
30276/06/B/93/12
113772252000
Head office: 3rd Km Serres-Drama, Serres 62125

FIGURES AND INFORMATION
for the period of 1 January 2016 until 31 December 2016

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.

State authority: Ministry of Development and Competitiveness
Company's website: **www.krikri.gr**
Date of BoD approval of financial statements: 19.4.2017

Certified Auditor: Stylianos M. Xenakis (Reg no 11541)
Auditing firm: SOL S.A. (Reg no 125)
Type of review report: Unqualified

Board of Directors:
Tsinavos Panagiotis
Kotsambasis Georgios
Xentes Theodoros
Kamarinopoulos Panagiotis
Kiriakidis Anastasios

STATEMENT OF FINANCIAL POSITION
(Amounts in €)

ASSETS	31/12/2016	31/12/2015
Non-current assets		
Tangible assets	37.814.391	37.333.085
Investment in properties	123.443	116.049
Intangible assets	632.231	593.837
Investments in subsidiaries	0	0
Other non current assets	1.601.829	119.670
TOTAL NON-CURRENT ASSETS	**40.171.894**	**38.162.642**
Current assets		
Inventories	7.377.290	6.876.461
Trade and other receivables	21.932.096	19.214.036
Cash and cash equivalents	6.839.970	5.456.079
TOTAL CURRENT ASSETS	**36.149.356**	**31.546.576**
TOTAL ASSETS	**76.321.250**	**69.709.218**
EQUITY AND LIABILITIES		
Equity		
Share capital	12.564.752	12.564.752
Reserves	17.885.880	15.424.418
Retained earnings	14.740.854	12.949.881
Total equity	**45.191.485**	**40.939.050**
Liabilities		
Non-current liabilities		
Long-term borrowings	7.253.173	7.755.455
Accrued pension and retirement obligations	649.680	641.957
Deferred income tax liabilities	1.738.096	1.096.575
Government grants	8.397.783	1.679.368
TOTAL NON-CURRENT LIABILITIES	**18.038.731**	**11.173.354**
Current liabilities		
Short-term borrowings	1.814.075	3.423.359
Trade and other payables	10.544.135	13.873.028
Current income tax liabilities	732.825	300.427
TOTAL CURRENT LIABILITIES	**13.091.034**	**17.596.814**
TOTAL LIABILITIES	**31.129.766**	**28.770.168**
TOTAL EQUITY AND LIABILITIES	**76.321.251**	**69.709.218**

STATEMENT OF CHANGES IN EQUITY
(Amounts in €)

	31/12/2016	31/12/2015
Total Equity at beginning of period (1.1.2016 and 1.1.2015 accordingly)	**40.939.050**	**39.057.161**
Total comprehensive income after taxes (Continuous operations)	6.236.343	3.865.796
Share capital increase	0	0
Dividends provided for or paid	(1.983.908)	(1.983.908)
Purchase (sale) of common stock	0	0
Total Equity at end of period (31.12.2016 and 31.12.2015 accordingly)	**45.191.485**	**40.939.050**

STATEMENT OF COMPREHENSIVE INCOME
(Amounts in €)

	1/1-31/12/2016	1/1-31/12/2015
Sales	**66.570.168**	**66.950.798**
Gross Profit	25.743.992	22.371.325
Profit before taxes, financial and investment income	**8.872.804**	**4.865.110**
Profit before taxes	**8.161.529**	**4.294.909**
Net profit for the period (A)	**6.236.343**	**3.843.293**
Other comprehensive income after tax (B)	**0**	**22.503**
Total comprehensive income after tax (A+B)	**6.236.343**	**3.865.796**
Net profit per share from continuous operations - Basic and reduced (in €)	**0,1886**	**0,1162**
Proposed dividend per share (in €)	0,0900	0,0600
Earnings before interest, taxes, depreciations and amortizations (EBITDA)	10.989.846	7.311.446

STATEMENT OF CASH FLOWS
(Amounts in €)

Indirect method	1/1-31/12/2016	1/1-31/12/2015
OPERATING ACTIVITIES		
Profit before taxes	8.161.529	4.294.909
Adjustments for:		
Depreciation	3.079.892	2.994.444
Provisions	1.813.649	1.117.879
Foreign exchange differences, net	16.766	0
Amortization of government grants relating to capital expenses	(962.850)	(548.109)
Investment income	(37.837)	(75.166)
Interest and related expenses	743.615	592.757
	12.814.765	8.376.715
Changes in working capital:		
Decrease / (Increase) in inventories	(797.158)	1.860.196
Decrease / (Increase) in receivables	(1.751.106)	1.462.491
(Decrease) / Increase in payables (except banks)	(365.315)	(2.849.641)
Less:		
Interest and related expenses paid	(491.540)	(610.472)
Taxes paid	(889.067)	(348.280)
Cash flow from operating activities (a)	**8.520.579**	**7.891.009**
INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(3.884.248)	(7.324.249)
Proceeds from sales of intangibles and property, plant and equipment	71.669	55.998
Interest received	13.343	22.556
Subsidies received	667.023	1.502.030
Cash flow from investing activities (b)	**(3.132.212)**	**(5.743.665)**
FINANCING ACTIVITIES		
Proceeds from borrowings	0	8.008.128
Repayments of loans	(2.211.782)	(4.341.974)
Dividends paid to company's shareholders	(1.792.693)	(1.794.860)
Cash flow from financing activities (c)	**(4.004.475)**	**1.871.294**
Change in cash and equivalents (a+b+c)	**1.383.891**	**4.018.638**
Cash and equivalents at beginning of period	5.456.079	1.437.441
Cash and equivalents at end of period	**6.839.970**	**5.456.079**

ADDITIONAL DATA AND INFORMATION

1. The Basic Accounting Principles of the Balance Sheet as of 31/12/2016 refer to the notes in section B of the annual financial statemetns.

2. The Company had prepared consolidated financial statements for the year ended 31 Decemeber 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 C4).

3. For the financial year 2016, the Board of Directors decided to propose to the Tactical General Meeting of the Shareholders the distribution of dividend of gross value €0,09 per share (2015: €0,06 per share). The distribution is dependent to the decision of the Tactical General Meeting of the Shareholders.

4. Number of personnel at 31 December 2016: 309 and at 31 Δεκεμβρίου 2015: 301.

5. The fixed assets have been collateralized for the amount of €7.000.000 (Note C1).

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

7. The Company has not been tax audited for the years 2009 and 2010 as reffered in note C16 of the Financial Statements.

8. There are no other affiliated companies, according to IAS 24, to KRI KRI S.A.

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:

	31/12/2016
a) Sales of goods and services	0
b) Expenses	216.632
c) Financing	0
d) Receivables from related parties	0
e) Liabilities to related parties	5.000.000
f) Key management compensation and transactions	542.707
g) Receivables from key management	0
h) Payables to key management	2.500.000

10. The Company's provisions are analyzed below:

	31/12/2016
Provisions for litigation matters	0
Provisions for anaudited tax years	142.944
Other provisions	2.827.313

The amount of other provisions is for doubtful debts (€1.881.304), retirement and termination employees benefits (€649.680) and destruction of non-saleable inventory (€296.329).

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

Serres, 19 April 2017

Chairman & Managing Director	Vice-Chairman	Financial Director	Chief Accountant
Panagiotis Tsinavos ID AE373539	Georgios Kotsambasis ID AE376847	Konstantinos Sarmadakis ID P462316	Evangelos Karagiannis ID T215570

KRI-KRI MILK INDUSTRY S.A.

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

General Commercial Registry No.: 113772252000

FINANCIAL STATEMENTS

FOR THE PERIOD

1.1.2016 – 31.12.2016

IN ACCORDANCE WITH IFRS

Statement of Comprehensive Income

	Note.	1/1-31/12/2016	1/1-31/12/2015
Sales	C24	**66.570.168**	**66.950.798**
Cost of sales	C17	(40.826.176)	(44.579.472)
Gross profit		**25.743.992**	**22.371.325**
Distribution expenses	C17	(15.418.351)	(16.089.882)
Administration expenses	C17	(2.598.539)	(2.199.975)
Research and developement expenses	C17	(133.746)	(96.615)
Other income	C18	1.098.706	590.398
Other (loss) / gain net	C19	180.742	289.860
Profit before taxes, financial and investment income		**8.872.804**	**4.865.110**
Financial income	C20	32.340	22.556
Financial expenses	C20	(743.615)	(592.757)
Financial income (net)		(711.275)	(570.201)
Profit before taxes		**8.161.529**	**4.294.909**
Income tax	C21	(1.925.186)	(451.616)
Net profit for the period (A)		**6.236.343**	**3.843.293**
Other comprehensive income			
OCI non recycled to P&L			
Revaluation on pension benefit obligation		0	22.503
Other comprehensive income after tax (B)		**0**	**22.503**
Total comprehensive income after tax (A + B)		**6.236.343**	**3.865.796**

Net profit per share from continuous operations			
- Basic and diluted (in €)	C22	**0,1886**	**0,1162**

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

Statement of Financial Position

	Note	31/12/2016	31/12/2015
ASSETS			
Non-current assets			
Tangible assets	C1	37.814.391	37.333.085
Investment in properties	C2	123.443	116.049
Intangible assets	C3	632.231	593.837
Investments in subsidiaries	C4	0	0
Other non current assets	C5	1.601.829	119.670
		40.171.894	**38.162.642**
Current assets			
Inventories	C6	7.377.290	6.876.461
Trade and other receivables	C7	21.932.096	19.214.036
Cash and cash equivalents	C8	6.839.970	5.456.079
		36.149.356	**31.546.576**
Total assets		**76.321.250**	**69.709.218**
EQUITY AND LIABILITIES			
Equity			
Share capital	C9	12.564.752	12.564.752
Reserves	C10	17.885.880	15.424.418
Retained earnings		14.740.854	12.949.881
Total equity		**45.191.485**	**40.939.050**
Liabilities			
Non-current liabilities			
Long-term borrowings	C11	7.253.173	7.755.455
Accrued pension and retirement obligations	C12	649.680	641.957
Deferred income tax liabilities	C13	1.738.096	1.096.575
Government grants	C14	8.397.783	1.679.368
		18.038.731	**11.173.354**
Current liabilities			
Short-term borrowings	C11	1.814.075	3.423.359
Trade and other payables	C15	10.544.135	13.873.028
Current income tax liabilities	C16	732.825	300.427
		13.091.034	**17.596.814**
Total liabilities		**31.129.765**	**28.770.168**
Total equity and liabilities		**76.321.250**	**69.709.218**

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
Balance at 31.12.2014	**12.564.752**	**1.584.808**	**13.622.176**	**38.275**	**(15.653)**	**11.262.804**	**39.057.161**
Profit for the period						3.843.293	3.843.293
Revaluation on pension benefit obligation					22.503		22.503
Total comprehensive income for the period					**22.503**	**3.843.293**	**3.865.796**
Reserves increase		172.309				(172.309)	
Transactions with owners in their capacity as owners							
Dividends provided for or paid						(1.983.908)	(1.983.908)
Balance at 31.12.2015	**12.564.752**	**1.757.116**	**13.622.176**	**38.275**	**6.851**	**12.949.880**	**40.939.050**
Balance at 31.12.2015	**12.564.752**	**1.757.116**	**13.622.176**	**38.275**	**6.851**	**12.949.880**	**40.939.050**
Profit for the period						6.236.343	6.236.343
Total comprehensive income for the period						**6.236.343**	**6.236.343**
Reserves increase		152.469	2.308.993			(2.461.462)	
Transactions with owners in their capacity as owners							
Dividends provided for or paid						(1.983.908)	(1.983.908)
Balance at 31.12.2016	**12.564.752**	**1.909.585**	**15.931.169**	**38.275**	**6.851**	**14.740.854**	**45.191.485**

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

Statement of cash flows

Indirect method	1/1-31/12/2016	1/1-31/12/2015
OPERATING ACTIVITIES		
Profit before taxes	8.161.529	4.294.909
Adjustments for:		
Depreciation	3.079.892	2.994.444
Provisions	1.813.649	1.117.879
Foreign exchange differences, net	16.766	0
Amortization of government grants relating to capital expenses	(962.850)	(548.109)
Investment income	(37.837)	(75.166)
Interest and related expenses	743.615	592.757
	12.814.764	8.376.715
Changes in working capital:		
Decrease / (Increase) in inventories	(797.158)	1.860.196
Decrease / (Increase) in receivables	(1.751.106)	1.462.491
(Decrease) / Increase in payables (except banks)	(365.315)	(2.849.641)
Less:		
Interest and related expenses paid	(491.540)	(610.472)
Taxes paid	(889.067)	(348.280)
Cash flow from operating activities (a)	**8.520.579**	**7.891.009**
INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(3.884.248)	(7.324.249)
Proceeds from sales of intangibles and property, plant and equipment	71.669	55.998
Interest received	13.343	22.556
Subsidies received	667.023	1.502.030
Cash flow from investing activities (b)	**(3.132.212)**	**(5.743.665)**
FINANCING ACTIVITIES		
Proceeds from borrowings	0	8.008.128
Repayments of loans	(2.211.782)	(4.341.974)
Dividends paid to company's shareholders	(1.792.693)	(1.794.860)
Cash flow from financing activities (c)	**(4.004.475)**	**1.871.294**
Change in cash and equivalents (a+b+c)	**1.383.891**	**4.018.638**
Cash and equivalents at beginning of period	5.456.079	1.437.441
Cash and equivalents at end of period	**6.839.970**	**5.456.079**

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 19 April 2017.

B. Significant accounting policies

B.1 Basis of preparation

These financial statements covering the period from 1.1.2016 to 31.12.2016, have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, the going concern principle, the accounting time period assumption, the principle of consistency and the principle of materiality, and are in conformity with International Financial Reporting Standards (IFRS) including the International Accounting Standards (IAS) and issued interpretations by International Financial Reporting Interpretations Committee (IFRIC) as they have been adopted by the European Union.

The accounting principles set out below have been applied on all presented periods.

The preparation of financial statements, in conformity with IFRS requires the use of critical accounting estimates and assumptions that can affect the balance of the accounts presented on the statement of financial position or on the statement of comprehensive income. Even though the critical accounting estimates are based on management's best judgment, actual results may, at the end, differ from these estimates.

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. 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

IAS 19R (Amendment) "Employee Benefits"

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 11 (Amendment) "Joint Arrangements"

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'.

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IAS 1 (Amendments) "Disclosure initiative"

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Annual Improvements to IFRSs 2012

The amendments set out below describe the key changes to certain IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project.

IFRS 2 "Share-based payment"

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 "Business combinations"

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 "Operating segments"

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

IFRS 13 "Fair value measurement"

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 "Related party disclosures"

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2014

The amendments set out below describe the key changes to four IFRSs.

IFRS 5 "Non-current assets held for sale and discontinued operations"

The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 "Financial instruments: Disclosures"

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 "Employee benefits"

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 "Interim financial reporting"

The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

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.

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 connected 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.

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle) (effective for annual periods beginning on or after 1 January 2017)

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 amendement clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information.

IAS 28 "Investments in associates and Joint ventures"

The amendements 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.

B.2 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Euros, which is the functional and presentation currency of the Company. Items included in the financial statements are measured in the functional currency, which is the currency of the primary economic environment in which the Company operates.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates (i.e. spot rates) prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the end of each reporting period exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. All exchange differences resulting from the above are recognised in other comprehensive income, in line other (loss)/gain net.

B.3 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, except for land, which is shown at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The book value of the part of the replacement asset ceases to be recognized.

Borrowing costs directly attributable to the acquisition, construction or production of tangible assets are capitalized in the asset's preparation period.

All other repair and maintenance expenses are charged to the income statement for the period as incurred.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

Buildings	40 years
Plant and machinery	5-20 years
Motor vehicles	5-10 years
Furniture and other office Equipment	4-7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount, charging the income statement.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

B.4 Investment properties

Investment property is property held for long-term rental yields or for capital appreciation or both and that is not owner-occupied. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied property from investment property.

Investment property is measured initially at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at historical cost less accumulated depreciation and impairment losses, except for land, which is shown at cost less impairment losses. Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

Buildings 40 years

The residual values and useful lives of investment property are reviewed and revalued if necessary at the end of each financial year.

The carrying amount of an investment property is impaired to its recoverable amount when its carrying amount exceeds its estimated recoverable amount and the differences (impairment) are recognized as an expense in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Since both investment properties and property, plant and equipment are valued at historical cost less accumulated depreciation, any transfer of an item between them does not affect its valuation. Investment properties are derecognised when they have been disposed. Gains or losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

B.5 Intangible assets

Computer software

Computer software, acquired separately, is measured on initial recognition at cost. Cost includes expenditure that is necessary to bring to use the specific software. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Company's computer software has a finite useful life of 5.5 years and it is amortized using the straight line method.

Trademarks

Trademarks are stated at cost less accumulated amortization. Company's trademarks have a finite useful life of 10 years and they are amortized using the straight line method.

B.6 Impairment of tangible and intangible assets (other than goodwill)

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Whenever an asset's book value, exceeds its recoverable amount, the impairment loss is recognized in the Company's income statement.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Tangible and intangible assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. A reversal of an impairment loss is recognized immediately in the income statement.

B.7 Investments in associates

Investments in associates, at the company's financial statements, are recognized at cost less any impairment loss.

B.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

B.9 Trade receivables

Trade receivables are recognized initially at their fair value, which corresponds to the currying value value, less impairment losses. Impairment losses (losses from bad debts) are recognized when there is objective evidence that the Company is not in a position to collect all amounts owed under contractual terms.

B.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, as well other short-term high liquidity and low risk investments.

B.11 Share capital

Ordinary shares are classified as equity. Direct costs incurred for increases in share capital are recorded, net of related income taxes against the share premium reserve.

B.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are measured at amortised cost using the effective interest method.

B.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be prepared for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is an asset that requires an extended period of time in order to be ready for the use for which it is determined or sale.

Investment income earned on the temporary investment of specific borrowings pending their use for qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed as part of finance costs in the period in which they are incurred.

B.14 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic basis over the useful lives of the related assets.

B.15 Taxation (current and deferred)

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

B.16 Employee benefits

Employee benefits include defined benefit plans and termination benefits.

(a) Defined benefit plans

Usually, defined benefit plans determine the pension received by an employee. The amount depends on several factors such as age, years of experience and compensation.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. For defined benefit pension plans, pension costs are assessed using the projected unit credit method. . The defined benefit obligations are measured at the present value of the estimated future cash outflows using interest rates of corporate or government bonds, depending on whether or not there is a deep market for corporate bonds in the relevant country, which have terms to maturity approximating the terms of the related liability.

The Company’s contributions to the defined contribution pension plans are charged to the income statement in the period to which the contributions relate.

Past service cost is recognised immediately in the income statement.

Net interest expense is calculated as the net amount between the defined benefit obligation and fair value of the plan assets multiplied with the discount interest rate. This cost is included in the statement of comprehensive income on staff costs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The Company operates a number of defined benefit and defined contribution pension plans in its territories. The defined benefit plans are made up of both funded and unfunded pension plans and employee leaving indemnities.

(b) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: a) when the Company can no longer withdraw the offer of those benefits and b) when the Company recognises costs for a restructuring that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

B.17 Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of goods and services stated net of value-added tax, rebates and discounts. Revenue recognition is as following:

(a) Sale of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer (usually upon delivery and customer acceptance) and the realization of the related receivable is reasonably assured.

The Company sells ice cream and dairy products to the wholesale market. Sales of goods are recognized when the Company has delivered the products to the wholesale customer, the wholesale customer has full discretion as to the way of distribution and the selling price of the products and there is no unfulfilled obligation that could affect the acceptance of the Purchase of products on the part of the wholesale customer. Specific wholesale customers are given the right of return for products that have expired on their expiry date. Revenue is adjusted to the value of the estimated returns. Delivery is only understood when the goods have been delivered to a specific location, the risk of waste and damage being transferred to the wholesale customer and either the wholesale customer has accepted the products in accordance with the sales contract or the terms of acceptance have expired, or the Company has objective evidence that all acceptance criteria have been met.

Branded ice cream and dairy products are usually sold at discounts and customers are entitled to a refund for products that have expired on their expiry date. Sales are recorded on the basis of the contractual selling price, net of the estimate of discounts and returns at the time of sale. Historical data are used to estimate and establish a provision for discounts and returns.

(b) Sale of services

Revenue arising from services is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive the payment is established.

B.18 Earnings 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.

B.19 Distribution of dividends

Dividend to the Company's shareholders is recognized in the financial statements in the period in which the Board of Directors' proposed dividend is ratified at the Shareholders' Annual General Meeting.

B.20 Leases

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made for operating leases (net of any incentives offered by the lessor) are recognized in the income statement using the straight-line method over the lease term.

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

B.21 Extraordinary items

The extraordinary items are disclosed separately in the financial statements when it is necessary for the further understanding of the financial performance of the Company. They are items of income or expense of considerable value that are displayed separately due to the significance of the nature or amounts.

B.22 Financial risk management

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 31.12.2016, the amount of € 5.000.000 is related to a fixed interest rate and the amount of € 4.067.248 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
1/1-31/12/2016	+1%	(48.521)
	-1%	48.521
1/1-31/12/2015	+1%	(54.380)
	-1%	54.380

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

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

The table below shows present liabilities into groups by due date (non-discounted):

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2016				
Debt	1.814.075	2.253.173	5.000.000	0
Trade and other payables	9.657.721	0	0	0
31 December 2015				
Debt	3.833.111	2.799.507	5.455.033	0
Trade and other payables	8.301.492	0	0	0

(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.23 Macroeconomic risks in Greece and United Kingdom

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.

Also, political developments regarding the United Kingdom's decision to leave the European Union may, to a certain extent, negatively affect the export activity of the Company. It is noted that sales to the United Kingdom are less than 10% of the total turnover of the Company.

B.24 Capital management

The objectives of the Company regarding capital management are to safeguard the Company's ability to remain a going concern in order to generate profits for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

According to common practice in the industry, the Company monitors its capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as "Total debt" (including "current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital employed is calculated as "Total Equity" as shown in the balance sheet plus net debt.

During 2016, the Company's strategy, like 2015, was to maintain low gearing ratio. The gearing ratios at December 31, 2016 and 2015 were as follows:

	2016	2015
Total debt (note C11)	9.067.248	11.178.814
Less: Cash and cash equivalent (note C8)	(6.839.970)	(5.456.079)
Net debt	**2.227.278**	**5.722.735**
Equity	45.191.485	40.939.050
Total capital employed	**43.166.328**	**46.661.785**
Leverage ratio	**5,16%**	**12,26%**

B.25 Fair value measurement

The Company acknowledges fair value measurement through a 3 level 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	7.565.180

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	150.000

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.26 Siginificant accounting estimations and judgments of the management

The estimations and judgments of the Management are constantly assessed. They are based on historic data and expectations for future events, which are deemed as fair according to the ones in effect.

Significant accounting estimations and judgements

The Company makes estimations and assumptions regarding the development of future events. The resulting accounting estimations will, by definition, seldom equal to the related actual results. The estimations and assumptions that relate to a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months are the following:

a) Income Tax

For determining the provision of income taxes it is required from management to exercise judgment. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes provisions for anticipated tax audit issues based on estimates on whether additional charges will be imposed. If the final result of the tax clearance or tax audit is different from the provision that was initially recognized, such differences will impact the income tax and deferred tax provisions in the period.

If the final result of tax clearance (in the areas of exercised judgement) of the estimated cash flows differ by 30% from management estimates, the Company should:

- Increase the obligation of current Income tax by € 3.065 if the difference was unfavorable to the Company, or

- Decrease the obligation of current Income tax by € 3.065 if the difference was favorable to the Company.

b) Provisions for employee benefits

The present value of the liabilities for post employment benefits depends on a number of factors defined on actuarial basis via the use of a significant number of assumptions. The assumptions used for the determination of the net cost (income) for post employment benefits include the discount rate. Any changes in the assumptions would have material effect on the accounting measurement of the liabilities for post employment benefits.

The Company defines the appropriate discount rate in each reporting period. It is the interest rate applicable for the calculation of the present value of the estimated future payments required for the settlement of the benefit liabilities. For the estimation of the appropriate discount rate the Company takes into consideration the interest rates prevailing in high credit rating corporate bonds denominated in the currency of the benefit payments and with maturity dates similar to the ones of the respective liabilities.

Other significant accounting assumptions for post employment benefit liabilities are based in part on the current market conditions. Additional information is provided in C12.

Significant accounting judgements in the application of accounting policies.

Trade receivables

At 31/12/2016 the trade receivables amount to €1.881.304 appear impaired. These receivables refer to clients that face economical distress and Management estimates that they will not manage to respond to their financial obligations. It is probable that part of the doubtful receivables will be collected in the future (note C7).

B.27 Comparative information

In accordance with IAS 1 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, unless another Standard requires otherwise. 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 and other Equipment	Total
COST						
Balance at 1 January 2015	1.242.228	11.185.399	45.357.493	1.231.878	3.391.293	62.408.291
Additions	36.963	210.613	2.220.918	33.528	172.103	2.674.124
Disposals	0	0	(187.695)	(41.638)	(35.261)	(264.593)
Write-offs		0	(2.738.202)	(59.032)	(1.777.178)	(4.574.411)
Transfers		0	59.757	(59.757)	0	0
Balance at 31 December 2015	1.279.191	11.396.013	44.712.271	1.104.979	1.750.957	60.243.411
ACCUMULATED DEPRECIATION						
Balance at 1 January 2015		(2.132.076)	(18.645.708)	(1.134.923)	(2.870.566)	(24.783.272)
Depreciation expense		(332.502)	(2.490.076)	(32.639)	(107.384)	(2.962.601)
Disposals		0	187.693	38.499	35.260	261.452
Write-offs		0	2.738.152	59.031	1.776.910	4.574.093
Transfers		0	(59.757)	59.757	0	0
Balance at 31 December 2015		(2.464.578)	(18.269.697)	(1.010.274)	(1.165.779)	(22.910.329)
Net book value at 31 December 2015	**1.279.191**	**8.931.435**	**26.442.576**	**94.705**	**585.178**	**37.333.085**
COST						
Balance at 1 January 2016	1.279.191	11.396.013	44.712.271	1.104.979	1.750.957	60.243.411
Additions	0	150.260	3.058.289	171.466	127.939	3.507.955
Disposals	0	0	(216.933)	(47.826)	0	(264.759)
Write-offs	0	0	(92.112)	0	0	(92.112)
Transfers	(10.082)	(9.627)	(203.872)	61.974	152.464	(9.143)
Balance at 31 December 2016	1.269.109	11.536.646	47.257.644	1.290.594	2.031.360	63.385.353
ACCUMULATED DEPRECIATION						
Balance at 1 January 2016		(2.464.578)	(18.269.697)	(1.010.274)	(1.165.779)	(22.910.329)
Depreciation expense		(339.906)	(2.469.289)	(34.433)	(134.929)	(2.978.558)
Disposals		0	210.600	47.826	0	258.426
Write-offs		0	62.877	0	0	62.877
Transfers		(957)	172.616	(60.433)	(114.608)	(3.382)
Balance at 31 December 2016		(2.805.441)	(20.292.892)	(1.057.315)	(1.415.315)	(25.570.964)
Net book value at 31 December 2016	**1.269.109**	**8.731.206**	**26.964.752**	**233.279**	**616.044**	**37.814.391**

The fixed assets have been collateralized for the amount of €7.000.000 to ALPHA BANK as a representative of the bond loan holders of the initial amount € 6.008.128 (cover agreement 11/2/2015).

C2. Investment properties

Investment properties are analyzed as follows:

	Land	Buildings	Total
COST			
Balance at 1 January 2015	56.561	76.629	133.190
Balance at 31 December 2015	56.561	76.629	133.190
ACCUMULATED DEPRECIATION			
Balance at 1 January 2015	0	(14.454)	(14.454)
Depreciation expense	0	(2.687)	(2.687)
Balance at 31 December 2015	0	(17.141)	(17.141)
Net book value at 31 December 2015	**56.561**	**59.488**	**116.049**
COST			
Balance at 1 January 2016	56.561	76.629	133.190
Transfers	10.082	0	10.082
Balance at 31 December 2016	66.643	76.629	143.272
ACCUMULATED DEPRECIATION			
Balance at 1 January 2016	0	(17.141)	(17.141)
Depreciation expense	0	(2.688)	(2.688)
Balance at 31 December 2016	0	(19.829)	(19.829)
Net book value at 31 December 2016	**66.643**	**56.801**	**123.443**

The investment properties of the Company did not produce any revenue from rents. There were not any operating expenses related to the investment properties. The fair value of investment properties is estimated to €150.000. The value is based on Management's estimations ("Level 3"), after examining the value of the properties in the area.

C3. Intangible assets

Intangible assets are analyzed as follows:

	Software licenses	Trademarks	Total
COST			
Balance at 1 January 2015	584.203	38.405	622.608
Additions	385.111	0	385.111
Balance at 31 December 2015	969.314	38.405	1.007.719
ACCUMULATED DEPRECIATION			
Balance at 1 January 2015	(366.804)	(17.922)	(384.727)
Depreciation expense	(25.315)	(3.841)	(29.155)
Balance at 31 December 2015	(392.119)	(21.763)	(413.882)
Net book value at 31 December 2015	**577.195**	**16.642**	**593.838**
COST			
Balance at 1 January 2016	969.314	38.405	1.007.719
Additions	134.597	0	134.597
Write-offs	(939)	0	(939)
Balance at 31 December 2016	1.102.972	38.405	1.141.378
ACCUMULATED DEPRECIATION			
Balance at 1 January 2016	(392.119)	(21.763)	(413.882)
Depreciation expense	(94.486)	(4.161)	(98.647)
Write-offs	3.382	0	3.382
Balance at 31 December 2016	(483.223)	(25.924)	(509.147)
Net book value at 31 December 2016	**619.749**	**12.482**	**632.231**

C4. Investment in associates

Investments in associates are analyzed as follows:

	31/12/2016	31/12/2015
Investments in associates	0	0

Shareholding in associates:

Name of associate	Acquisition cost	Impair-ment	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.

C5. Other non-current assets

Other non-current assets are analyzed as follows:

	31/12/2016	31/12/2015
Guarantees	40.738	32.636
Non-current Trade receivables	33.520	87.034
Non-current other receivables	1.527.572	0
Total	**1.601.829**	**119.670**

Trade balances that have been settled in a long-term basis are calculated to present value based on market interest rate.

C6. Inventories

Inventories are analyzed as follows:

	31/12/2016	31/12/2015
Merchandise	159.332	185.831
Finished goods	1.999.671	1.165.731
Raw materials	5.514.617	5.524.900
Less: Provisions for obsolete inventory	(296.329)	0
Total	**7.377.290**	**6.876.461**

The inventories amount recognized as expense in 2016 is €34.955.256 (2015: €38.379.384).

C7. Trade and other receivables

Trade and other receivables are analyzed as follows:

	31/12/2016	31/12/2015
Trade receivables	20.612.703	20.327.550
Less: Allowance for bad debts	(1.881.304)	(3.402.707)
	18.731.399	16.924.843
Creditors advances	183.587	520.414
VAT Receivables	2.091.277	1.258.292
Greek state -others	281.556	224.261
State grants receivables	599.862	0
Accrued income and deferred expenses	0	223.277
Other receivables	44.415	62.949
Total	**21.932.096**	**19.214.036**

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

At 31/12/2016 trade receivables totaling €18.467.719 was not overdue and not impaired. These requirements relate to independent customers, with appropriate record of transactional behavior.

Still, at 31/12/2016 trade receivables totaling €263.680 was due but not impaired. These requirements relate to independent customers, with appropriate record of transactional behavior.

The aging analysis of trade receivables is as follows:

		31/12/2016	31/12/2015
Neither past due nor impaired		18.467.719	15.847.231
Past due but not impaired			
	<30 days	165.674	673.036
	30-120 days	54.006	306.663
	>120 days	44.000	97.913
Total		**18.731.399**	**16.924.843**

At 31/12/2016 the Trade receivables totaling €1.881.304 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:

	31/12/2016	31/12/2015
Opening balance	3.402.707	1.683.039
Additions	1.531.000	1.736.368
Reversals	(21.403)	(16.697)
Receivables write-off	(3.031.000)	0
Ending balance	**1.881.304**	**3.402.707**

In the line "Other Receivables" an amount of € 165.430 against the Greek government has been recognised, that refers to the fine charged to the Company by the State for recovering grants by the establishment of special untaxed reserves of Articles 2 & 3 L.3220 / 2004 (art. 169 paragraph 1 N.4099 / 2012). Against this fine, the Company has appealed to the administrative courts and the application was accepted.

In the current 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 current year, while € 1.500.000 was accounted for the results of the previous fiscal year.

C8. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	31/12/2016	31/12/2015
Cash at bank and in hand	3.839.928	5.456.079
Short-term bank deposits	3.000.042	0
Total	**6.839.970**	**5.456.079**

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

The grading of cash and cash equivalents based on credit rating of Standard & Poor's Global is as follows:

External Credit Rating (S&P Global)	31/12/2016	31/12/2015
BBB+	3.335.484	4.853.552
CCC+	3.452.966	0
RD	0	566.522
Counterparties without external credit rating S&P Global	11.532	14.880
Cash at bank	**6.799.982**	**5.434.954**
Cash in hand	39.988	21.125
Total	**6.839.970**	**5.456.079**

C9. Issued capital

Issued capital on 31.12.2016 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	Par Value	Share Capital	Total
31-Dec-15	33.065.136	0,38 €	12.564.752	12.564.752
31-Dec-16	**33.065.136**	**0,38 €**	**12.564.752**	**12.564.752**

C10. Reserves

Reserves are analyzed as follows:

	31/12/2016	31/12/2015
Legal reserve	1.909.586	1.757.116
Contingency reserve	38.275	38.275
Tax exempt reserve L.2601/98	962.579	962.579
Tax exempt reserve L.3299/04	14.576.752	12.267.760
Tax exempt reserve from tax exempt revenues	306.949	306.949
Tax exempt reserve from revenues specially taxed	84.888	84.888
Actuarial gains-losses reserve	6.851	6.851
Total	**17.885.880**	**15.424.418**

Statutory reserves

According to the Greek commercial law, companies are required to form each year a reserve equivalent to 5% of net profit until it reaches one third of the share capital. Distribution of the statutory reserve, during the life of the company is prohibited.

Tax exempt reserves under special laws

Tax exempt reserves under special laws relating to non-distributed profits that are exempt from taxation based on special provisions of incentive laws. These reserves relate primarily to investments and are not distributed. For these reserves no tax liabilities have been recognised.

Tax-free and specially taxed reserves

Tax exempt reserves and reserves taxed in a special way represent interest income and investments sales of non listed companies, which are tax exempt or subject to retention of tax at source. Except for any tax prepayments, these reserves are subject to taxation in case of distribution. Currently the Company has no intention of distributing these reserves and therefore not accounted for in the respective tax liabilities.

C11. Borrowings

Borrowings are analyzed as follows:

	31/12/2016	31/12/2015
NON-CURRENT BORROWINGS		
Bond loans	7.253.173	7.755.455
Total non-current borrowings	**7.253.173**	**7.755.455**
CURRENT BORROWINGS		
Bank loans	0	500.000
Current liability of non-current loans	1.814.075	2.923.359
Total current borrowings	**1.814.075**	**3.423.359**
Total borrowings	**9.067.248**	**11.178.814**

Maturity of non-current bank borrowings:

	31/12/2016	31/12/2015
Between 1-2 years	6.501.782	2.502.407
Between 2-5 years	751.391	5.253.048
Total non-current borrowings	**7.253.173**	**7.755.455**

Changes on loans balances are analyzed as follows:

Balance at 1 January 2015	7.513.764
Loans received	8.008.128
Loans paid	(4.341.974)
Financial instruments valuation	(1.103)
Balance at 31 December 2015	**11.178.814**
Balance at 1 January 2016	11.178.814
Loans received	0
Loans paid	(2.106.505)
Financial instruments valuation	(5.061)
Balance at 31 December 2016	**9.067.248**

The bond agreement of the key shareholders was amended to extend the maturity dates of certain installments and reduce the interest rate.

Analysis of current long-term loans:

Loaner	Type of loan	Date of agreement	Initial value	Balance at 31/12/2016
National bank of Greece National bank of Greece Cyprus (LTD)	Bonds / 10year / floating interest rate	31/12/2007	2.000.000	320.296
Major shareholders	Bonds / 5year / fixed interest rate	18/12/2013 Amended at 1/12/2016	5.000.000	5.000.000
Alpha Bank Alpha Bank London	Bonds / 4year / floating interest rate / collaterals	11/2/2015	6.008.128	3.746.952

The fair value of long-term loans is calculated to €7.565.180 («Level 3»).

Effective interest rate of borrowings:

	1/1-31/12/2016	1/1-31/12/2015
Effective interest rate	4,06%	3,92%

C12. Retirement and termination benefit obligations

According to Greek labor law, employees are entitled to compensation in the event of dismissal or retirement, the amount of which is related to employee remuneration, length of service and way of retirement (dismissal or retirement). Employees who resign or are dismissed with cause are not entitled to compensation. The compensation due in the event of retirement is equal to 40% of the amount to be paid in the event of dismissal. The provision for termination benefits is presented in the accompanying financial statements in accordance with the provisions of Law 2112/1920 and is based on an independent actuarial study using the Projected Unit Credit Method

Liabilities recognized in the statement of financial position:

	31/12/2016	31/12/2015
Present value of defined benefit obligation	649.680	641.957
Liability recognized in the statement of financial position	**649.680**	**641.957**

Charges in income statement:

	1/1-31/12/2016	1/1-31/12/2015
Current service cost	51.221	70.117
Interest cost	12.839	12.216
Effect of cutting / settlement / termination benefits	0	20.685
Total expense	**64.061**	**103.018**

Charges in other comprehensive income:

	1/1-31/12/2016	1/1-31/12/2015
Actuarial gain/(loss)		
(α) Due to experience adjustments	0	(31.695)
Total charge in other comprehensive income	**0**	**(31.695)**

Liabilities' movement recognized in the statement of financial position:

	31/12/2016	31/12/2015
Opening balance	641.957	610.780
Charge in income statement	7.723	62.872
Charge in other comprehensive income	0	(31.695)
Ending balance	**649.680**	**641.957**

Reconsiliation of the present value of defined benefit obligation:

	31/12/2016	31/12/2015
Opening balance	641.957	610.780
Current service cost	51.221	70.117
Interest cost	12.839	12.216
Effect of cutting / settlement / termination benefits	0	20.685
Actuarial gain/(loss)	0	(31.695)
Less: Benefits paid during the period	(56.337)	(40.146)
Ending balance	**649.680**	**641.957**

The principal actuarial assumptions used are:

Mortality table	EVK 2000
Staff mobility	3%-0% depending on age group
Discount rate	2%
Future salary increases	0% until 2017 / 3% afterwards

Regarding the risks involved in the aforementioned program, this program is not funded and therefore there are no corresponding assets for this program. Consequently, risks such as volatility of assets or other similar risks (eg low yields, concentration of assets, etc.) do not exist. Risks to the existing project relate to the actuarial assumptions that are used to calculate the liability, which must be reflected in the financial statements and include possible changes in bond yields which are used to calculate the discount rate, and assumptions about the rate of inflation and the rate of future salary increases, which may affect the future cash flows of the programs.

C13. Deferred income taxes

Deferred tax assets are offset against deferred tax liabilities when there is legal right for such offsetting and both relate to the same tax authority jurisdiction.

The movement on the deferred income tax account after set-offs is as follows:

	31/12/2016	31/12/2015
Opening balance	(1.096.575)	(1.308.610)
Charge in income statement	(641.521)	221.226
Deferred tax on equity	0	(9.191)
Ending balance	**(1.738.096)**	**(1.096.575)**

The movement of the accounts of deferred tax assets and deferred tax liabilities during the year to the same tax authority, without taking into account the offsets, is as follows:

Movement of deferred tax liabilities

<u>Applying the method of historical cost on land and buildings and reclassification of depreciations based on their useful life</u>	
Balance at 1 January 2015	(2.461.890)
Charge in income statement	(89.852)
Reclassification	697.473
Balance at 31 December 2015	**(1.854.269)**
Charge in income statement	(358.204)
Balance at 31 December 2016	**(2.212.473)**

Movement of deferred tax assets

	Intangible assets	Retirement and termination benefits	Allowance for doubtful debts	Property, plant and equipment	Other	Total
Balance at 1 January 2015	399.218	286.699	242.681	60.701	163.982	1.153.281
Charge in income statement	(7.096)	36.555	457.787	0	(176.170)	311.076
Charge on equity	0	(9.191)	0	0	0	(9.191)
Reclassification	(372.319)	(127.896)	(159.835)	(60.701)	23.278	(697.473)
Balance at 31 December 2015	**19.803**	**186.167**	**540.633**	**0**	**11.090**	**757.693**
Charge in income statement	(14.925)	2.240	(437.404)	0	166.773	(283.316)
Balance at 31 December 2016	**4.878**	**188.407**	**103.229**	**0**	**177.863**	**474.377**

C14. Provisions

Provisions are analyzed as follows::

	31/12/2016	31/12/2015
Opening balance	1.679.368	2.227.476
Recognitions / Receipts during the year	7.681.265	0
Charge in income statement	(962.850)	(548.109)
Ending balance	**8.397.783**	**1.679.368**

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

C15. Trade and other payables

Trade and other payables are analyzed as follows:

	31/12/2016	31/12/2015
Trade payables	8.661.690	6.417.781
Cheques payables	599.082	1.053.341
Social security	310.713	332.936
Other Taxes and duties	215.894	158.258
Dividends payables	3.704	0
Advances of state subsidies	64.298	4.724.194
Customers' advances	291.804	356.148
Other payables	396.950	830.371
Total	**10.544.135**	**13.873.028**

The change in line "Advances of state subsidies" relates to government grants recognitions according to IFRS20 after the audit that was conducted from the state authorities.

C16. Income Tax liabilities

Income tax liabilities are analyzed as follows:

	31/12/2016	31/12/2015
Income tax	1.225.009	585.286
Advance income tax	(635.129)	(427.803)
Provision for anaudited tax years	142.944	142.944
Total	**732.825**	**300.427**

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.

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. 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 2011-2014 the tax audit conducted by the audit company "SOL SA" and for the year 2015 by the audit company "PriceWaterhouseCoopers SA". Upon completion of the tax audit, the certificate was issued, while not resulting tax liabilities beyond those recognized and reported in the financial statements.

For the year 2016 the Company has been subject to tax audit of the Auditors, as previewed from the tax provisions of Article 65a of N.4172 / 2013 (ITC). This control is in progress and the related tax certificate is to be granted after publication of the financial statements for 2016. If until the completion of the tax audit additional tax liabilities emerge, we estimate that they will not exert a material effect on financial statements.

C17. Expenses by type

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

1/1-31/12/2016	Cost of Sales	Distribution	Administra-tion	Research& Development	Total
Raw materials and consumables used	34.693.521	239.990	179	21.565	34.955.256
Staff costs	2.982.599	3.471.849	1.220.088	89.482	7.764.018
Energy costs	959.370	611.885	35.632	0	1.606.887
Maintenance expenses	276.415	313.228	156.239	234	746.116
Transport & trips expenses	150.852	2.248.174	11.517	835	2.411.377
Advertising/marketing expenses	3.123	4.798.251	39.912	119	4.841.405
Freelancers fees	72.683	259.665	353.796	18.192	704.336
Depreciation	1.516.209	1.186.210	377.392	81	3.079.892
Bad debt provision	0	1.531.000	0	0	1.531.000
Other expenses	171.404	758.099	403.784	3.239	1.336.526
	40.826.176	**15.418.351**	**2.598.539**	**133.746**	**58.976.812**

1/1-31/12/2015					
Raw materials and consumables used	38.051.338	258.434	4.721	64.891	38.379.384
Staff costs	2.946.088	3.306.152	1.297.390	30.584	7.580.214
Energy costs	869.610	580.375	11.882	0	1.461.867
Maintenance expenses	559.083	367.240	67.421	772	994.516
Transport & trips expenses	291.396	2.933.872	20.268	287	3.245.823
Advertising/marketing expenses	4.613	4.713.607	6.989	0	4.725.209
Freelancers fees	95.671	617.899	392.945	0	1.106.515
Depreciation	1.624.808	1.215.567	154.009	0	2.994.384
Bad debt provision	0	1.719.671	0	0	1.719.671
Other expenses	136.866	377.066	244.349	80	758.361
	44.579.473	**16.089.883**	**2.199.974**	**96.614**	**62.965.944**

C18: Other income

Other income are analyzed by type as follows:

	1/1-31/12/2016	1/1-31/12/2015
Income from subsidies	47.842	18.848
Income from services	82.026	14.137
Rental income	5.988	9.304
Amortization of government grants relating to capital expenses	962.850	548.109
Total	**1.098.706**	**590.398**

C19: Other (loss) / gain net

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

	1/1-31/12/2016	1/1-31/12/2015
Gains on disposal of property, plant and equipment	67.072	52.928
Reversal of non-utilized provisions	77.741	1.189
Insurance claim settlement	0	5.769
Provisions for litigation matters	0	139.445
Other income	91.348	98.913
Losses on disposal of property, plant and equipment	(29.235)	(318)
Tax related fines and penalties	(1.361)	(100)
Foreign currency exchange differences	(16.766)	0
Other expenses	(8.056)	(7.966)
Total	**180.742**	**289.860**

C20. Financial income - expenses

Financial income-expenses are analyzed by type as follows:

FINANCIAL INCOME	1/1-31/12/2016	1/1-31/12/2015
Interest income	16.443	655
Other capital gains	15.897	21.901
Total financial income	**32.340**	**22.556**
FINANCIAL EXPENSES		
Interest expense	403.247	501.836
Bank fees and charges	55.143	65.220
Other financial expenses	285.225	25.702
Total financial expenses	**743.615**	**592.758**
Financial income - expenses (net)	**(711.275)**	**(570.202)**

C21. Income tax expense

Income tax expense is analyzed as follows

	1/1-31/12/2016	1/1-31/12/2015
Current tax	1.283.665	589.898
Deferred tax	641.521	(221.226)
Provision for unaudited fiscal years	0	82.944
Total	**1.925.186**	**451.616**

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

Reconciliation of income tax expense:

	1/1-31/12/2016	1/1-31/12/2015
Profit before tax	8.161.529	4.294.909
Tax calculated at the statutory tax rate of 29%	2.366.843	1.245.524
Income not subject to tax	(451.876)	(1.107.857)
Expenses not deductible for tax purposes	10.218	75.400
Effect of tax rates change	0	150.993
Tax differences of prior fiscal years	0	4.612
Provisions for unaudited fiscal years	0	82.944
Income tax expense	**1.925.186**	**451.616**

The management of the Company in order to minimize the tax expenses, follows a consistent tax planning that is based on the motivations provided by the tax legislation.

C22. 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.

	1/1-31/12/2016	1/1-31/12/2015
Net profit attributable to parent's shareholders	6.236.343	3.843.293
Weighted average number of ordinary shares	33.065.136	33.065.136
Basic and diluted earnings per share (€ per share)	**0,1886**	**0,1162**

C23. Earnings before interest, taxes, depreciation and amortization

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

	1/1-31/12/2016	1/1-31/12/2015
EBITDA	**10.989.846**	**7.311.446**

C24. 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 financial year 2016 and 2015 are analyzed as follows:

1/1-31/12/2016	Sales	Cost of Sales	Distribution Cost	Operating Earnings
Icecream	**19.816.643**	**(10.652.689)**	**(6.345.416)**	**2.818.538**
Greece	17.435.108	(8.849.822)	(6.086.500)	2.498.786
Other countries	2.381.535	(1.802.867)	(258.916)	319.752
Dairy-Yogurt	**46.597.821**	**(29.905.507)**	**(9.063.046)**	**7.629.268**
Greece	33.272.441	(20.408.085)	(8.134.086)	4.730.270
Other countries	13.325.380	(9.497.422)	(928.960)	2.898.998
Rest	155.705	(267.981)	(9.889)	(122.165)
Total	**66.570.168**	**(40.826.176)**	**(15.418.351)**	**10.325.641**

1/1-31/12/2015	Sales	Cost of Sales	Distribution Cost	Operating Earnings
Icecream	**21.319.008**	**(12.428.874)**	**(6.395.162)**	**2.494.971**
Greece	19.225.212	(10.676.701)	(6.201.935)	2.346.576
Other countries	2.093.796	(1.752.173)	(193.228)	148.395
Dairy-Yogurt	**45.425.903**	**(31.429.163)**	**(9.653.209)**	**4.343.531**
Greece	35.478.399	(23.789.688)	(8.862.959)	2.825.752
Other countries	9.947.504	(7.639.475)	(790.250)	1.517.779
Rest	205.887	(721.434)	0	(515.547)
Total	**66.950.798**	**(44.579.471)**	**(16.048.371)**	**6.322.955**

The "Operating Earnings" index is an Alternative Performance Measures (APM) and is calculated as follows: Sales minus Cost of sales minus Distribution Cost.

It is noted that sales revenues of approximately € 7,801 thousand (2015: € 12,672 thousand) come from a single customer. The proceeds of these sales are in the sectors Ice cream - Greece and Dairy - Greece.

C25. Staff costs

Staff costs are analyzed as follows:

	1/1-31/12/2016	1/1-31/12/2015
Salaries and wages	5.562.957	5.417.105
Social security costs	1.321.075	1.301.589
Retirement and termination benefits	64.061	103.018
Other staff costs	526.684	457.179
Total	**7.474.777**	**7.278.891**
Board of directors remuneration	289.241	301.324
Total Staff costs	**7.764.018**	**7.580.214**

Personnel headcount:

31/12/2016	31/12/2015
309	301

C26. Commitments

The Company leases motor vehicles, properties and other equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

	31/12/2016	31/12/2015
Up to 1 year	204.525	219.662
Between 1 to 5 years	433.314	297.660
More than 5 years	177.500	207.917
Total	**815.339**	**725.239**

Rents expenses during the period of 2016 is calculated to €405.407 (2015: €449.734).

C27. Dividends

For the financial year 2016, the Board of Directors decided to propose to the Tactical General Meeting of the Shareholders the distribution of dividend of gross value €0,09 per share (2015: €0,06 per share). The distribution is dependent to the decision of the Tactical General Meeting of the Shareholders.

The Tactical General Meeting of the Shareholders of 28/6/2016 has decided to the distribution of dividends for the financial year 2015 of gross value €0,06, totaling the amount of €1.983.908 which has been wholly settled.

C28. 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.

C29. Related party transactions

Related party transactions are analyzed as follows:

	31/12/2016	31/12/2015
Payment of interest on a bond loan*	216.632	215.451

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

	31/12/2016	31/12/2015
Payables to related parties*	5.000.000	5.000.000

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

COMPENSATION OF DIRECTORS	31/12/2016	31/12/2015
Remuneration of the members of the Board of Directors	289.241	301.324
Salaries of the members of the Board of Directors	145.150	126.963
Total	**434.391**	**428.287**

OTHER TRANSACTIONS WITH THE MEMBERS OF THE B.O.D. AND KEY MANAGEMENT PERSONNEL	31/12/2016	31/12/2015
Transactions with the members of the B.O.D and key management personnel	108.316	107.726
Liabilities to the members of the B.O.D and key management personnel*	2.500.000	2.638.050

* Bond loan covered by major shareholders

C30. Post balance sheet events

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

Serres, 19 April 2017

Chairman & Managing Director	Vice-Chairman	Financial Director	Chief Accountant
Panagiotis Tsinavos ID AE373539	Georgios Kotsambasis ID AE376847	Konstantinos Sarmadakis ID P462316	Evangelos Karagiannis ID T215570