HELLENICDAIRIES S.A.

HELLENIC DAIRIES S.A.

ANNUAL FINANCIAL STATEMENTS

of the Period from January 1st to December 31st 2018

Annual Financial Statements
of the Period from January 1st 2018 to December 31st 2018

It is certified that these Annual Financial Statements of the period 1.1.2018-31.12.2018 are those approved by the Board of Directors of "HELLENIC DAIRIES S.A." during its meeting on the 3rd of July 2019.

CONTENTS

A. Report of the Board of Directors of HELLENIC DAIRIES S.A. on the financial statements of the Company for the period 01/01/2018 – 31/12/2018

Dear Shareholders,

This Annual Report of the Board of Directors of the company HELLENIC DAIRIES S.A. (hereinafter called the Company) and its subsidiaries (hereinafter called the Group) concerns the financial year from January 1st to December 31st 2018 and was prepared in accordance with the relevant provisions of Article 136 of Codified Law 2190/1920.

All individual topics of the present report, which are necessary, subject to the above legal framework, reflect in a true and concise but essential manner all relevant and necessary information according to law, in order to extract a substantial and comprehensive briefing on the activities of the Company and the Group during the said period of time.

The purpose of the topics of the report is to inform the shareholders and other third parties:

- About the financial position and other information of the Group and the Company during the financial year under examination,
- About the significant events that took place during the financial year under examination and their impact on the annual financial statements,
- About the perspectives and the strategic goals of the Group and the Company,
- About the risks that may arise for the Group and the Company,
- About the transactions performed between the Company and its related parties,
- About the significant events that took place after the end of the financial year under examination.

Given the fact that the Company also prepares consolidated financial statements, this Report is unified, having as principal point of reference the consolidated financial data of the Company and its associated enterprises and with reference to the individual (standalone) financial data of the Company, only insofar as deemed appropriate or necessary for better understanding its content.

The Report is included along with the Company's financial statements.

The shareholders and other third parties may visit the website www.hellenicdairies.com where the Annual Report is posted, including the financial statements as well as the audit report of the Certified Public Accountant.

A.1. Financial Position – Performance – Other Information

A.1.1. Financial information

The financial year 2018 as well as the comparable financial year 2017 were characterized by prolonged economic instability due to the vulnerable banking system. Moreover, the outbreak of the immigration problem has tested the strength of the state apparatus and local communities, while it takes a turn that threatens to impair the freedom of movement and employment within the European Union. In particular, all consumption sectors continue to show significant shrinking both as a result of the decrease in investments and the decrease of income available, which has been affected by the consecutive reductions, the increase of layoffs and the increase of taxes. Provisions on the evolution of macroeconomic aggregates suggest that the adverse economic conditions will continue to exist in the immediate future.

A large number of productive businesses is engaged in the sector. The large-sized dairy companies cover the biggest part of the market in most product categories, as they have organized distribution networks, thus covering almost the entire geographical territory of Greece. The import sector includes many enterprises, most of which are engaged in the wider industry of dairy/cheese products.

During a crucial period for the Greek economy, the sustainability and development of the sector of dairy industry is deemed necessary, both for the development of the sector in the domestic market and for the support of the exporting activity of Greek industrial units. The field of dairy products is now a highly dynamic sector in Greece, which plays an important role in the developments of food industry. At the same time, it faces a number of challenges arising from the modern “industrialized” stock raising, biotechnology, new concepts and trends in consumer preferences, the recent reform of the Common Agricultural Policy and the rapid technological developments in the industry. The internationalization of business environment necessitates the improvement of productivity, the modernization of production technologies and the designing of new products. Simultaneously, the continuous control for the improvement of product quality is of special importance, as well as the strategic expansion and improvement of the efficiency of distribution networks.

The Company cooperates with stock breeders and producers and is constantly expanding the research on bringing in quality cow’s, sheep’s and goat’s milk as well as their respective biological products by producers certified for the production of products with high standards and quality features. The Company’s beneficial presence is revealed in the regions where it operates with the support of employment and stockbreeding, the environmental protection with the application of advanced methods for waste management through environmentally friendly sources of energy, the introduction of new technologies and enhancement of competitiveness with high quality featured dairy products, meeting modern consumer demands and standards of hygiene and quality assurance.

Within this extremely difficult environment, the progress of the Company, taking into account the developments of the industry where it is engaged, can be estimated as satisfactory. The Group, during the financial year 2018, was committed to its strategic goals by increasing the turnover despite the shrinking of the domestic market, thus investing in new markets in Europe.

We provide you with any further details of the financial statements in relation to those of the previous financial year.

A.1.2. Total income of financial year

BRIEF PROFIT AND LOSS STATEMENT OF FINANCIAL YEAR			
	GROUP DETAILS		
amounts expressed in thousand €	01.01-31.12.2018	01.01-31.12.17	CHANGE%
Turnover	339.411	308.792	9,92%
Gross Profit / (Loss)	77.735	70.446	9,96%
Gross Profit Margin	23%	23%	0,04%
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	54.175	51.224	5,76%
Earnings Before Interest and Taxes (EBIT)	36.659	34.207	7,17%
Profit before taxes	28.478	27.907	2,04%
Profit after taxes	22.090	20.813	6,14%

The Group's **turnover** amounted to € 339.411 thousand compared to the amount of € 308.792 thousand of the previous financial year. This increase reflects the strategic choices of the Group, to which all its companies have contributed.

The Group's **gross profit** amounted to € 77.735 thousand compared to the amount of € 70.446 thousand of the previous financial year, thus increasing by 9.96%.

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group amounted to € 54.175 thousand compared to the amount of € 51.224 thousand of the previous financial year, thus increasing by 5.76%.

More specifically:

	GROUP		COMPANY	
Amounts expressed in thousand €	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profits / (Losses) before taxes	**28.478**	**27.907**	**20.933**	**25.213**
Financial income	(67)	(100)	(1)	(1)
Financial expenses	7.089	6.399	5.059	4.823
Amortizations	17.516	17.017	11.312	10.566
Losses from impairment of financial assets	1.159	0	965	0
EBITDA	**54.175**	**51.224**	**38.268**	**40.601**

The earnings before interest and taxes (EBIT) of the Group amounted to € 36.659 thousand compared to the amount of € 34.207 thousand of the previous financial year, thus increasing by 7.17% due to the turnover's increase.

The profit before taxes of the Group amounted to € 28.478 thousand compared to the amount of € 27.907 thousand of the previous financial year, thus increasing by 2.04%.

The profit after taxes of the Group amounted to € 22.090 thousand compared to the amount of € 20.813 thousand of the previous financial year, increased by 6.14%.

The other total income after taxes amounts to € 222 thousand compared to the amount of € 96 thousand of the previous financial year. The improvement is due to the fact that the other total income of the current financial year benefited from the revaluation of the owner-occupied fixed assets of the subsidiaries by an independent professional assessor as well as from the deferred taxation of the Company's fair value reserve.

1.1.1. Assets

BALANCE SHEET DATA (Assets)			
	GROUP DETAILS		
amounts expressed in thousand €	01.01-31.12.2018	01.01-31.12.17	CHANGE%
Total Assets	468.252	412.328	13,56%
Total Non-Current Assets	291.039	255.709	13,82%
Inventories	80.403	67.221	19,61%
Receivables from Clients	70.748	66.848	5,83%
Other Assets	26.063	22.550	15,57%

The total assets of the Group amount to € 468.252 thousand compared to the amount of € 412.328 thousand of the previous financial year.

The non-current assets of the Group, after amortizations, amounted to € 291.039 thousand compared to the amount of € 255.709 thousand of the previous financial year.

The inventories of merchandises, raw and auxiliary materials, as well as consumable materials of the Group amount to € 80.403 thousand compared to the amount of € 67.221 thousand of the previous financial year.

The receivables from clients of the Group came to the amount of € 70.748 thousand compared to the amount of € 66.848 thousand of the previous financial year mainly due to the increase in the turnover and the improvement of the average collectability from 76 days during the previous financial year to 73 days during the current financial year.

The other assets of the Group amounted to € 26.063 thousand compared to the amount of € 22.550 thousand of the previous financial year.

1.1.2. Liabilities

BALANCE SHEET DATA (Liabilities)			
	GROUP DETAILS		
amounts expressed in thousand €	01.01-31.12.2018	01.01-31.12.17	CHANGE%
Total Liabilities	468.252	412.328	13,56%
Net Position	184.950	166.924	10,80%
Long-term Borrowings	151.804	49.498	206,69%
Other Long-term Liabilities	16.904	18.078	-6,49%
Short-term Borrowings	39.218	124.978	-68,62%
Other Short-term Liabilities	75.376	52.850	42,62%

The net position of the Group amounts to € 184.950 thousand compared to the amount of € 166.924 thousand of the previous financial year.

The long-term borrowings of the Group amounted to € 151.804 thousand compared to the amount of € 49.498 thousand of the previous financial year due to the new bond loan concluded by the Company with which it restructured a significant part of its loans and with which it will finance the investment plan of the next five years.

The other long-term liabilities of the Group seem increased and come to the total amount of € 16.904 thousand compared to the amount of € 18.078 thousand of the previous financial year, mainly due to the impact of deferred taxation.

The short-term borrowings of the Group seem decreased and come to the amount of € 39.218 thousand compared to the amount of € 124.978 thousand of the previous financial year, mainly due to the restructuring of the Company's loans.

The other short-term liabilities of the Group come to the amount of € 75.376 thousand compared to the amount of € 52.850 thousand of the previous financial year. This increase is mainly due to the increase of commercial and other liabilities.
Both the Group and our Company monitor the liabilities and ensure that they are absolutely punctual, thus maintaining their good reputation in this sector, too.

A.2. Performance of the Group and the Company

A table is cited below with the financial ratios of the Group and the Company for both the current and previous financial year:

	FINANCIAL RATIOS	Group Details		Company Details	
		2018	2017	2018	2017
A.	LIQUIDITY RATIOS				
A1.	CURRENT RATIO	154,64%	88,07%	208,61%	97,07%
A2.	QUICK RATIO	84,48%	50,27%	129,33%	62,50%
A3.	ACID TEST RATIO	7,20%	3,00%	7,89%	1,46%
A4.	WORKING CAPITAL TO CURRENT ASSETS	35,34%	-13,54%	52,06%	-3,02%
B.	CAPITAL STRUCTURE RATIOS				
B1.	DEBT TO EQUITY	1,56	1,50	1,20	0,96
B2.	CURRENT LIABILITIES TO NET WORTH	0,63	1,09	0,41	0,85
B3.	FIXED ASSETS TO NET WORTH	1,57	1,53	0,96	0,78
B4.	OWNER'S EQUITY TO TOTAL LIABILITIES	0,64	0,67	0,83	1,05
B5.	CURRENT ASSETS TO TOTAL ASSETS RATIO	0,38	0,38	0,39	0,42
C.	ACTIVITY RATIOS				
C1.	INVENTORIES TURNOVER RATIO	0,9 times	1,00 times	1,13 times	1,17 times
C2.	FIXED ASSETS TURNOVER RATIO	1,17 times	1,21 times	1,75 times	2,11 times
C3.	DAYS OF SALES OUTSTANDING	72,97 days	75,94 days	42,91 days	45,76 days
C4.	ASSET TURNOVER RATIO	0,72 times	0,75 times	0,77 times	0,84 times
C5.	OWNER'S EQUITY TURNOVER RATIO	1,87	1,89	2,49	1,64

		times	times	times	times
D.	**PROFITABILITY RATIOS**				
D1.	GROSS PROFIT MARGIN	22,90%	22,81%	19,87%	22,03%
D2.	NET PROFIT MARGIN	6,51%	6,74%	5,59%	7,39%
D3.	RETURN OF INVESTMENT	29,87%	31,34%	22,89%	26,08%
D4.	EFFICIENCY OF TOTAL ASSETS	6,25%	8,88%	5,25%	11,01%
D5.	RETURN ON TOTAL CAPITAL EMPLOYED	7,58%	8,30%	7,07%	9,86%
E.	**OPERATING EXPENSES RATIOS**				
E1.	OPERATING RATIO	89,40%	89,12%	90,72%	88,91%
E2.	INTEREST RATIO	5,06	5,43	5,14	6,23
E3.	OPERATING EXPENSES TO NET SALES	12,30%	11,93%	10,59%	10,95%
E4.	LOANS TO TOTAL ASSETS	38,75%	41,27%	32,78%	30,01%

A.3. Share Capital

The Company's shares are ordinary nominal shares:

Number of shares and nominal value	**31.12.2018**
Number of shares	20.498.688
Nominal value per share	0,73

During the Extraordinary Self-Convened General Meeting held on 14.06.2018, the share capital increase by the amount of € 3.292.095,60 was approved unanimously through the issuance of 4,509,720 preferred registered shares, without voting rights, of a nominal value of € 0.73 each with the following privileges:
a. partial or total entitlement, before the ordinary shares of the Company, to the dividend distributed in accordance with the provisions of article 33 of the articles of association.
b. privileged return on capital paid by the holders of preferred shares coming from the proceeds of the liquidation of the company's property.
c. privileged payment of dividends also for the financial years when there was no distribution of dividends.
d. entitlement to interest and/or dividend.
e. in whole or in part participation in the profits of the Company or its business activity.
f. granting of other cash benefits or considerations.

On the 31st of December 2018, the Company does not have any own shares.

A.4. Dividend Policy

Subject to legislation currently in force, the Company is obliged to distribute a dividend to shareholders of at least 35% of the profits after taxes and the formation of statutory reserve, which may be distributed under IFRS, unless otherwise decided by the General Meeting.

The Group's Administration seeks to develop its activities and achieve its strategic goals by carrying out the necessary investments in equipment and facilities to meet the prevailing competition conditions in the sector. Through the creation of tax free reserves and the non-distribution of dividends, the Group's Administration is able to apply these objectives and create significant capital gains. The ordinary General Meeting of the shareholders held on the 17th of July 2018 unanimously approved the distribution of profits from previous financial years to the privileged shareholders for a total amount of € 7.261 thousand. The Company's Administration suggests the distribution of € 5.088 thousand from the profits of the financial year 2018.

A.5. Holdings

The Group, besides HELLENIC DAIRIES S.A., consists also of the following companies:

Company Name	Acquisition cost		Holding relation on 31.12.2018		Consolidation method	Head office
Amounts expressed in €	31.12.2018	31.12.2017				
Subsidiaries			Direct	Indirect		
TYRAS S.A.	25.000,00	25.000,00	100%		Overall	Greece
OLYMPUS DAIRY UK Ltd	25.380,71	25.380,71	100%		Overall	UK
"OLYMPOS" LARISSA DAIRY INDUSTRY S.A.	25.000,00	25.000,00	100%		Overall	Greece
"RODOPI" XANTHI DAIRY INDUSTRY S.A.	25.000,00	25.000,00	100%		Overall	Greece
TYRBUL S.A.	11.732.890,90	9.135.363,19	100%		Overall	Bulgaria
S.C. FABRICA DE LAPTE BRASOV S.A.	53.206.234,08	45.112.580,70	94,81%		Overall	Romania
OLYMPUS ITALIA S.r.l.	10.000,00	10.000,00	100%		Overall	Italy
OLYMPUS DAIRY DEUTSCHLAND GmbH	25.000,00	25.000,00	100%		Overall	Germany
OLYMPUS FOODS d.o.o. Beograd	30.000,00	0,00	100%		Overall	Serbia
OLYMPUS FOODS TIRANA Sh.p.k.	30.000,00	0,00	100%		Overall	Albania
OLYMPUS FOODS DOOEL SKOPJE	30.000,00	0,00	100%		Overall	North Macedonia
HELLENIC DAIRIES NORDIC AB	4.946,77	0,00	100%		Overall	Sweden
Total Subsidiaries	**65.169.452,46**	**54.383.324,60**				
Associates						
OLYMPUS DAIRY USA Corp*	9.543,84	9.543,84	10%			USA
PRODLACTA S.A.*	2.755.882,46	2.755.882,46		5,58%		Romania
Impairments	(2.765.426,30)	(2.765.426,30)				
Total Associates	**0,00**	**0,00**				
Total Holdings	**65.169.452,46**	**54.383.324,60**				

* Holdings in PRODLACTA S.A. and OLYMPUS DAIRY USA Corp are fully impaired.

A.6. Commitments - Guarantees

The contingent liabilities for letters of credit guaranteeing good performance and operation of the Company and the Group within the ordinary course of business are:

Contingent Liabilities	Group Details		Company Details	
amounts expressed in thousand €	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Bank Letters of Credit for Securities	**1.074**	**1.004**	**1.074**	**1.004**
Total Contingent Liabilities	**1.074**	**1.004**	**1.074**	**1.004**

A.6.1. Penalty clauses and legal affairs

For all litigated and under arbitration cases a provision has been made on a Group basis of € 350 thousand since on the basis of the estimates of legal advisors, they are expected to have a positive outcome. There are no other disputes litigated or under arbitration, before judicial or administrative bodies, which may affect significantly the financial position of the Company.
There are no other contested claims by third parties against the Company and the Group or court decisions which may significantly affect the financial position of the Company and the Group.

A.6.2. Other contingent liabilities

There are no known events, nor are they expected, which could cause potential liabilities or losses to the Group and the Company in the immediate future. Furthermore, the Group and the Company are insured against natural disasters and other risks, as well as insured is the civil liability of the operation of its means of transport and its facilities.

A.7. Other Information

A.7.1. Facilities – Branches

The Company's facilities – branches operating on 31.12.2018 are the following:
- Local Community of Pigi, Municipality of Pili, Regional Unit of Trikala
- 16th km of National Road Larissa – Thessaloniki, Municipal Unit of Makrichori, Municipality of Tempi, Regional Unit of Larissa
- Dairy production facility at the 3rd km of the old National Road Xanthi - Lagos
- Regional Units of Xanthi and Kavala (milk reception facilities):
    - Community of Kremasti, Municipality of Topiros, Regional Unit of Xanthi
    - Community of Avato, Municipality of Topiros, Regional Unit of Xanthi
    - Community of Koutso, Municipality of Vistonida, Regional Unit of Xanthi
    - Community of N. Kessani, Municipality of Vistonida, Regional Unit of Xanthi
    - Community of Eratino, Municipality of Chrisoupoli, Regional Unit of Kavala
    - Community of Polisitos, Municipality of Vistonida, Regional Unit of Xanthi
    - Community of N. Erasmio, Municipality of Topiros, Regional Unit of Xanthi
    - Community of Sidini, Municipality of Vistonida, Regional Unit of Xanthi
- Product distribution centre at the 27th km of the new National Road Athens-Lamia, at Afidnes
- Product distribution centre at Nea Magnisia, Municipality of Delta, Regional Unit of Thessaloniki

The Company has also a branch at the 2nd km of Alexandroupoli-Avantos.

The Company's facilities are proprietary and are constantly being modernized from their construction up until today.

A.7.2. Employment matters

The Group's Administration is based on a group of experienced and competent staff, who has full knowledge of its subject and market conditions, thus contributing to the smooth operation and further development of the Group. One of the key areas in which the Group has chosen to invest is its staff. It believes that its development and proper functioning comes from and relies on it. Promoting equal opportunities and protecting diversity are core principles of the Group. The Group's Administration does not discriminate in recruitment/selection, salary, training, assignment of duties or any other work activity. The factors that are exclusively taken into account are the person's experience, personality, theoretical training, qualifications, efficiency and abilities. The Group encourages and recommends all its employees to respect the diversity of each employee or supplier or customer and not accept any conduct that may cause discriminations of any type.

A table is cited below with the average number of staff of the Company and the Group employed during the current and the previous financial year as well as the burden from wages and salaries and insurance charges, which is analyzed in categories as follows:

Table of average staff number – amounts expressed in €								
	Group Details				Company Details in €			
	PEOPLE		TOTAL COST FOR STAFF		PEOPLE		TOTAL COST FOR STAFF	
YEARS	2018	2017	2018	2017	2018	2017	2018	2017
Totals	1.275	1.214	22.910	20.659	757	690	16.675	15.469

A.8. Environmental Issues

The Group does not have any environmental issues, complies with respective environmental provisions and invests in innovative technologies. The Group recognizes its obligations towards the environment and the need to continually improve its environmental performance so as to achieve a balanced economic development in harmony with the environmental protection. Its environmental policy focuses on the following:

- Management of solid and liquid waste produced, giving priority to their separate collection and recycling.

- Energy saving by developing a system for monitoring the consumption of natural resources.
- Keeping staff updated on environmental issues.
- Training of employees on environmental protection issues.

A.9. Activities in Research & Development

The Company made expenses for scientific and technological research amounting to € 360 thousand during the current managing financial year.

A.10. Significant Events of the Financial Year 2018

Significant events that occurred during the period from January 1st to December 31st 2018 and their impact on the financial statements are the following:

On the 17th of July 2018, the annual ordinary General Meeting was held, where the financial statements of the financial year 2017 were approved among others, after the management report of the Company's Board of Directors and the audit certificate by the Certified Public Accountant. The members of the Board of Directors and the Certified Public Accountant were discharged from any liability to compensation for all the transactions of the financial year 2017, the election of a Regular and a Substitute Auditor was carried out for the financial year 2018 and the salaries of members of the Board of Directors for the financial year 2018 were approved.
During the financial year 2018 the Company proceeded to the establishment of four new subsidiaries.

During the Extraordinary Self-Convened General Meeting held on 14.06.2018, the share capital increase was approved unanimously through the issuance of 4,509,720 preferred registered shares, without voting rights, of a nominal value of € 0.73 each. The aforementioned increase was fully and equally covered by the company DIMITRIOS SARANTIS BROS S.A. and MICHAIL SARANTIS BROS S.A..

A.11. Perspectives and Strategic Goals of the Company and the Group

The Group, as part of its wider strategy, will seek to achieve the objectives established by the Administration for the financial year 2019, taking into account the unfavorable economic environment prevailing in the industry. Within this environment, the Group's Administration has set goals that appear feasible. These goals are presented below:

- Preservation/increase of market share and increase of turnover by focusing on strategically important products.
- Export orientation which will strengthen the Group's brands and will allow hedging the increased business risks, due to economic conditions.
- Maximization of the investment in Romania with gradual expansion in the Romanian market and the wider Balkan market.
- Development of activities in Italy.
- Development of activities in Germany through trade partnerships.
- Constant and continuous product improvement through systematic work and research in order to meet the needs of the contemporary consumer who demands high quality standards, products of high nutritional value and moderate prices, at the best way possible.
- Reduction of costs particularly with the reorganization of production processes, functional areas and distribution networks. The reorganization is an ongoing process of coordinating the strategic goals of the Company and adapting to the constantly changing economic environment.
- Financing of the business plan 2019-2022.
- Capital support of the Company and its subsidiaries with planned share capital increases.

The Administration estimates that these goals are manageable and achievable for the next financial year despite the fact that the deterioration of economic conditions significantly hinders the efforts for programming and timely responding to the continuously changing economic conditions.

A.12. Risk Management and Hedging Policies

The Group and the Company in the ordinary course of business are exposed to a series of financial and business risks and uncertainties, associated with both the general economic situation and the specific conditions that are formed in the field.

The specialized know-how of the Company and the Group, the continuous investment in highly skilled human resources and the strong infrastructure in conjunction with the development of new products help and support the Group to be increasingly competitive and infiltrate into new markets, reducing the risks.

In addition to that, our structures, continuously adapting to the new business environment, give us the right to believe that we will respond to the needs of the crucial financial year to come and will help to minimize the unforeseen factors.

The most common risks to which the Group is exposed are the following:

❑ Financial risk factors

The Group is exposed to various financial risks, including market risks, fluctuations in exchange and interest rates, credit risk, liquidity risk and price risk. The overall risk management program of the Group aims at minimizing potential adverse effects of such fluctuations on the financial performance of the Group.

The policy of risk management is applied by the Group's Administration, which evaluates the risks associated to its activities and functions and carries out the methodology planning by selecting the appropriate financial products for the reduction of risk.
The financial products used by the Group consist mainly of deposits in banks, transactions in foreign currency at current prices or futures contracts, bank overdraft accounts, accounts receivable and payable.

Commercial receivables – days of maturity - Group

Receivables 31.12.18	**<30**	**31-60**	**61-90**	**91-120**	**>120**	**Total**
Ratio of expected credit losses	0,35%	0,50%	1,45%	9,49%	177,40%	**11,29%**
Total measurement of gross amount	48.248.608,67	6.450.359,89	766.180,68	174.178,90	3.644.722,63	**59.284.050,77**
Expected credit losses	169.617,63	32.198,02	11.146,43	16.531,76	6.465.657,02	**6.695.150,86**

Commercial receivables – days of maturity - Company

Receivables 31.12.18	**<30**	**31-60**	**61-90**	**91-120**	**>120**	**Total**
Ratio of expected credit losses (clients)	0,44%	0,46%	0,72%	1,85%	59,53%	**10,85%**
Total measurement of gross amount	36.456.627,69	6.514.442,48	1.391.726,37	881.283,61	9.638.632,88	**54.882.713,03**
Expected credit losses	159.439,82	29.754,55	10.023,65	16.307,10	5.737.474,89	**5.953.000,00**

➢ Exchange risk

The Group's exposure to foreign exchange risks arises mainly from actual or anticipated cash flows in foreign currency (imports - exports). The Group's Administration constantly monitors the fluctuations and tendency of foreign currencies and evaluates each case individually, taking appropriate measures where necessary, through agreements covering foreign exchange risks. Currency risk arises from future commercial transactions and recognized assets and liabilities when listed in a currency different from the entity's functional currency. In case that the foreign exchange risk arises from future commercial transactions and recognized assets and liabilities, the Administration uses futures contracts if required.
The main trading currencies of the Group are Euro, Bulgarian Lev, which is connected to Euro at fixed exchange and Romanian Leu. The Group's subsidiary in Great Britain trades in British pounds, but the volume of transactions is not significant for the Group. The new subsidiaries established in Sweden, Skopje, Albania and Serbia did not have any significant transactions.

Price risk

The Group is not in possession of negotiable instruments and therefore is not exposed to change risk in the stock prices of securities.
The Group is exposed mainly to changes in the value of merchandises supplied and therefore the policy on reserves and its commercial policy is adjusted accordingly. In order to address the risk of obsolescence of its inventories, the Group applies a rational management and administration of these and aims at avoiding the holding of large amounts of stock. Compared to the turnover of the Company, the level of stocks is very low. Our goal is to minimize the time our stock remains in the warehouse, in order to reduce the risk of its obsolescence.

Interest rate risk

The operating profits and cash flows of the Group are partially affected by changes in interest rates.
The Group's policy is to continuously monitor the trends in interest rates and the duration of financing needs. Therefore, the decisions about the duration and the relationship between fixed and variable cost of a new loan are made separately for each case and at each given time. As a result, the majority of short-term loans has been concluded with variable interest rates.
So, depending on the specific levels of net borrowing, the change in the base of loan rates (EURIBOR) is of proportionate impact on the Group results. The risk of interest rate changes from long-term loans is not very important for the Company due to the controlled amount of loans.

However, in case credit markets and capital markets remain unstable and the availability of funds remains limited, the likelihood shall be increased that the Group will move to higher interest rates and other costs related to financing its loan or even to limit its access to money markets, thus influencing the ability of the Group to adapt to changing economic and business conditions, its ability to finance its operations and its capital needs in the future, its growth rate, but also the return to shareholders.

The careful monitoring though and managing of interest rate risk, as well as the relationship of profits before taxes to interests, reduces the risk of significant influence of the profits from the potential short-term fluctuations in interest rates.

The analysis of the Group's loans' sensitivity to changes in interest rates is cited below.

Analysis of the Group's loans' sensitivity to changes in interest rates	Currency	Interest Rate Volatility	Impact on profit before taxes
Amounts of financial year 2018 expressed in thousand €	EURO	+/- 1%	+/- 1.660
Amounts of financial year 2017 expressed in thousand €	EURO	+/- 1%	+/- 1.022

Credit risk

The credit risk stems from cash reserves and cash equivalents, deposits in banks, derivative financial instruments, as well as exposures to credit risk from clients. Receivables from clients are mainly against large supermarket chains. The financial situation of clients is closely monitored and redefined according to new conditions. The Administration evaluates the creditworthiness of each client either through an independent authority or internally by taking into account their economic situation, past transactions and other parameters controlling the size of credit provision. The client credit limits are determined by internal or external evaluations always in accordance with the limits set by the Administration. Given that the economic weakness of the domestic market since the onset of economic crisis poses risks for any bad debts, the Administration believes that it has set adequate coping mechanisms, taking into account the structure of the Company's clientele. For specific credit risks estimates are made for obsolescence

losses. The post-receivables are an important problem that requires management, but it is unrelated to the creditworthiness of our debtors.
In order to minimize the credit risk in Cash reserves and Cash equivalents, the Company limits the exposed amount in the framework of policies approved by the Board of Directors. In addition to that, as far as deposit products are concerned, the Group trades only with recognized financial institutions of credit rating.

➢ Liquidity risk

The Group's liquidity is achieved through both cash reserves and existing credit limits with partner banks, while pushing these limits when further funding is required for special type projects (funding on a project basis). The constant cooperation and excellent relationship we have with the largest credit institutions of the country gives us sufficient credit lines to finance our business plans.

Our strategic planning defines our form of financing (short/long-term) as well as the tools we use. Borrowing includes balances of loans (outstanding capital) with fixed and floating rates at the end of the period plus the accrued interests until maturity. In November 2018, the Company agreed in writing with its loaners to conclude a new long-term repayment bond loan with which it restructured a significant part of its short-term borrowings and it will finance the investment plan for the next five years.

The financial liabilities of the Group as of December 31st 2018 are analyzed below:

Analysis on the contractual maturity of the Group's financial liabilities
31st of December 2018

Amounts expressed in €	*Balance sheet value*	*Up to 1 year*	*Up to 5 years*	*> 5 years*	*Total*
Long-term loans (including short-term installments)	165.986.943,29	21.920.413,63	144.066.529,67	0,00	165.986.943,29
Liabilities under finance lease	9.573.728,59	1.836.469,83	6.150.186,08	1.587.072,68	9.573.728,59
Short-term loans	15.461.433,96	15.461.433,96	0,00	0,00	15.461.433,96
Current tax liabilities	7.943.964,91	7.943.964,91	0,00	0,00	7.943.964,91
Suppliers	54.265.309,21	54.265.309,21	0,00	0,00	54.265.309,21
Cheques payable	5.031.465,34	5.031.465,34	0,00	0,00	5.031.465,34
Other liabilities	8.135.124,28	8.135.124,28	0,00	0,00	8.135.124,28
Total	**266.397.969,59**	**114.594.181,16**	**150.216.715,75**	**1.587.072,68**	**266.397.969,59**

➢ Capital management

The primary objective of the Group's capital management is to ensure that it maintains its high credit ranking and healthy capital ratios in order to be able to support and expand the Group's activities.

The Group's policy is to maintain the leverage targets in line with a high level solvency profile. The gearing ratio is calculated by dividing the net debt to the total capital employed.

Gearing ratio	Group Details		Company Details	
amounts expressed in thousand €	01.01-31.12.18	01.01-31.12.17	01.01-31.12.18	01.01-31.12.17
Total Borrowings (short-term bank loans)	39.218	124.978	9.935	92.128
Total Borrowings (long-term bank loans)	151.804	49.498	120.204	2.403
Minus: Cash & cash equivalents	(8.256)	(5.332)	(5.383)	(1.936)
Debt	**182.766**	**169.144**	**124.757**	**92.595**
Total Equity	181.358	163.468	167.213	155.692
Total Capital	**364.124**	**332.612**	**291.970**	**248.287**
Gearing ratio	**50,19%**	**50,85%**	**42,73%**	**37,29%**

- **Risk of a macroeconomic environment in Greece**

Capital controls continue to affect the ability to make payments to foreign suppliers to a degree, which is currently smaller and more easily manageable than during the first years of the measure's imposition. The Company, operating within the Group's context along with its subsidiaries, is not affected regarding the smooth supply of stocks. The capital controls to domestic transactions do not affect the operation of the Company since all transactions are conducted through the electronic banking system (e-Banking), whereas cash reserves are sufficient and properly serve its operating liabilities. Therefore, there has been no noticeable impact on the Company's operations, apart from the problems created during the initial effort to adapt to such situations. As a consequence, the risk of a disorderly continuation of the Company's ordinary course of business as a result of the imposition of capital controls is characterized as low.
The Company's Administration monitors all developments and prepares response plans.

A.13. Transactions with Related Parties

The transactions in the closing financial year 1/1/2018-31/12/2018 and other receivables and payables on 31/12/2018 of the Company with the related legal entities, as defined by IAS 24, are as follows:

-Commercial receivables	**31.12.2018**	**31.12.2017**
METEORA	41.350,99	41.350,99
TYRBUL S.A.	5.317.667,54	2.361.793,00
S.C. FABRICA DE LAPTE BRASOV S.A.	8.832.576,39	5.910.532,86
OLYMPUS DAIRY DEUTSCHLAND GmbH	2.793.945,73	2.559.922,84
OLYMPUS DAIRY USA Corp	3.704.015,59	3.536.311,06
OLYMPUS ITALIA S.r.l.	2.004.075,18	2.574.189,93
OLYMPUS DAIRY UK Ltd	499.745,40	355.695,05
LATIZA S.A.	260.384,00	196.330,27
Total	**23.453.760,82**	**17.536.126,00**

-Other receivables	**31.12.2018**	**31.12.2017**
"OLYMPOS" LARISSA DAIRY INDUSTRY S.A.	0,00	300,00
TYRAS S.A.	0,00	300,00
"RODOPI" XANTHI DAIRY INDUSTRY S.A.	0,00	300,00
Total	**0,00**	**900,00**

-Commercial liabilities	**31.12.2018**	**31.12.2017**
TYRBUL S.A.	1.887.072,36	0,00
S.C. FABRICA DE LAPTE BRASOV S.A.	0,00	216.293,53
Total	**1.887.072,36**	**216.293,53**

-Merchandise purchases	**31.12.2018**	**31.12.2017**
LATIZA	0,00	108.876,54
TYRBUL S.A.	18.343.487,92	18.479.029,70
S.C. FABRICA DE LAPTE BRASOV S.A.	37.617.726,91	31.506.399,86
Total	**55.961.214,83**	**50.094.306,10**

-Service purchases	**31.12.2018**	**31.12.2017**

TYRBUL S.A.	552,00	10.000,00
S.C. FABRICA DE LAPTE BRASOV S.A.	3.674,32	0,00
LATIZA S.A.	211.589,80	183.200,00
Total	**215.816,12**	**193.200,00**

-Sales of Fixed Assets	**31.12.2018**	**31.12.2017**
TYRBUL S.A.	0,00	126.000,00
S.C. FABRICA DE LAPTE BRASOV S.A.	313.601,00	51.750,00
Total	**313.601,00**	**177.750,00**

-Purchases of Fixed Assets	**31.12.2018**	**31.12.2017**
TYRBUL S.A.	0,00	2.000,00
LATIZA S.A.	0,00	19.898,04
S.C. FABRICA DE LAPTE BRASOV S.A.	50.000,00	190.015,73
Total	**50.000,00**	**211.913,77**

-Sales (Turnover)	**31.12.2018**	**31.12.2017**
METEORA	0,00	4.502,40
OLYMPUS DAIRY UK Ltd	3.404.807,11	1.193.897,12
TYRBUL S.A.	13.515.799,99	4.187.578,13
S.C. FABRICA DE LAPTE BRASOV S.A.	7.276.700,11	5.594.903,62
OLYMPUS DAIRY DEUTSCHLAND GmbH	16.274.050,48	11.666.371,63
OLYMPUS ITALIA S.r.l.	15.427.527,23	13.155.776,61
Total	**55.898.884,92**	**35.803.029,51**

-Sales of Services (Other Income)	**31.12.2018**	**31.12.2017**
"OLYMPOS" LARISSA DAIRY INDUSTRY S.A.	1.158,32	1.200,00
"RODOPI" XANTHI DAIRY INDUSTRY S.A.	1.158,32	1.200,00
TYRAS S.A.	1.158,32	1.200,00
S.C. FABRICA DE LAPTE BRASOV S.A.	3.675,00	3.150,00
OLYMPUS DAIRY DEUTSCHLAND GmbH	1.874,25	1.199,52
OLYMPUS ITALIA S.r.l.	2.053,80	1.232,28
OLYMPUS DAIRY UK Ltd	823,20	1.129,85
TYRBUL S.A.	1.606,50	2.085,19
Total	**13.507,71**	**12.396,84**

	Company	
Amounts expressed in thousand €	**31.12.2018**	**31.12.2017**
Guaranteed financing limits towards banks for subsidiaries and associates & joint ventures	**66.494**	**83.896**
Used from among the approved and guaranteed financing limits towards banks for subsidiaries and associates & joint ventures	**61.025**	**78.880**
Advance payments and Good performance Letters of Credit	**1.805**	**569**

	Company	
Amounts expressed in thousand €	**31.12.2018**	**31.12.2017**
Transactions and fees to managers and Administration members	**0**	**0**
Claims from managers and Administration members (transaction account)	**13**	**20**
Liabilities towards managers and Administration members	**0**	**1.788**

GROUP

Amounts expressed in thousand €	Group	
	31.12.2018	31.12.2017
Guaranteed financing limits towards banks for subsidiaries and associates & joint ventures	231.494	245.221
Used from among the approved and guaranteed financing limits towards banks for subsidiaries and associates & joint ventures	181.937	170.316
Advance payments and Good performance Letters of Credit	1.820	582

Amounts expressed in thousand €	Group	
	31.12.2018	31.12.2017
Transactions and fees to managers and Administration members	0	0
Claims from managers and Administration members (transaction account)	13	20
Liabilities towards managers and Administration members	7	1.792

A.14. Significant Events after 31.12.2018

The Group during the first half of 2019 established a new subsidiary in France under the trade name "Olympus Foods France". This company will operate as a trading company to meet the needs created in the region.

Apart from the already mentioned events, there are no other events following the financial statements that concern the Company and which need to be reported according to the International Financial Reporting Standards.

Trikala, 03.07.2019

Dimitrios S. Sarantis
Chairman of the Board of Directors

B. Independent Auditor's Report

To the Shareholders of "HELLENIC DAIRIES S.A."

Audit report on the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements and the consolidated financial statements of "Hellenic Dairies S.A." (the Company) which comprise the standalone and consolidated statement of financial position as of December 31st 2018, the standalone and consolidated statements of income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting principles and methods and other explanatory information.

In our opinion, except for the effect on the financial statements of the matter referred to in the paragraph "Basis for a Qualified Opinion" the accompanying standalone and consolidated financial statements present fairly, in all material respects, the financial position of the Company "Hellenic Dairies S.A." and of its subsidiaries (the Group) as of December 31st 2018, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as these were adopted by the European Union.

Basis for a Qualified Opinion

As noted in note 7.15 of the financial statements, the Company and the Group have classified loans of € 112 million as long term loans, which however should have been classified as current in accordance with IAS 1.74 hence long terms loans should have been decreased by € 112 million and short term loans should be increased by the same amount.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as these have been incorporated in Greek Legislation. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the standalone and consolidated financial statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as these have been incorporated in Greek Legislation and the ethics standards for auditors that are related with the audit of the standalone and consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Administration concerning the standalone and consolidated financial statements

The Administration is responsible for the preparation and fair presentation of these standalone and consolidated financial statements in accordance with International Financial Reporting Standards as these were adopted by the European Union and for the internal control that the Administration deems necessary, so that the financial statements can be prepared free from material inaccuracy, whether attributed to fraud or error.

In preparing the standalone and consolidated financial statements, the Administration is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administration either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the standalone and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the standalone and consolidated financial statements as a whole are free from material inaccuracy, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Legislation, will always detect a material inaccuracy when it exists. Inaccuracies can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone and consolidated financial statements.

As part of an audit in accordance with ISAs, as incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material inaccuracy of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material inaccuracy resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Administration.

- Conclude on the appropriateness of the Administration's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the standalone and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the standalone and

consolidated financial statements. We are responsible for the guidance, supervision and performance of audit of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

We communicate to the Administration, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Considering that it is the Administration's responsibility to prepare the Report of the Board of Directors, in accordance with paragraph 5, article 2 (part B) of Law 4336/2015, we note the following:

a) In our opinion the Report of the Board of Directors has been prepared in accordance with the legal requirements of articles 43a and 107A of Codified Law 2190/1920 and its content is in accordance with the accompanying financial statements as of December 31st 2018.

b) Based on the understanding obtained during our audit for the company Hellenic Dairies S.A. and its environment, we are not aware of any material inaccuracies in the Report of the Board of Directors.

Thessaloniki, 23rd of July 2019
The Certified Public Accountant

Antonis D. Markou
Reg. No. SOEL: 19901
Deloitte Certified Public Accountants S.A.
VEPE Technopolis – Building Z2
GR-555 35 Pylaia, Thessaloniki
P.O. Box 60752, 570 01 Thermi
Reg. No. SOEL: E 120

C. Financial Statements
C.1. Financial Position Statement (amounts in €)

Amounts expressed in €	Note C	Group 31.12.2018	31.12.2017
ASSETS			
Non-current Assets			
Owner-occupied fixed assets	7.2	288.304.261,54	255.406.719,04
Intangible assets	7.3	1.305.877,90	278.100,01
Investments in property	7.2	1.397.608,00	0,00
Investments in subsidiaries		0,00	0,00
Other long-term receivables	7.7	31.220,56	24.428,20
		291.038.968,00	**255.709.247,25**
Current Assets			
Inventories	7.8	80.402.768,24	67.220.780,89
Clients and other commercial receivables	7.9	70.747.589,58	66.847.865,32
Other short-term receivables	7.10	17.806.793,87	17.218.602,53
Cash and cash equivalents	7.12	8.255.807,17	5.331.850,02
		177.212.958,86	**156.619.098,76**
Total Assets		**468.251.926,86**	**412.328.346,01**
NET POSITION			
Equity			
Share capital	7.13	14.964.042,24	11.671.946,64
Reserves	7.14	108.211.981,85	98.764.609,87
Retained earnings		58.182.137,25	53.031.771,75
Equity attributable to the shareholders of the parent Company		**181.358.161,34**	**163.468.328,26**
Minority interests		3.591.442,32	3.456.062,73
Total Equity		**184.949.603,66**	**166.924.390,99**
LIABILITIES			
Long-term Liabilities			
Long-term borrowings	7.15	144.066.529,67	46.241.640,56
Liabilities from finance leases	7.23	7.737.258,79	3.256.068,26
Deferred tax liabilities	7.16	14.602.865,04	16.293.064,20
Liabilities for staff benefits due to retirement	7.17	1.782.238,25	1.361.518,52
Provisions	7.18	519.250,31	423.630,60
Total Long-term Liabilities		**168.708.142,06**	**67.575.922,14**
Short-term Liabilities			
Suppliers and other commercial liabilities	7.19	59.296.774,55	40.550.961,21
Current tax liabilities	7.20	7.943.964,91	6.870.498,07
Short-term borrowings	7.21	15.461.433,96	67.984.537,51
Long-term liabilities payable next financial year	7.22	21.920.413,63	55.930.514,50
Liabilities from finance leases	7.23	1.836.469,80	1.062.660,74
Other short-term liabilities	7.24	8.135.124,29	5.428.860,85
Total Short-term Liabilities		**114.594.181,14**	**177.828.032,88**
Total Liabilities		**283.302.323,20**	**245.403.955,02**
Total Equity and Liabilities		**468.251.926,86**	**412.328.346,01**

The notes on pages 33 to 82 constitute an integral part of the annual financial report.

Amounts expressed in €	Note C	Company 31.12.2018	31.12.2017
ASSETS			
Non-current Assets			
Owner-occupied fixed assets	7.2	159.377.194,94	121.535.051,87
Intangible assets	7.3	1.049.576,37	215.037,35
Investments in subsidiaries	7.4	65.169.452,46	54.383.324,60
Investments in associates	7.5	0,00	0,00
Other long-term receivables	7.7	12.002,32	12.002,32
		225.608.226,09	**176.145.416,14**
Current Assets			
Inventories	7.8	54.053.521,02	45.696.198,39
Clients and other commercial receivables	7.9	67.088.402,70	65.256.920,84
Other short-term receivables	7.10	15.704.013,50	15.437.078,36
Cash and cash equivalents	7.12	5.382.561,49	1.936.171,68
		142.228.498,71	**128.326.369,27**
Total Assets		**367.836.724,80**	**304.471.785,41**
NET POSITION			
Equity			
Share capital	7.13	14.964.042,24	11.671.946,64
Reserves	7.14	107.023.100,23	97.925.937,82
Retained earnings		45.226.318,86	46.094.573,97
Total Equity		**167.213.461,33**	**155.692.458,43**
LIABILITIES			
Long-term Liabilities			
Long-term borrowings	7.15	112.466.666,67	0,00
Liabilities from finance leases	7.23	7.737.258,79	2.402.708,39
Deferred tax liabilities	7.16	10.482.564,18	12.603.327,23
Liabilities for staff benefits due to retirement	7.17	1.407.448,12	1.219.942,83
Provisions	7.18	350.000,00	350.000,00
Total Long-term Liabilities		**132.443.937,76**	**16.575.978,45**
Short-term Liabilities			
Suppliers and other commercial liabilities	7.19	44.688.084,76	29.428.549,06
Current tax liabilities	7.20	7.442.891,07	6.453.926,54
Short-term borrowings	7.21	912.421,96	52.982.504,23
Long-term liabilities payable next financial year	7.22	7.186.333,33	38.403.039,04
Short-term liabilities from finance leases	7.23	1.836.469,80	742.645,15
Other short-term liabilities	7.24	6.113.124,79	4.192.684,51
Total Short-term Liabilities		**68.179.325,71**	**132.203.348,53**
Total Liabilities		**200.623.263,47**	**148.779.326,98**
Total Equity and Liabilities		**367.836.724,80**	**304.471.785,41**

The notes on pages 33 to 82 constitute an integral part of the annual financial report.

C.2. Total Income Statement

Amounts expressed in €	Note C	GROUP 01.01-31.12.2018	01.01-31.12.2017
Turnover	7.1.1	339.410.544,70	308.792.015,63
Cost of sales	7.1.4	(261.675.692,78)	(238.345.822,79)
Gross Profit		**77.734.851,92**	**70.446.192,84**
Other income	7.1.2	1.523.370,74	2.161.473,51
Selling expenses	7.1.4	(35.126.142,70)	(30.754.498,56)
Administration expenses	7.1.4	(6.620.181,10)	(6.097.482,40)
Other expenses	7.1.5	(2.012.412,19)	(1.549.078,07)
Profit / (Loss) before taxes, financing and investing results		**35.499.486,67**	**34.206.607,32**
Financial income	7.1.6	67.445,49	100.244,70
Financial expenses	7.1.6	(7.089.392,50)	(6.399.493,85)
Profit / (Loss) before taxes		**28.477.539,66**	**27.907.358,17**
Income tax	7.1.7	(6.387.050,11)	(7.093.939,93)
Profit / (Loss) after taxes (A)		**22.090.489,55**	**20.813.418,24**
Profit / (Loss) attributable to:			
Owners of the company		21.828.789,43	20.636.981,46
Minority interests		261.700,12	176.436,78
Other Total Income			
Property revaluation at fair value free of tax		126.894,14	0,00
Actuarial profits/losses		(165.736,68)	(113.110,13)
Income tax of other total earnings		264.039,03	17.491,17
Exchange differences for the conversion of subsidiaries		(3.565,87)	(318,67)
Other total income after taxes (B)		**221.630,62**	**(95.937,63)**
Cumulative total income after taxes (A) + (B)		**22.312.120,17**	**20.717.480,61**
Cumulative total income attributable to:			
Owners of the company		22.170.481,33	20.541.043,83
Minority interests		141.638,84	176.436,78

The notes on pages 33 to 82 constitute an integral part of the annual financial report.

Total Income Statement *Amounts expressed in €*	Note C	COMPANY 01.01- 31.12.2018	01.01- 31.12.2017
Turnover	7.1.1	281.416.457,98	256.717.192,88
Cost of Sales	7.1.4	(225.496.534,39)	(200.151.216,89)
Gross Profit		**55.919.923,59**	**56.565.975,99**
Other income	7.1.2	1.199.389,74	1.870.409,29
Selling expenses	7.1.4	(24.669.075,45)	(23.139.101,00)
Administration expenses	7.1.4	(5.141.230,35)	(4.962.017,63)
Other expenses	7.1.5	(1.318.363,61)	(299.693,17)
Profit / (Loss) before taxes, financing and investing results		**25.990.643,92**	**30.035.573,48**
Financial income	7.1.6	1.259,81	1.494,26
Financial expenses	7.1.6	(5.058.774,57)	(4.823.332,93)
Profit / (Loss) before taxes		**20.933.129,16**	**25.213.734,81**
Income tax	7.1.7	(5.204.992,97)	(6.251.859,65)
Profit / (Loss) after taxes (A)		**15.728.136,19**	**18.961.875,16**
Other Total Income			
Property revaluation at fair value free of tax		(217.087,86)	0,00
Actuarial profits/losses		(44.593,88)	(32.527,13)
Income tax of other total earnings		248.882,05	9.432,87
Other total income after taxes (B)		**(12.799,69)**	**(23.094,26)**
Cumulative total income after taxes (A) + (B)		**15.715.336,50**	**18.938.780,90**

The notes on pages 33 to 82 constitute an integral part of the annual financial report.

C.3. Changes in Equity Statement – Group Details

Amounts expressed in €	Common shares	Preferred shares	Fair value reserves	Other reserves	Exchange conversion differences	Retained earnings	Equity attributable to shareholders of the Parent	Minority interests	Total
Balances on January 1st 2018	**11.671.946,64**	**0,00**	**7.653.295,66**	**95.433.323,04**	**(4.322.008,83)**	**53.031.771,75**	**163.468.328,26**	**3.456.062,73**	**166.924.390,99**
Impact from the change in accounting policies (adoption of IFRS 9)	0,00	0,00	0,00	0,00	0,00	(312.094,73)	**(312.094,73)**	(6.259,17)	(318.353,90)
Balances on January 1st 2018	**11.671.946,64**	**0,00**	**7.653.295,66**	**95.433.323,04**	**(4.322.008,83)**	**52.719.677,02**	**163.156.233,53**	**3.449.803,56**	**166.606.037,09**
Revaluation at fair value	0,00	0,00	126.894,14	0,00	0,00	0,00	**126.894,14**	0,00	**126.894,14**
Actuarial profits / (losses) from pension schemes	0,00	0,00	0,00	0,00	0,00	(165.736,68)	**(165.736,68)**	0,00	**(165.736,68)**
Exchange differences from the conversion of subsidiaries abroad	0,00	0,00	0,00	0,00	0,00	(3.565,87)	**(3.565,87)**	0,00	**(3.565,87)**
Income tax of other total earnings	0,00	0,00	218.946,51	0,00	0,00	45.092,52	**264.039,03**	0,00	**264.039,03**
Other total income	**0,00**	**0,00**	**345.840,65**	**0,00**	**0,00**	**(124.210,03)**	**221.630,62**	**0,00**	**221.630,62**
Net profit or loss of financial year	0,00	0,00	0,00	0,00	0,00	21.828.789,43	21.828.789,43	261.700,12	22.090.489,55
Cumulative total income	**0,00**	**0,00**	**345.840,65**	**0,00**	**0,00**	**21.704.579,40**	**22.050.420,05**	**261.700,12**	**22.312.120,17**
Formation of reserves from profit distribution	0,00	0,00	0,00	9.101.420,16	0,00	(9.101.420,16)	**0,00**	0,00	**0,00**
Dividends	0,00	0,00	0,00	0,00	0,00	(7.260.649,20)	**(7.260.649,20)**	0,00	**(7.260.649,20)**
Increase/Decrease in share capital	0,00	3.292.095,60	0,00	0,00	111,17	(111,17)	**3.292.095,60**	0,00	**3.292.095,60**
Adjustment from minority interests change	0,00	0,00	0,00	0,00	0,00	120.061,36	**120.061,36**	(120.061,36)	**0,00**
Other adjusting entries	0,00	0,00	0,00	0,19	0,00	0,00	**0,00**	0,00	**0,00**
Financial year change	**0,00**	**3.292.095,60**	**345.840,65**	**9.101.420,16**	**111,17**	**5.462.460,23**	**18.201.927,81**	**141.638,76**	**18.343.566,57**
Balances on 31.12.2018	**11.671.946,64**	**3.292.095,60**	**7.999.136,31**	**104.534.743,20**	**(4.321.897,66)**	**58.182.137,25**	**181.358.161,34**	**3.591.442,32**	**184.949.603,66**

Amounts expressed in €	Share capital	Fair value reserves	Other reserves	Exchange conversion differences	Retained earnings	Equity attributable to shareholders of the Company	Minority interests	Total
Balances on January 1st 2017	**11.671.946,64**	**7.653.295,66**	**91.349.597,13**	**(4.322.008,83)**	**36.574.454,89**	**142.927.285,49**	**3.279.626,02**	**146.206.911,51**
Exchange differences from the conversion of subsidiaries abroad	0,00	0,00	0,00	0,00	(318,67)	**(318,67)**	0,00	**(318,67)**
Actuarial profits / (losses) from pension schemes	0,00	0,00	0,00	0,00	(113.110,13)	**(113.110,13)**	0,00	**(113.110,13)**
Income tax of other total earnings	0,00	0,00	0,00	0,00	17.491,17	**17.491,17**	0,00	**17.491,17**
Other total income	**0,00**	**0,00**	**0,00**	**0,00**	**(95.937,63)**	**(95.937,63)**	**0,00**	**(95.937,63)**
Net profit or loss of financial year	0,00	0,00	0,00	0,00	20.636.981,46	20.636.981,46	176.436,78	20.813.418,24
Cumulative total income	**0,00**	**0,00**	**0,00**	**0,00**	**20.541.043,83**	**20.541.043,83**	**176.436,78**	**20.717.480,61**
Other adjusting entries	0,00	0,00	0,19	0,00	(1,25)	**(1,06)**	(0,07)	**(1,13)**
Formation of reserves from profit distribution	0,00	0,00	4.083.725,72	0,00	(4.083.725,72)	**0,00**	0,00	**0,00**
Financial year change	**0,00**	**0,00**	**4.083.725,91**	**0,00**	**16.457.316,86**	**20.541.042,77**	**176.436,71**	**20.717.479,48**
Balances on December 31st 2017	**11.671.946,64**	**7.653.295,66**	**95.433.323,04**	**(4.322.008,83)**	**53.031.771,75**	**163.468.328,26**	**3.456.062,73**	**166.924.390,99**

Company Details

Amounts expressed in €	Common shares	Preferred shares	Fair value reserves	Other reserves	Retained earnings	Total
Balances on January 1st 2018	**11.671.946,64**	**0,00**	**2.887.857,26**	**95.038.080,56**	**46.094.573,97**	**155.692.458,43**
Impact from the change in accounting policies (adoption of IFRS 9)	0,00	0,00	0,00	0,00	(225.780,00)	**(225.780,00)**
Adjusted beginning of period 1st of January 2018	**11.671.946,64**	**0,00**	**2.887.857,26**	**95.038.080,56**	**45.868.793,97**	**155.466.678,43**
Revaluation at fair value	0,00	0,00	(217.087,86)	0,00	0,00	**(217.087,86)**
Actuarial profits / (losses) from pension schemes	0,00	0,00	0,00	0,00	(44.593,88)	**(44.593,88)**
Income tax of other total earnings	0,00	0,00	212.830,11	0,00	36.051,94	**248.882,05**
Other total income	**0,00**	**0,00**	**(4.257,75)**	**0,00**	**(8.541,94)**	**(12.799,69)**
Net profit or loss of financial year	0,00	0,00	0,00	0,00	15.728.136,19	15.728.136,19
Cumulative total income	**0,00**	**0,00**	**(4.257,75)**	**0,00**	**15.719.594,25**	**15.715.336,50**
Formation of reserves from profit distribution	0,00	0,00	0,00	9.101.420,16	(9.101.420,16)	0,00
Dividends	0,00	0,00	0,00	0,00	(7.260.649,20)	(7.260.649,20)
Increase/Decrease in share capital	0,00	3.292.095,60	0,00	0,00	0,00	3.292.095,60
Financial year change	**0,00**	**3.292.095,60**	**(4.257,75)**	**9.101.420,16**	**(642.475,11)**	**11.746.782,90**
Balances on 31.12.18	**11.671.946,64**	**3.292.095,60**	**2.883.599,51**	**104.139.500,72**	**45.226.318,86**	**167.213.461,33**

Amounts expressed in €	Share capital	Fair value reserves	Other reserves	Retained earnings	Total
Balances on January 1st 2017	**11.671.946,64**	**2.887.857,26**	**90.960.245,01**	**31.233.628,62**	**136.753.677,53**
Actuarial profits / (losses) from pension schemes	0,00	0,00	0,00	(32.527,13)	**(32.527,13)**
Income tax of other total earnings	0,00	0,00	0,00	9.432,87	**9.432,87**
Other total income	**0,00**	**0,00**	**0,00**	**(23.094,26)**	**(23.094,26)**
Net profit or loss of financial year	0,00	0,00	0,00	18.961.875,16	18.961.875,16
Cumulative total income	**0,00**	**0,00**	**0,00**	**18.938.780,90**	**18.938.780,90**
Formation of reserves from profit distribution	0,00	0,00	4.077.835,55	(4.077.835,55)	0,00
Other adjusting entries	0,00	0,00	0,00	0,00	0,00
Financial year change	**0,00**	**0,00**	**4.077.835,55**	**14.860.945,35**	**18.938.780,90**
Balances on 31.12.17	**11.671.946,64**	**2.887.857,26**	**95.038.080,56**	**46.094.573,97**	**155.692.458,43**

The notes on pages 33 to 82 constitute an integral part of the annual financial report.

C.4. Cash Flow Statement

Indirect Method *Amounts expressed in €-GROUP*	01.01- 31.12.2018	01.01- 31.12.2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxes	28.477.539,66	27.907.358,17
Plus / minus adjustments for:		
Depreciations	17.516.497,49	17.017.572,93
Provisions/Provision reversals	(729.350,37)	(3.701.976,78)
Impairment of assets	1.159.873,89	33.639,95
Results (income, expenses, profit and loss) from investing activity	194.547,61	(574.234,58)
Interest payable and related expenses	7.089.392,50	6.399.493,85
Plus / (minus) adjustments for changes in working capital accounts or related to operating activities:		
(Increase) in inventories	(12.994.722,87)	(10.573.706,32)
Decrease / (increase) in receivables (commercial)	(4.334.109,65)	6.996.078,76
Decrease / (increase) in receivables (other)	(68.932,21)	1.980.821,43
(Increase) in other operating long-term receivables	6.641,51	0,00
(Decrease) in payables (except banks)	17.303.208,93	1.437.550,90
Minus:		
Tax paid	(3.466.598,34)	(971.564,74)
Total inflows from operating activities (a)	**50.153.988,14**	**45.951.033,57**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible fixed assets	(46.929.759,36)	(37.980.407,45)
Collections from sale of tangible and intangible fixed assets	389.089,48	1.150.538,79
Interest received	67.349,50	3.583,82
Total outflows from investing activities (b)	**(46.473.320,38)**	**(36.826.284,84)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Collections from share capital increase	3.292.095,60	0,00
Collections from issued / undertaken loans	120.000.000,00	24.080.739,22
Repayment of loans	(108.956.236,80)	(21.876.721,94)
Repayment of liabilities from finance leases	(2.261.463,01)	(1.492.821,77)
Interest payable and similar expenses paid	(6.841.471,36)	(6.559.007,74)
Dividends/Interim dividends paid	(5.986.324,60)	(1.814.000,00)
Total outflows from financing activities (c)	**(753.400,17)**	**(7.661.812,23)**
Net increase / (decrease) in cash and cash equivalents of period (a) + (b) + (c)	**2.927.267,59**	**1.462.936,50**
Cash and cash equivalents at the beginning of the period	**5.331.850,02**	**3.869.232,19**
Exchange differences from consolidation	(3.310,44)	(318,67)
Cash and cash equivalents at the end of the period	**8.255.807,18**	**5.331.850,02**

The notes on pages 33 to 82 constitute an integral part of the annual financial report.

Indirect Method *Amounts expressed in €-COMPANY*	01.01- 31.12.2018	01.01- 31.12.2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxes	20.933.129,16	25.213.734,81
Plus / minus adjustments for:		
Depreciations	11.311.887,65	10.565.528,72
Provisions/Provision reversals	(886.413,73)	(3.857.342,48)
Results (income, expenses, profit and loss) from investing activity	965.949,92	0,00
Interest payable and related expenses	(5.106,44)	(572.145,02)
Depreciations	5.058.774,57	4.823.332,93
Plus / (minus) adjustments for changes in working capital accounts or related to operating activities:		
Decrease / (increase) in inventories	(8.357.322,63)	(5.936.363,47)
Decrease / (increase) in receivables (commercial)	(1.259.200,00)	(8.727.721,88)
Decrease / (increase) in receivables (other)	(127.891,86)	9.136.446,34
(Decrease) / increase in payables (except banks)	2.509.975,04	(3.928.553,44)
Minus:		
Tax paid	(3.291.194,19)	(970.540,09)
Total inflows from operating activities (a)	**26.852.587,49**	**25.746.376,42**
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition)/disposal of subsidiaries, associates, joint ventures and other investments	(94.946,77)	0,00
Purchase of tangible and intangible fixed assets	(43.511.053,64)	(14.065.237,86)
Collections from sale of tangible and intangible fixed assets	713.115,22	1.082.187,79
Interest received	1.259,81	1.494,26
Total outflows from investing activities (b)	**(42.891.625,38)**	**(12.981.555,81)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Collections from share capital increase	3.292.095,60	0,00
Collections from issued / undertaken loans	120.000.000,00	9.122.932,20
Repayment of loans	(91.009.285,91)	(13.599.201,40)
Payment of liabilities from finance leases	(1.941.447,42)	(1.136.680,77)
Interest payable and similar expenses paid	(4.869.609,97)	(4.925.501,74)
Dividends/Interim dividends paid	(5.986.324,60)	(1.814.000,00)
Total outflows from financing activities (c)	**19.485.427,70**	**(12.352.451,71)**
Net increase / (decrease) in cash and cash equivalents of period (a) + (b) + (c)	**3.446.389,81**	**412.368,90**
Cash and cash equivalents at the beginning of the period	1.936.171,68	1.523.802,78
Cash and cash equivalents at the end of the period	**5.382.561,49**	**1.936.171,68**

The notes on pages 33 to 82 constitute an integral part of the annual financial report.

C.5. General Information

“HELLENIC DAIRIES” (hereinafter called the "Company") is an S.A. company engaged in the production and distribution of dairy and cheese products and juices.

The Company was established in 1986 at Trikala and is based in Greece, Prefecture of Trikala, Municipality of Pili at the 5th km of Trikala-Pili, 42100, under the trade name “TYR.A.S. S.A.". Since its establishment and until now, the Company along with its subsidiaries (hereinafter called the “Group”) pioneer in the sector, featuring high quality products. The main product categories produced by the Group are the following:

- Cheese products – Butter (white and yellow cheese, whey cheese, hard cheese, butter)
- Dairy products (fresh milk, high pasteurized milk (ESL), long-life milk (UHT), chocolate milk, buttermilk)
- Juices (fresh juices)
- Yogurt-Yogurt desserts (yogurt, yogurt by-products)

Since its establishment and until today, the company is in constant expansion both by carrying out investments in new plants as well as through subsidiaries which the company founded or acquired their majority share. Currently the Company together with its subsidiaries constitute a Group of companies which was gradually created.

The establishment of the Company under the name "STERGIOS SARANTIS Bros. Co." in 1985 constituted a milestone, with the construction of a dairy product factory, whose commencing of production activity began in June 1986. After the conversion of the Company in S.A. in 1992, the acquisition of TYROM S.A. in 1999 followed and in May 2000 the Company acquired its majority stake of shares. Then, it was the acquisition of the majority stake of “OLYMPOS” Larissa Dairy Industry S.A. in 2000 and the establishment of TYRBUL S.A. in Bulgaria in 2003. In 2005 they establish the company under the trade name “LACTOLYMP S.A.”, which was renamed during the next financial year into “S.C. OLYMPUS DAIRY INDUSTRY S.A.” (currently known as “S.C. FABRICA DE LAPTE BRASOV S.A.”). In October 2009 it was merged through absorption by TYROM S.A., maintaining the trade name “S.C. OLYMPUS DAIRY INDUSTRY S.A.”. Then, the acquisition of all the shares of “OLYMPOS” Larissa Dairy Industry S.A. follows in 2005 and finally the acquisition of “RODOPI” Xanthi Dairy Industry S.A. in 2008. At the end of next year (2009), a new subsidiary was established in the US under the trade name “Olympus Dairy USA Corp”, originally with a holding percentage of 60% and then of 10%. At the end of the financial year 2013, “OLYMPUS ITALIA S.r.l.” was established in Italy, based at Milan, whereas during the financial year 2014, the Company “OLYMPUS DAIRY DEUTSCHLAND GmbH” was established in Germany. At the beginning of the financial year 2016, the Company "Olympus Dairy UK Ltd" was established in the UK.

On 30/09/2015, the subsidiary “RODOPI” XANTHI DAIRY INDUSTRY S.A. was absorbed by the subsidiary “OLYMPOS” LARISSA DAIRY INDUSTRY S.A. which changed its trade name and is currently known as “HELLENIC DAIRIES S.A.”. Upon completion of the acquisition procedure, two (2) new subsidiaries are established under the trade names “OLYMPOS” LARISSA DAIRY INDUSTRY S.A. and “RODOPI” XANTHI DAIRY INDUSTRY S.A..

On 01/10/2016, the acquisition procedures of the parent Company “TYRAS S.A.” (acquired) by HELLENIC DAIRIES S.A. were completed pursuant to the provisions of Articles 69-77 of Codified Law 2190/20 and Articles 1-5 of Law 2166/93.

During 2016 two (2) new subsidiaries were established under the trade names “TYRAS S.A.” and “Olympus Dairy UK Ltd”. Within 2018, four new subsidiaries were established in Sweden, Skopje, Albania and Serbia.

The upward course of the Company, in combination with its rapid growth, have led to the exporting activity of a wide range of dairy products in foreign countries.

The Company's shareholders with their respective holding percentages are the following:

BARE OWNERSHIP				
Shareholder	Head office	No. of Shares	No. of Votes	Holding percentage
Stylianos D. Sarantis	Trikala	2.718.124	2.718.124	13,26%
Georgios D. Sarantis	Trikala	2.718.124	2.718.124	13,26%
Marina D. Saranti	Trikala	2.558.236	2.558.236	12,48%
Stylianos M. Sarantis	Trikala	2.664.828	2.664.828	13,00%
Zoi M. Saranti	Trikala	2.664.828	2.664.828	13,00%
Michail M. Sarantis	Trikala	2.664.828	2.664.828	13,00%
Total		15.988.968	15.988.968	78,00%

BENEFICIAL INTEREST				
Shareholder	Head office	No. of Shares	No. of Votes	Holding percentage
Dimitrios S. Sarantis	Trikala	7.994.484	7.994.484	39,00%
Michail S. Sarantis	Trikala	7.994.484	7.994.484	39,00%
Total		15.988.968	15.988.968	78,00%

OWNERSHIP OF PREFERRED SHARES WITHOUT VOTING RIGHTS				
Shareholder	Head office	No. of Shares	No. of Votes	Holding percentage
Dimitrios Sarantis Bros. S.A.	Trikala	2.254.860	-	11%
Michail Sarantis Bros. S.A.	Trikala	2.254.860	-	11%
Total		4.509.720	-	22%
Total shares in general		**20.498.688**	**15.988.968**	**100%**

The Company's websites are www.tyras.gr, www.olympos.gr, www.galaktokomio-rodopi.gr, www.hellenicdairies.com, www.olympusdairy.com/

In summary, the basic information on the Company is as follows:

Composition of the Board of Directors

Dimitrios S. Sarantis	Chairman of the Board of Directors
Vassileios I. Giatsios	Vice-Chairman of the Board
Michail S. Sarantis	Chief Executive Officer
Stergios A. Sourlis	Deputy Chief Executive Officer
Zoi M. Saranti	Member
Stylianos D. Sarantis	Member
Stylianos M. Sarantis	Member
Georgios D. Sarantis	Member
Konstantinos A. Chytas	Member

The above composition was formed upon the decision of the minutes of the Board of Directors dated on 16.01.2017 with the term of office being until 22.02.2019, which was renewed by a later decision of the Board of Directors until 18.04.2022.

C.6. Summary of Significant Accounting Policies

C.6.1. Basis of Preparation of the Financial Statements

The present financial statements of the Company and the Group dated on the 31st of December 2018 covering the period from January 1st 2018 until December 31st 2018 have been drafted based on the principle of going concern and the historical cost convention, as modified by the readjustment of certain assets at fair values (securities and real estate commercial portfolio) and are in accordance with the International Financial Reporting Standards which have been issued by the International Accounting Standards Board (IASB), as well as their interpretations as issued by the Interpretations Committee (I.F.R.I.C.) of IASB and have been adopted by the European Union through the No. 1606/2002 Regulation until 31.12.2018.

On 14.11.2018 the Company signed a new loan agreement amounting to euro 120 million with which it refinanced its existing borrowings and with which it will finance the investment plan of the following years. Since part of its planned investments was implemented at a faster rate than expected, the Company on 31.12.2018 did not observe the ratio of the new loan agreement on the amount of net investment outflows for the financial year 2018. On 03.07.2019 the Company received for the above a waiver letter from the bondholders' representative.

The financial statements for the period that ended on December 31st 2018 were prepared on the basis of the same accounting principles and valuation methods followed for the preparation and presentation of the financial statements of the Company for the financial year which ended on December 31st 2017. All newly issued or revised standards and interpretations applicable to the Company and in force on December 31st 2018 were taken into account for the preparation of the financial statements for the current financial year, to the extent they could be applied (see below in section C.6.1.3.).

The financial statements for the period that ended on December 31st 2018 (1.1-31.12.2018) were approved for publication by the Board of Directors on 03.07.2019.

C.6.1.1. Use of Estimates

The preparation of financial statements in conformity with IFRS requires that the Administration shall make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses throughout the financial year. The actual results may differ from these estimates. Regarding the significant estimates and judgments of the Administration in the preparation of the accompanying financial statements, see below in Section 6.1.2 “Accounting estimates and judgments of the Administration”.

C.6.1.2. Accounting Estimates and Judgments of the Administration

The Company's and Group’s Administration makes estimates, assumptions and judgments in order to select the most appropriate accounting policies in relation to the future development of events and ongoing situations and transactions. These estimates, assumptions and judgments are periodically reviewed to meet current data and reflect current risks and are based on the historical experience of the Company's and Group’s Administration in relation to the level / volume of relevant transactions or events.
The principal estimates and judgments related to data whose development could affect the financial statements' items after 31.12.2018 mainly concern a provision for any taxes and provisions for impairment of receivables and the estimates for impairment of fixed assets, surplus value and holding, if there are indications, as well as the estimate for the useful life of fixed assets. Based on the course of the Company’s and Group’s operations in 2018, no data have been observed demanding additional adjustments or disclosures.

C.6.1.3. Adoption of IFRSs

New IFRSs, interpretations and amendments in force as of January 1st 2018.

New standards, amendments to standards and Interpretations adopted by the Group.

a) Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" in the interim financial statements of the Group and describes the new accounting policies applied from January 1st 2018, where they differ from those applied in previous periods.

Impact on financial statements

As a result coming from these changes in the Company's accounting policies, the opening balance of "Retained earnings" will have to be revised. As explained below, IFRS 9 was adopted without the revision of comparative information. Therefore, the reclassifications and adjustments resulting from the new impairment rules are not reflected in the balance sheet as of December 31st 2017 but are recognized in the opening balance sheet as of January 1st 2018.

The following tables show the adjustments recognized in each separate account. Accounts not affected by the changes are not included. As a result, the subtotals and totals mentioned cannot be recalculated from the items presented.

Amounts in €	GROUP		
Current assets	**31.12.2017**	**IFRS 9**	**01.01.2018**
Clients and other commercial receivables	66.847.865,32	(423.944,36)	66.423.920,96
Total assets	412.328.346,01	(423.944,36)	411.904.401,65
Net Position			
Retained earnings	53.031.771,75	(312.094,73)	52.719.677,02
Equity attributable to the shareholders of the parent company	163.468.328,26	(312.094,73)	163.156.233,53
Minority interests	3.456.062,73	(6.259,17)	3.449.803,56
Total net position	166.924.390,99	(318.353,90)	166.606.037,09
Liabilities			
Long-term liabilities			
Deferred tax liabilities	16.293.064,70	(105.590,46)	16.187.474,24
Total long-term liabilities	67.575.922,14	(105.590,46)	67.470.331,68

Amounts in €	COMPANY		
Current assets	**31.12.2017**	**IFRS 9**	**01.01.2018**
Clients and other commercial receivables	65.256.920,84	(318.001,03)	64.938.919,81
Total assets	304.471.785,41	(318.001,03)	304.153.784,38
Net Position			
Retained earnings	46.094.573,97	(225.780,73)	45.868.793,24
Total net position	155.692.458,43	(225.780,73)	155.466.677,70
Liabilities			
Long-term liabilities			
Deferred tax liabilities	12.603.327,23	(92.220,30)	12.511.106,93
Total long-term liabilities	16.575.978,45	(92.220,30)	16.483.758,15

The preparation of financial statements in conformity with IFRS requires that the Administration shall make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses throughout the financial year. The actual results may differ from these estimates. Regarding the significant estimates and judgments of the Administration in the preparation of the accompanying financial statements, the Company's Administration makes estimates, assumptions and judgments in order to select the most appropriate accounting principles in relation to the future development of events and ongoing situations and transactions. These estimates, assumptions and judgments are periodically reviewed to meet the current data and reflect the current risks and are based on the historical experience of the Company's Administration in relation to the level / volume of relevant transactions or events.
The principal estimates and judgments related to data whose development could affect the financial statements' items after 31.12.2018 mainly concern a provision for any taxes and provisions for impairment of inventory and receivables.

New standards, interpretations and amendment of the existing standards. Changes to standards and interpretations

IFRS 9 "Financial Instruments" – Impact of the adoption

A) IFRS 9 Changes

IFRS 9 replaces the provisions of IAS 39 on the recognition, classification and measurement of financial assets and liabilities.

In particular, IFRS 9 provides for the following in terms of the classification and measurement of Financial Assets:

Classification of Financial Assets

IFRS 9 introduces a global classification model under which financial assets are classified into 3 categories:

- Financial assets at amortized cost
- Financial assets at Fair value through Other Total Income (FVTOTI)
- Financial assets at Fair Value through Total Income Statement (FVTTI)

Financial assets that result in cash flows consisting of capital and interest payments only are classified by taking into account the business model for holding these financial instruments. Financial assets held under a business model for the purpose of holding them till maturity and collecting their contractual cash flows are measured at amortized cost. If the business model includes the intention to hold the financial assets for the collection of their contractual cash flows but expects to sell these financial assets when needed (e.g. to meet specific liquidity needs) then these financial assets are measured at

Financial assets that include cash flows other than capital and interest, such as investments in money market funds or derivatives, including also separated integrated derivatives, are measured at Fair Value through Total Income. However, particularly in terms of shares, IFRS 9 permits alternatively their measurement at Fair value through Other Total Income.

Measurement of Impairment of Financial Assets

IFRS 9 introduces the application of the Expected Credit Loss (ECL) method to all financial assets measured at amortized cost or at FVTOTI (excluding shares). Where, under IAS 39, only realized losses were to be recognized as impairment of financial assets, with the ECL method future credit losses

should be estimated using the following three steps:

Step 1: Measurement of ECLs for the next 12 months. It includes all financial assets with a negligible increase in credit risk from initial recognition and usually relates to financial assets that have not exceeded the due date for more than 30 days. The proportion of ECLs is recognized for the total life of assets that will come from default events which are likely to occur over the next 12 months.

Step 2: Measurement of ECLs for the total life – without credit impairment. If a financial asset has a significant credit risk increase since its initial recognition but has not yet been impaired, it is classified in Step 2 and is measured at the ECLs of its total life, which is defined as the expected credit loss as a result of all possible credit events over its entire life expectancy.

Step 3: Measurement with ECL for its entire life. An objective presumption for a credit-impaired financial asset is the more than 90-day delay from the due date and other information about significant financial difficulties for debtors.

B) Adoption of IFRS 9 by the Group and the Company

The adoption of IFRS 9 "Financial Instruments" as of January 1st 2018 resulted in changes in accounting policies and adjustments to the items recognized in the financial statements. The new accounting policies are described below. According to the transitional provisions of IFRS 9, comparative information has not been revised. Consequently:

(i) Any adjustment to the balances of financial assets or liabilities is recognized at the end of the current reporting period, with the difference being recognized in the opening balance of the "Retained earnings" account

(ii) Financial assets are not reclassified in the Financial Position Statement of the comparative period

(iii) Provisions for impairment of financial assets are not revised in the comparative period. The overall impact on the Group's and Company's "Retained earnings" as of January 1st 2018 is as follows:

Amounts in thousand Euro	Group	Company
Beginning of period 01.01.2018	53.031.771,75	46.094.573,97
Impact from the change in accounting policies (adoption of IFRS 9)	(423.944,36)	(318.001,03)
Clients and other commercial receivables	52.607.827,39	45.776.572,94
Decrease of deferred tax liabilities	105.590,46	92.220,30
Minority interests	6.259,17	0,00
Adjusted beginning of period 01.01.2018	52.719.677,02	45.868.793,24

As IFRS 9 was adopted without the reproduction of comparative information, the reclassifications and adjustments due to IFRS 9 are not reflected in a reproduced Financial Position Statement as of 31.12.2017 but are recognized in the opening balance of financial assets for the period from 01.01.2018.

Impairment of financial assets

The Group has a type of financial assets that are subject to the new expected credit loss model of IFRS 9, commercial and other receivables from the sale of inventories and services.

The Group and the Company apply the simplified model of IFRS 9 to measure ECLs of commercial and other receivables by classifying them either in Step 2 or Step 3 and measuring the ECL of their total life.

For the ECL measurement, commercial and other receivables are grouped based on their credit risk

characteristics and their age (plus days after maturity) at the reporting date. This measurement is based on specific credit risk measures (e.g. default probabilities, credit events) calculated on the basis of historical data, current market conditions and future estimates at the end of each reporting period.

The provision for precarious commercial and other receivables on the 31st of December 2017, as agreed with the corresponding opening balance as of January 1st 2018, is as follows:

Amounts in €	**Group**	**Company**
Provision for precarious receivables on the 31st of December 2017 (IAS 39)	6.900.778,48	6.417.275,93
Further impairment losses during transition date (IFRS 9)	462.653,53	318.001,03
Provision for precarious receivables on the 1st of January 2018 (IAS 9)	7.363.432,01	6.735.276,96

The accounting policies and calculations based on which the standalone and consolidated financial statements for the financial year 2018 were prepared are consistent with those used for the preparation of the annual standalone and consolidated financial statements for the financial year 2017, except for the following amendments, which were adopted by the Group during January 1st 2018. The following amendments did not have and are not expected to have a significant impact or no impact on the standalone and consolidated financial statements for the financial year that ended on the 31st of December 2018.

- IAS 12 (Amendments) "Recognition of deferred tax receivables to non-implemented losses": IAS 12 "Income Taxes" is amended to clarify that unrealized losses from financial instruments calculated at fair value and cost for tax purposes increase the deductible temporary differences regardless of whether the holder expects to recover the accounting value of the financial instrument through sale or use thereof. The accounting value of an asset does not limit the estimate of possible future taxable profits, whereas estimates for future taxable profits do not include tax deductions arising from the reversal of deductible temporary differences. An entity estimates a deferred tax asset in combination with other deferred tax assets. Where the tax law excludes the use of tax losses, an entity will assess a deferred tax asset in conjunction with other deferred tax assets of the same type. The amendment was adopted by the European Union in November 2017 and is expected to have no significant impact on the Group's and Company's financial statements.
- IAS 7 (Amendments) "Disclosure initiative": The purpose of these amendments is to allow users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that allow investors to evaluate changes in liabilities arising from financial activities, including changes arising from cash flows and non-cash changes.

New standards applicable to annual accounting periods beginning after the 1st of January 2018

- IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 provides a single model of principles based on five steps and should be applied to all contracts with customers. The model's five steps are as follows: Determine the contract with the customer, identify the contract execution obligations, define the transaction price, allocate the transaction price to the various stages of the contract completion and finally recognize the revenue when the entity meets the performance obligation. In addition, guidance is given on matters such as the time at which the revenue is recorded, the accounting treatment of the variable price, the cost of performance and the conclusion of a contract and various related matters. New disclosures are also introduced. The standard was adopted by the European Union and has no significant impact on the Group's and Company's financial statements.

- IFRS 15 (Amendment) “Revenue from Contracts with Customers”

The clarifications on IFRS 15 modify three points and specifically relate to changes that clarify the use of the term "discrete" in defining performance obligations, to changes that specify the use of the "control" principle by making the distinction whether an entity acts for itself or as an intermediary and to changes that help clarify whether the activities of an entity “significantly affect” intellectual property during the period it has been allocated to a client. The amendment was adopted by the European Union in October 2017 and has no significant impact on the Group's and Company's financial statements.

- IFRS 9 “Financial Instruments”

IFRS 9 is the first part of IASB's work to replace IAS 39. IFRS 9 sets out criteria for the classification and measurement of financial assets and liabilities, the impairment of financial assets, the hedging, the disclosure of financial assets and liabilities and the disclosures required above.

- IFRS 9 “Financial Instruments: Hedging and amendments to IFRS 9, IFRS 7 and IAS 39”

IASB issued IFRS 9 “Hedging”, the third phase of the IAS 39 replacement work, which establishes a principle-based hedging approach and addresses inconsistencies and weaknesses in the existing IAS 39 model. The second amendment requires recognition in other total income of changes in the fair value of an entity's liability resulting from changes in the entity's own credit risk whereas the third amendment removes the mandatory date of application of IFRS 9. The amendments to the standard were adopted by the European Union.

- IFRS 4 (Amendment) “Application of IFRS 9 “Financial instruments” to IFRS 4 “Insurance Contracts””

It amends IFRS 4 “Insurance Contracts” to provide two approaches for business entities that issue insurance contracts under IFRS 4: (a) it provides the option for all entities issuing insurance contracts to recognize any income or expenses arising from specific assets in other total income rather than in the income statement and (b) it provides entities whose activities mainly concern the issue of insurance contracts under IFRS 4 the option for temporary exemption from the application of IFRS 9 with effect from January 1st 2018 and extendable up to 3 years. Their application is optional until the new insurance contracts standard is issued. The amendment was adopted by the European Union in November 2017 and has no impact on the Group's and Company's financial statements.

- IFRS 2 (Amendment) “Classification and measurement of transactions concerning share-based payment”

It amends IFRS 2 to clarify the classification and measurement of transactions concerning share-based payment in relation to (a) the accounting of cash-settled share-based payment including performance terms, (b) the classification of share-based payment settled by set-off and (c) the accounting of share-based payment in relation to the conversions of payments settled by cash into equity-settled payments. The amendment was adopted by the European Union and has no impact on the Group's and Company's financial statements.

- IFRIC 22 “Foreign Currency Transactions and Advance Consideration”

The interpretation refers to transactions in foreign currency or parts of transactions where (a) there is a price determined in a foreign currency, (b) the entity recognizes a prepaid receivable or deferred income liability in relation to that transaction before recognizing the related receivable, expense or income and (c) the prepaid receivable or deferred income is non-cash. The Interpretations Committee concluded that the transaction date for the purpose of determining the exchange rate is the date of the initial recognition of the non-monetary pre-paid receivable or deferred income. If there are multiple payments or receipts of advance considerations, the transaction date is determined for each payment or receipt. The interpretation was adopted by the European Union and has no impact on the Group's and Company's financial statements.

- IAS 40 (Amendment) “Investment property” – Transfers of investment property

It amends IAS 40 "Investment property" to specify in paragraph 57 that an entity shall classify or

declassify a property as an investment property when and only when there is evidence of a change in use. Change in use exists if the property meets or ceases to meet the definition of investment property. Changing the Administration's intent only for the use of a property is not a sign of change in use itself. The list of examples of indications in paragraph 57 (a) - (d) is now presented without exhausting all the examples. The amendment was adopted by the European Union and has no impact on the Group's and Company's financial statements.

New standards applicable to annual accounting periods beginning after the 1st of January 2019

- IFRS 16 "Leases"

IFRS 16 sets out the principles for the recognition, measurement, presentation and publication of leases to ensure that lessees and lessors provide information that accurately reflects the transactions involved. The standard specifies an accounting method for lessees requiring them to recognize assets and liabilities for all leases unless they have a 12-month or less maturity or the lease is of low value. Lessors will continue to distinguish operating from finance leases based on a similar approach of IFRS 16 to that of previous IAS 17. The standard was adopted by the European Union in October 2017. The Group intends to apply the standard from January 1st 2019 and it is estimated that starting from the application the own-fixed assets and liabilities from operating leases will be increased by € 584 thousand and € 337 thousand for the Group and the Company respectively.

- IFRIC 23 "Uncertainty over Income Tax Treatments"

The interpretation intends to determine the taxable profit (taxable loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty about the accounting treatment of income tax under IAS 12 (Income Tax). The Interpretation provides for an entity to (a) determine whether any uncertain tax treatment is evaluated collectively or individually and (b) assess whether it is probable that the competent tax authority will accept the tax treatment adopted or proposed by the entity in the income tax statement: if so, the entity must determine its tax position in relation to that accounting treatment; if not, the entity should present the impact of the uncertain accounting treatment on its tax position. The interpretation has not been yet adopted by the European Union and is expected to have no impact on the Group's and Company's financial statements.

- IAS 28 (Amendment) "Long-term Interests in Associates and Joint Ventures"

The amendment clarifies that an entity applies IFRS 9 "Financial instruments" for long-term investments in associates or joint ventures which are part of the net investment in the associate or joint venture but to which the method of equity does not apply. The changes in the standard's text are described in detail. The amendment has not been yet adopted by the European Union and the Group will assess its impact on the Group's and Company's financial statements.

- IFRS 9 (Amendment) "Prepayments with negative compensation"

The amendment aims at addressing any concerns about how IFRS 9 "Financial Instruments" categorizes specific prepaid assets. It amends all things provided for in IFRS 9 related to maturity interests so far, so as to allow the measurement at unamortized cost (or depending on the business model, at fair value through other total income) even in the case of negative reimbursement. Moreover, IASB clarifies the accounting management of financial liabilities after a conversion. It specifies that an entity recognizes any adjustments at the unamortized cost of the financial liability arising from the change or exchange of liabilities in the profit or loss on the date of the change or exchange. The amendment to the Standard will be applied retrospectively for annual accounting periods beginning after the 1st of January 2019 and the Group will assess its impact on the Group's and Company's financial statements.

- IAS 19 (Amendment) "Plan Amendment, Curtailment or Settlement"

The changes in IAS 19 clarify that in the event of an amendment, curtailment or settlement of the

defined benefit plan, it is now mandatory that current employment cost and net interest for the remainder of the reference period shall be determined on the basis of updated actuarial assumptions. In addition, model adjustments have been included to clarify the impact of any amendment, curtailment or settlement of the plan on the prerequisites for the asset's limit. The amendment has not been yet adopted by the European Union.

Amendments to standards that form a part of IASB's annual improvement program for 2017, cycle 2015-2017.

The following amendments describe the most important changes occurred in three standards. The amendments have not been yet adopted by the European Union.

- IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements"

The amendments to IFRS 3 clarify that when an entity acquires control of a business that is a joint venture, it reassesses the interest previously held in that business. The amendments to IFRS 11 specify that when an entity acquires joint control of a business that is a joint venture, it does not reassess the interest previously held in that business.

- IAS 12 "Income Taxes"

The amendments clarify that all tax effects of dividends should be recognized in profit or loss regardless of how the tax is derived.

- IAS 23 "Borrowing Costs"

The amendments clarify that if part of a loan remains pending since the asset related to it is ready for the use or sale for which it is intended, the amount of that loan is included in the total borrowing of the entity in the calculation of the borrowing ratio.

New standards applicable to annual accounting periods beginning after the 1st of January 2021

- IFRS 17 "Insurance Contracts"

IFRS 17 requires insurance liabilities to be measured at the present value of the insurance contract and provides a more uniform approach for the measurement and presentation of all insurance contracts. These provisions are designed to achieve a credible, principle-based accounting treatment of insurance contracts. IFRS 17 replaces IFRS 4 as of January 2021. The standard has not been yet adopted by the European Union and is expected to have no impact on the Group's and Company's financial statements.

C.6.2. Main Accounting Principles

The accounting principles based on which the financial statements attached are drafted and which are consistently applied by the Company and the Group are the following:

C.6.2.1. Foreign currency conversion

The data included in the financial statements of each Group entity have been measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The consolidated financial statements are presented in Euro, which is the functional currency of the Company and the Group's presentation currency.
The transactions in foreign currencies are converted into the measurement currency using the exchange rates prevailing at the date of each transaction. Profits and losses from foreign exchange differences arising from the settlement of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currency exchange rates prevailing at the balance sheet date are recorded in the Income Statement. Foreign exchange differences from non-monetary items carried at fair value are considered as part of fair value and are therefore also recorded wherever the differences in fair value.

The results and equity of all Group companies whose functional currency is different from the presentation currency are converted into the presentation currency as follows:
(a) the assets and liabilities for each presented financial position statement are converted using the closing rate at the date of this statement,
(b) the revenue and expenses for each income statement are translated using the average exchange rate and
(c) all resulting exchange differences are recognized as a separate equity component through the total income statement.

The exchange differences arising from the conversion of net investment in foreign exploits, as well as loans and other instruments designated as hedges of such investments, are included in the owners' equity. When a foreign exploit is sold or partially sold, the exchange differences recorded in the equity are recognized in the total income statement as part of the profit or loss of the sale. The surplus value and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and converted at the closing rate.
During the consolidation, there are no more exchange differences as all subsidiaries present their financial statements in Euro, except for the subsidiary established in Bulgaria, from which no exchange differences arise due to the fixed exchange rate of its currency to Euro, whereas from the subsidiary established in the UK, all resulting exchange differences are recognized as a separate equity component through the total income statement.

C.6.2.2. Tangible fixed assets

The fixed assets are reported in the financial statements at their acquisition cost or at fair value. Fair value is the price that someone would receive for the sale of an asset or that would be paid for the transfer of a liability in a normal transaction between market participants on the measurement date. The initial registration / recognition of an asset is always at cost. The cost of acquisition of fixed assets includes allocations in direct costs (purchase price, freight, insurance, non-refundable purchase taxes, etc.) to reach the data in operating status until the date of the financial statements' preparation.
The lots and buildings of the Company are valued at their fair value based on studies coming from independent assessor firms. During this financial year, the Group has revaluated these fixed assets based on a newer estimating study coming from an independent professional assessor.

The other tangible fixed assets acquired by the Company are stated at their cost of acquisition, lessened by the accumulated amortizations. The amortizations are charged on the Total Income Statement, based on the straight line method of amortization over the full course of the estimated useful life of the assets. Land areas cannot be amortized.

Intangible assets include the cost of purchase or own production, software programs, such as payroll expenses, costs of materials and services as well as any expenses for it to come into operation status along with the exploitation license of the brand name. The prerequisites for the classification of expenditure incurred for self-supplied software as intangible assets of the Group are the following:

- Intent of integration of self-supplied asset.
- Technical ability for the integration of self-supplied asset to make it ready for use or sale.
- Adequacy of technical, financial and other resources for the integration of self-supplied asset.
- Ability to use or sell the self-supplied asset.
- Creation of future economic benefits for the Company from the self-supplied asset.
- Reliable assessment of the expenditure attributable to the self-supplied asset during the period of its development.

The cost of purchasing and developing software recognized as intangible asset is amortized using the straight line basis over its useful life.

Other intangible assets (acquisition value of the exploitation of a brand name) are not depreciated due to the inability to measure reliably their commercial viability and their inflow in the near future.
The estimated useful life of each asset category is as follows:

Description	Years of useful life
Buildings & technical works	50 years
Machinery & other mechanical equipment	18 years
Means of transport	10 years
Furniture & other equipment	7 years
PC software for offices	3 years

The useful life of fixed assets may be reviewed and adjusted if deemed necessary during the preparation of the financial statements.

C.6.2.3. Impairment of the value of assets

Assets with an indefinite useful life are not amortized and are subject to annual impairment review when certain events indicate that their accounting value may not be recoverable. The difference between the accounting value and the net undepreciated amount is recorded in the results. Assets that are depreciated are reviewed for impairment when there are indications that their accounting value may not be recoverable. The recoverable value is the highest amount between the net sales and the usage value. The loss due to the depreciation of its assets is recognized by the Company and the Group when the accounting value of these assets (or the cash flow generating unit) is greater than its recoverable amount. Net sales value is the amount from the sale of an asset in the context of a reciprocal transaction in which the participating parties are fully aware and enter willingly, after the deduction of any additional direct cost of disposal of the asset, while the usage value is the present value of estimated future cash flows expected to accrue to the Company from the usage of an asset and from its disposal at the end of its useful life.

C.6.2.4. Surplus value of the Company

Surplus value is the difference between the acquisition cost and the fair market value of the assets and liabilities of a subsidiary / associate at the date of acquisition. The Company at the date of the purchase recognizes the surplus value obtained by the acquisition as an asset and displays it at the cost. This cost is equal to the amount of the cost of integration that goes beyond the Company's share of assets, liabilities and contingent liabilities of the acquired company. The surplus value is reviewed for impairment annually and valued at cost minus any accumulated impairment losses. At the date of each balance sheet, the Group assesses whether there are any indications of impairment. If such evidence

exists, an analysis is carried out in order to assess whether the accounting value is fully recoverable. To facilitate the processing of the impairment tests, the amount of surplus value is allocated to cash flow generating units.

C.6.2.5. Investments in property

Investment property means the property designated for long-term rentals or capital gains or both and is not used by any subsidiary of the Group, as well as the plots occupied without their future use being determined. Property occupied by the Group is used for its productive or administrative needs and it is not considered as investment property. This is also the criterion for the differentiation of property between investment and owner-occupied property. Investment property is initially depicted in the historical cost of acquisition. After the initial recognition, investment property is measured at fair value. Fair value reflects market conditions at the date of preparation of the financial statements and is determined by the Administration or by independent assessors on an annual basis. The profit or loss arising from the change in the fair value of investment property is recognized in the income statement in the "Other income" or "Other expenses" item when implemented. In the case where an investment property is owner-occupied, it is reclassified as a tangible asset. The fair value of the property at the date of the reclassification constitutes the deducible acquisition cost for its further accounting handling.

C.6.2.6. Investments in subsidiaries and associates

Company Name	Acquisition cost		Holding relation on 31.12.2018		Consolidation method	Head office
Amounts expressed in €	31.12.2018	31.12.2017				
Subsidiaries			**Direct**	**Indirect**		
TYRAS S.A.	25.000,00	25.000,00	100%		Overall	Greece
OLYMPUS DAIRY UK Ltd	25.380,71	25.380,71	100%		Overall	UK
“OLYMPOS” LARISSA DAIRY INDUSTRY S.A.	25.000,00	25.000,00	100%		Overall	Greece
“RODOPI” XANTHI DAIRY INDUSTRY S.A.	25.000,00	25.000,00	100%		Overall	Greece
TYRBUL S.A.	11.732.890,90	9.135.363,19	100%		Overall	Bulgaria
S.C. FABRICA DE LAPTE BRASOV S.A.	53.206.234,08	45.112.580,70	94,81%		Overall	Romania
OLYMPUS ITALIA S.r.l.	10.000,00	10.000,00	100%		Overall	Italy
OLYMPUS DAIRY DEUTSCHLAND GmbH	25.000,00	25.000,00	100%		Overall	Germany
OLYMPUS FOODS d.o.o. Beograd	30.000,00	0,00	100%		Overall	Serbia
OLYMPUS FOODS TIRANA Sh.p.k.	30.000,00	0,00	100%		Overall	Albania
OLYMPUS FOODS DOOEL SKOPJE	30.000,00	0,00	100%		Overall	North Macedonia
HELLENIC DAIRIES NORDIC AB	4.946,77	0,00	100%		Overall	Sweden
Total Subsidiaries	**65.169.452,46**	**54.383.324,60**				
Associates						
OLYMPUS DAIRY USA Corp*	9.543,84	9.543,84	10%			USA
PRODLACTA S.A.*	2.755.882,46	2.755.882,46		5,58%		Romania
Impairments	(2.765.426,30)	(2.765.426,30)				
Total Associates	**0,00**	**0,00**				
Total Holdings	**65.169.452,46**	**54.383.324,60**				

* Holdings in PRODLACTA S.A. and OLYMPUS DAIRY USA Corp are fully impaired.

C.6.2.6.1. Subsidiaries

Subsidiaries are those companies over which the Group, directly or indirectly, has control of their financial and operating policies. Subsidiaries are fully integrated (full integration) since the date on which the control on them is acquired and cease to be integrated since the date that the control ceases to exist. The accounting method of the purchase is used for the reflection of the acquisition of subsidiaries. The acquisition cost of a subsidiary is calculated as the sum of the fair values, on the date of exchange, the assets, liabilities incurred or assumed, as well as the shares issued by the Group in exchange for the control of the company taken over, plus any other costs directly attributable to the takeover. The

acquired assets, liabilities and contingent liabilities assumed in a business combination are initially measured at their fair value on the date of the acquisition, regardless of the minority shareholding interests (minority interests). The amount by which the cost of acquisition exceeds the fair value of the net position of the subsidiary acquired is recorded as surplus value. In cases where the total cost of acquisition is less than the fair value of the net position of the subsidiary acquired, the difference is recognized in the total income statement. Transactions, balances and unrealized profits arising between the Group companies are eliminated upon consolidation. Unrealized losses are eliminated except for cases where the cost is irrecoverable. The accounting policies of subsidiaries have been readjusted, where necessary, to be consistent with those adopted by the Group.

C.6.2.6.2. Associates

Associates are those companies on which the Company has substantial influence but not control, which generally applies when shareholding rates range between 20% and 50% of the voting rights. Investments are initially recognized at acquisition cost. The Company shall record its investments in associates in its financial statements at cost minus any impairment losses.

C.6.2.6.3. Other companies

Within other companies, the value of shares not traded on stock exchange markets is included with a percentage of less than 20%. No control on those companies is exercised by the Company. According to the principles of IAS 32 and 39, these investments are shown in the financial statements at acquisition cost, minus any provisions for the impairment of their value.

C.6.2.6.4. Inventories

Inventories are reflected at the lower value between the acquisition cost and the net realizable value. Net realizable value is the estimated selling price in the context of normal commercial activity of the Company, minus the estimated costs necessary to conclude the sale. The cost of inventories is determined using the weighted average expenditure and includes the acquisition expenses of inventories and the special cost of purchasing them (transport, insurance, etc.). Appropriate provisions are made for obsolete, useless and stocks with very low turnover rate. The reductions in the value of inventories at the net realizable value and other inventories losses are recorded in the income statement of the period they incurred.

C.6.2.7. Commercial and other receivables

The client accounts are recorded and presented at accounting value (invoice value), after provisions for possible non receivables. Provision for precarious clients is formed when there is a risk of failure to collect all or part of the amount due.

The fair value of commercial and other receivables approximates the accounting value. Commercial and other receivables of the Company, except for those for which provision has been made, are all considered collectible.

C.6.2.8. Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits with an initial maturity shorter than three (3) months.

C.6.2.9. Company reserves

The Company is obliged, subject to Articles 44 and 45 of the Greek legislation on corporate companies Law 2190/1920, to transfer 5% of the annual net profits to ordinary reserve until the accumulated reserves equal the 1/3 of the contributed (common) share capital. This reserve cannot be distributed to shareholders, but it can be used to cover losses by a resolution of the Annual General Meeting of the Company's shareholders. Tax-free reserves and specially taxed reserves are formed in accordance with the provisions of tax legislation by tax-free or specially taxed income and profits. These reserves may be capitalized or distributed by a decision of the General Meeting of the Shareholders after taking into account any limitations that may be then applicable.

C.6.2.10. Shares

The share capital of the Company amounts to € 14.964.042,24 divided into 15,988,968 ordinary registered shares, with a right to vote, of a nominal value of € 0.73 each, as well as into 4,509,720 preferred shares and it is fully paid.

C.6.2.11. Recognition of income and expenses

Income: Income includes sales of goods and provision of services, net from Value Added Tax, discounts and returns. Receivable interests are included in the income statement based on the amount of interest corresponding to the period under review.

Expenses: Expenses are recognized to the results on an accrual basis. Payments made under operating leases are transferred to the Total Income Statement as expenses during the period of the lease.

C.6.2.12. Provisions

The recognition of the provisions is made in accordance with the requirements of IAS 37 when the Group can form a reliable estimate on a reasonable legal or contractual obligation, which occurs as a result of past events and is likely to require an outflow of resources to settle the obligation. The Group makes a provision for onerous contracts when the expected benefits resulting from these contracts are less than the unavoidable costs of compliance with contractual obligations. Restructuring provisions include penalties for early lease termination payments and compensation of employees due to retirement and are recorded in the period in which the Group is legally or constructively obliged to pay the settlement. Costs associated with routine activities of the Group are not recorded as provisions. Long-term provisions of a particular obligation are determined by the discounting of expected future cash flows relating to the obligation, having the risks involved taken into account.

C.6.2.13. Loans

Borrowing costs are recognized as an expense in the period in which they are realized, in accordance with IAS 23 "Borrowing Costs". Loans are initially recognized at cost which is the fair value of the loan taken, minus the associated issuing costs of the loan. Following the initial recognition, they are measured at the undepreciated cost using the effective interest method.

C.6.2.14. Employee benefits

Current benefits: Current employee benefits (other than termination of employment benefits) in cash and in kind are recognized as an expense in the year they are paid. In case of an outstanding amount, on the date of preparation of the financial statements, this amount is recorded as a liability, while in case the amount paid exceeds the amount of benefits, the Group recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or a refund.

Retirement benefits: The retirement benefits include both defined contribution plans and defined benefit plans.

Defined contribution plan: Based on the defined contribution plan, the Group's obligation (legal) is limited to the amount determined to be contributed to the institution (insurance fund) that manages contributions and provides benefits (pensions, health care, etc). The accrued cost of defined contribution plans is recorded as an expense in the period concerned.

Defined benefit plan: The defined benefit plan of the Group concerns its legal obligation to pay liquidated damages to the staff at the date of retirement from service. The liability recorded in the Financial Position Statement is calculated based on the expected accrued right to be deposited to each employee, prepaid on its present value, in comparison to the expected time for the payment of this benefit.

C.6.2.15. Leases

Leases where substantially all the risks and benefits of ownership are maintained by the lessors are classified as operating leases. Other leases are classified as leasings. Lease payments concerning operating leases are being recorded to the expenses on straight line basis over the lease term. Assets held under finance leases are recognized as assets of the Company, valued at the conclusion of the lease at fair value, or if less, at the present value of minimum payable leases. The relevant obligation to the lessor is being recorded in the Financial Position Statement as a finance lease obligation. Lessees' payments are divided into interest expense and payment liability in a way that gives a constant rate on the account balance of the liability. The interest expense is recorded in the costs if directly related to an asset. Receivables arising from operating leases are recorded as income using the straight-line method over the lease. Amounts payable from lessees under finance leases are recorded as receivables in an amount equal to the net investment of the lease. The related income is recorded in the Total Income Statement in a way that gives a stable, over time, performance on each outstanding net investment of the Company.

C.6.2.16. Income tax & deferred taxation

Income tax consists of the current taxes, deferred taxes, namely tax charges or reductions related to the economic benefits incurring in the period but have been or will be assessed by the tax authorities at different periods and provisions on additional taxes that may result through audit by the tax authorities. Income tax is recognized in the total income statement of the period, both relating to transactions recorded directly in equity as well as the one concerning the results of the period. The current income tax concerns the taxable profits of the companies participating in the consolidation, as readjusted according to the requirements of tax laws and was calculated using the applicable tax rates of the countries where the Group's companies are engaged. Deferred income tax is calculated using the liability method, on all temporary differences, at the date of preparation of the financial statements, between the tax base and accounting value of assets and liabilities. The expected tax consequences of temporary tax differences are determined and presented either as deferred tax liabilities or as deferred assets. The deferred tax is determined using the tax rates prevailing at the date of preparation of the financial statements. Deferred tax assets are recorded for all deductible temporary tax differences and tax losses carried forward to the extent that it is probable that there will be future taxable profits against which the deductible temporary difference can be utilized. The accounting amount of deferred tax assets is being reviewed at each date of preparation of the financial statements and reduced to the extent that it is not probable that there will be any taxable profits, against which any part or all of the deferred tax assets can be used.

C.6.2.17. Transactions in foreign currencies

The data of the financial statements of the Group are measured based on the currency of the primary economic environment in which the Group operates (functional currency). The consolidated financial statements are presented in Euro, which is the functional and the presentation currency of the Company. Profits and exchange differences arising from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency at current exchange rates at the date of preparation of the financial statements are recorded in the Total Income Statement. The exchange differences arising from the conversion of financial statements of foreign operations are recognized in the net equity reserve through the other total income statement.

C.6.2.18. Financial instruments

The Company makes use of the following classification for the definition and disclosure of the fair value of the financial instruments per valuation technique:

Level 1: Negotiable (not adjusted) prices in active markets for similar assets or liabilities,

Level 2: Other techniques for which all inflows that have a significant impact on the registered fair value are observable, either directly or indirectly,

Level 3: Techniques that use inflows having a significant impact on the registered fair value and are not based on observable market data.

During the period there were no transfers between level 1 and 2 neither transfers within or outside level 3 for the calculation of fair value. Amounts appearing in the financial statements for cash reserves, commercial and other receivables, commercial and other short-term liabilities, as well as bank short-term liabilities approach their corresponding fair values due to their short-term maturity.

The valuation method was determined by taking into account all factors in order to accurately determine the fair value, while they are measured on Level 3 of the classification for the determination of the fair value.

C.6.2.19. Financial risk management

❑ Financial risk factors

The Group is exposed to various financial risks, including market risks, fluctuations in exchange and interest rates, credit risk, liquidity risk and price risk. The overall risk management program of the Group aims at minimizing potential adverse effects of such fluctuations on the financial performance of the Group.

The policy of risk management is applied by the Group's Administration, which evaluates the risks associated to its activities and functions and carries out the methodology planning by selecting the appropriate financial products for the reduction of risk.
The financial products used by the Group consist mainly of deposits in banks, transactions in foreign currency at current prices or futures contracts, bank overdraft accounts, accounts receivable and payable.

Commercial receivables – days of maturity - Group

Receivables 31.12.18	**<30**	**31-60**	**61-90**	**91-120**	**>120**	**Total**
Ratio of expected credit losses	0,35%	0,50%	1,45%	9,49%	177,40%	**11,29%**
Total measurement of gross amount	48.248.608,67	6.450.359,89	766.180,68	174.178,90	3.644.722,63	**59.284.050,77**
Expected credit losses	169.617,63	32.198,02	11.146,43	16.531,76	6.465.657,02	**6.695.150,86**

Commercial receivables – days of maturity - Company

Receivables 31.12.18	**<30**	**31-60**	**61-90**	**91-120**	**>120**	**Total**
Ratio of expected credit losses	0,44%	0,46%	0,72%	1,85%	59,53%	**10,85%**
Total measurement of gross amount	36.456.627,69	6.514.442,48	1.391.726,37	881.283,61	9.638.632,88	**54.882.713,03**
Expected credit losses	159.439,82	29.754,55	10.023,65	16.307,10	5.737.474,89	**5.953.000,00**

➢ Exchange risk

The Group's exposure to foreign exchange risks arises mainly from actual or anticipated cash flows in foreign currency (imports - exports). The Group's Administration constantly monitors the fluctuations and tendency of foreign currencies and evaluates each case individually, taking appropriate measures where necessary, through agreements covering foreign exchange risks. Currency risk arises from future commercial transactions and recognized assets and liabilities when listed in a currency different from the entity's functional currency. In case that the foreign exchange risk arises from future commercial transactions and recognized assets and liabilities, the Administration uses futures contracts if required.
The main trading currencies of the Group are Euro, Bulgarian Lev, which is connected to Euro at fixed exchange and Romanian Leu. The Group's subsidiary in Great Britain trades in British pounds, but the volume of transactions is not significant for the Group. The new subsidiaries established in Sweden, Skopje, Albania and Serbia did not have any significant transactions.

➢ Price risk

The Group is not in possession of negotiable instruments and therefore is not exposed to change risk in the stock prices of securities.
The Group is exposed mainly to changes in the value of merchandises supplied and therefore the policy on reserves and its commercial policy is adjusted accordingly. In order to address the risk of obsolescence of its inventories, the Group applies a rational management and administration of these and aims at avoiding the holding of large amounts of stock. Compared to the turnover of the Company, the level of stocks is very low. Our goal is to minimize the time our stock remains in the warehouse, in order to reduce the risk of its obsolescence.

- **Interest rate risk**

The operating profits and cash flows of the Group are partially affected by changes in interest rates.
The Group's policy is to continuously monitor the trends in interest rates and the duration of financing needs. Therefore, the decisions about the duration and the relationship between fixed and variable cost of a new loan are made separately for each case and at each given time. As a result, the majority of short-term loans has been concluded with variable interest rates.
So, depending on the specific levels of net borrowing, the change in the base of loan rates (EURIBOR) is of proportionate impact on the Group results. The risk of interest rate changes from long-term loans is not very important for the Company due to the controlled amount of loans.

However, in case credit markets and capital markets remain unstable and the availability of funds remains limited, the likelihood shall be increased that the Group will move to higher interest rates and other costs related to financing its loan or even to limit its access to money markets, thus influencing the ability of the Group to adapt to changing economic and business conditions, its ability to finance its operations and its capital needs in the future, its growth rate, but also the return to shareholders.

The careful monitoring though and managing of interest rate risk, as well as the relationship of profits before taxes to interests, reduces the risk of significant influence of the profits from the potential short-term fluctuations in interest rates.

The analysis of the Group's loans' sensitivity to changes in interest rates is cited below.

Analysis of the Group's loans' sensitivity to changes in interest rates	**Currency**	**Interest Rate Volatility**	**Impact on profit before taxes**
Amounts of financial year 2018 expressed in thousand €	EURO	+/- 1%	+/- 1.660
Amounts of financial year 2017 expressed in thousand €	EURO	+/- 1%	+/- 1.022

- **Credit risk**

The credit risk stems from cash reserves and cash equivalents, deposits in banks, derivative financial instruments, as well as exposures to credit risk from clients. Receivables from clients are mainly against large supermarket chains. The financial situation of clients is closely monitored and redefined according to new conditions. The Administration evaluates the creditworthiness of each client either through an independent authority or internally by taking into account their economic situation, past transactions and other parameters controlling the size of credit provision. The client credit limits are determined by internal or external evaluations always in accordance with the limits set by the Administration. Given that the economic weakness of the domestic market since the onset of economic crisis poses risks for any bad debts, the Administration believes that it has set adequate coping mechanisms, taking into account the structure of the Company's clientele. For specific credit risks estimates are made for obsolescence

losses. The post-receivables are an important problem that requires management, but it is unrelated to the creditworthiness of our debtors.
In order to minimize the credit risk in Cash reserves and Cash equivalents, the Company limits the exposed amount in the framework of policies approved by the Board of Directors. In addition to that, as far as deposit products are concerned, the Group trades only with recognized financial institutions of credit rating.

➢ Liquidity risk

The Group's liquidity is achieved through both cash reserves and existing credit limits with partner banks, while pushing these limits when further funding is required for special type projects (funding on a project basis). The constant cooperation and excellent relationship we have with the largest credit institutions of the country gives us sufficient credit lines to finance our business plans.

Our strategic planning defines our form of financing (short/long-term) as well as the tools we use. Borrowing includes balances of loans (outstanding capital) with fixed and floating rates at the end of the period plus the accrued interests until maturity. In November 2018, the Company agreed in writing with its loaners to conclude a new long-term repayment bond loan with which it restructured a significant part of its short-term borrowings and it will finance the investment plan for the next five years.

The financial liabilities of the Group as of December 31st 2018 are analyzed below:

Analysis on the contractual maturity of the Group's financial liabilities
31st of December 2018

Amounts expressed in €	*Balance sheet value*	*Up to 1 year*	*Up to 5 years*	*> 5 years*	*Total*
Long-term loans (including short-term installments)	165.986.943,29	21.920.413,63	144.066.529,67	0,00	165.986.943,29
Liabilities under finance lease	9.573.728,59	1.836.469,83	6.150.186,08	1.587.072,68	9.573.728,59
Short-term loans	15.461.433,96	15.461.433,96	0,00	0,00	15.461.433,96
Current tax liabilities	7.943.964,91	7.943.964,91	0,00	0,00	7.943.964,91
Suppliers	54.265.309,21	54.265.309,21	0,00	0,00	54.265.309,21
Cheques payable	5.031.465,34	5.031.465,34	0,00	0,00	5.031.465,34
Other liabilities	8.135.124,28	8.135.124,28	0,00	0,00	8.135.124,28
Total	**266.397.969,59**	**114.594.181,16**	**150.216.715,75**	**1.587.072,68**	**266.397.969,59**

➢ Capital management

The primary objective of the Group's capital management is to ensure that it maintains its high credit ranking and healthy capital ratios in order to be able to support and expand the Group's activities.

The Group's policy is to maintain the leverage targets in line with a high level solvency profile. The gearing ratio is calculated by dividing the net debt to the total capital employed.

Gearing ratio	Group Details		Company Details	
amounts expressed in thousand €	01.01-31.12.18	01.01-31.12.17	01.01-31.12.18	01.01-31.12.17
Total Borrowings (short-term bank loans)	39.218	124.978	9.935	92.128
Total Borrowings (long-term bank loans)	151.804	49.498	120.204	2.403
Minus: Cash & cash equivalents	-8.256	-5.332	-5.383	-1.936
Debt	**182.766**	**169.144**	**124.757**	**92.595**
Total Equity	181.358	163.468	167.213	155.692
Total Capital	**364.124**	**332.612**	**291.970**	**248.287**
Gearing ratio	**50,19%**	**50,85%**	**42,73%**	**37,29%**

➢ Risk of a macroeconomic environment in Greece

Capital controls continue to affect the ability to make payments to foreign suppliers to a degree, which is currently smaller and more easily manageable than during the first years of the measure's imposition. The Company, operating within the Group's context along with its subsidiaries, is not affected regarding the smooth supply of stocks. The capital controls to domestic transactions do not affect the operation of the Company since all transactions are conducted through the electronic banking system (e-Banking), whereas cash reserves are sufficient and properly serve its operating liabilities. Therefore, there has been no noticeable impact on the Company's operations, apart from the problems created during the initial effort to adapt to such situations. As a consequence, the risk of a disorderly continuation of the Company's ordinary course of business as a result of the imposition of capital controls is characterized as low.
The Company's Administration monitors all developments and prepares response plans.

C.7. Notes on Financial Statements

C.7.1. Results

C.7.1.1. Turnover

Turnover *Amounts expressed in € (GROUP)*	01.01- 31.12.2018	01.01- 31.12.2017
Sales of goods, other stocks & waste material and revenue from services provision	416.368.423,29	376.197.830,48
Promotion and special sales costs to clients and discounts on the turnover	(76.957.878,59)	(67.405.814,85)
Total	**339.410.544,70**	**308.792.015,63**

Turnover *Amounts expressed in € (COMPANY)*	01.01- 31.12.2018	01.01- 31.12.2017
Sales of goods, other stocks & waste material and revenue from services provision	355.400.962,31	315.445.115,26
Promotion and special sales costs to clients and discounts on the turnover	(73.984.504,33)	(58.727.922,38)
Total	**281.416.457,98**	**256.717.192,88**

C.7.1.2. Other income

Other income *Amounts expressed in € (GROUP)*	01.01- 31.12.2018	01.01- 31.12.2017
Special grants - subsidies	22.585,92	87.520,25
Income from the provision of services to third parties	224.859,09	62.283,39
Insurance payments	0,00	42.242,63
Profits on disposal of tangible immobilizations	313.730,54	581.343,93
Credit exchange differences	175.232,92	56.315,51
Income from reversal of provisions for lawsuits	0,00	714.293,95
Income from reversal of other provisions	1.369,00	5.138,00
Other revenue	785.593,27	612.335,85
Other income	**1.523.370,74**	**2.161.473,51**

Other income *Amounts expressed in € (COMPANY)*	01.01- 31.12.2018	01.01- 31.12.2017
Special grants - subsidies	22.585,92	87.520,25
Income from the provision of services to third parties	169.049,09	26.340,39
Insurance payments	0,00	42.242,63
Profits on disposal of tangible immobilizations	310.598,54	576.854,93
Credit exchange differences	175.232,92	56.315,51
Income from reversal of provisions for lawsuits	0,00	714.293,95
Other revenue	521.923,27	366.841,63
Other income	**1.199.389,74**	**1.870.409,29**

C.7.1.3. Expenses per cost category

Expenses per cost category *Amounts expressed in € (GROUP)*	01.01- 31.12.2018	01.01- 31.12.2017
Direct cost of sales	210.396.494,12	189.645.268,46

Expenses and staff wages	22.024.693,74	19.637.334,30
Remuneration of partners and third parties	15.886.326,28	13.638.867,74
General expenses	37.598.004,96	35.258.760,32
Amortizations	17.516.497,49	17.017.572,93
Total	**303.422.016,59**	**275.197.803,75**

Expenses per cost category *Amounts expressed in € (COMPANY)*	**01.01-31.12.2018**	**01.01-31.12.2017**
Direct cost of sales	191.367.082,83	169.852.144,51
Expenses and staff wages	16.675.425,69	15.468.846,88
Remuneration of partners and third parties	9.927.017,54	10.750.043,07
General expenses	26.025.426,48	21.615.772,34
Amortizations	11.311.887,65	10.565.528,72
Total	**255.306.840,19**	**228.252.335,52**

C.7.1.4. Expenses per function

Expenses per function *Amounts expressed in € (GROUP)*	**01.01-31.12.2018**	**01.01-31.12.2017**
Cost of goods sold	261.675.692,78	238.345.822,79
Selling expenses	35.126.142,70	30.754.498,56
Administration's expenses	6.620.181,10	6.097.482,40
Total	**303.422.016,59**	**275.197.803,75**

Expenses per function *Amounts expressed in € (COMPANY)*	**01.01-31.12.2018**	**01.01-31.12.2017**
Cost of goods sold	225.496.534,39	200.151.216,89
Selling expenses	24.669.075,45	23.139.101,00
Administration's expenses	5.141.230,35	4.962.017,63
Total	**255.306.840,19**	**228.252.335,52**

In the course of the financial year and in order to improve its monitoring base, the Company applied a new computerized accounting system without having any significant changes in the distribution of its expenses.

C.7.1.5. Other expenses

Other expenses *Amounts expressed in € (GROUP)*	**01.01-31.12.2018**	**01.01-31.12.2017**
Provisions on precarious clients	53.871,28	475.320,70
Other provisions	64.336,00	217.310,00
Losses from the disposal of tangible immobilizations	828.443,87	5.974,23
Losses from the destruction of inappropriate stocks	111.960,16	96.078,20
Tax fines and surcharges	25.932,72	20.352,59
Debit foreign exchange differences	664.813,11	509.587,00
Other exceptional and extraordinary expenses	263.055,05	224.455,35
Total	**2.012.412,19**	**1.549.078,07**

Other expenses *Amounts expressed in € (COMPANY)*	01.01- 31.12.2018	01.01- 31.12.2017
Provisions on precarious clients	0,00	155.385,70
Losses from the sale / impairment of tangible immobilizations	984.728,96	5.974,23
Losses from the destruction of inappropriate stocks	0,00	26.801,60
Tax fines and surcharges	25.911,30	20.311,46
Debit foreign exchange differences	40.126,14	0,00
Other exceptional and extraordinary expenses	267.597,21	91.220,18
Total	**1.318.363,61**	**299.693,17**

C.7.1.6. Financial results

Financial expenses

Financial expenses *Amounts expressed in € (GROUP)*	01.01- 31.12.2018	01.01- 31.12.2017
Interests on bond loans	1.460.556,41	2.092.815,87
Interests on long-term loans	1.695.344,78	1.290.498,79
Interests on short-term loans	3.146.448,67	2.377.344,28
Interests on finance leases	142.879,08	113.288,73
Commissions for letters of credit	23.407,79	19.595,45
Commissions & costs of disposal of receivables (factoring)	270.073,54	125.477,07
Other interests payable and similar charges	304.059,30	380.473,66
Total	**7.089.392,50**	**6.399.493,85**

Financial expenses *Amounts expressed in € (COMPANY)*	01.01- 31.12.2018	01.01- 31.12.2017
Interests on bond loans	1.460.556,41	2.092.815,87
Interests on long-term loans	3,78	43.115,87
Interests on short-term loans	2.857.794,67	2.106.766,28
Interests on finance leases	142.879,08	113.288,73
Commissions for letters of credit	23.407,79	19.595,45
Commissions & costs of disposal of receivables (factoring)	270.073,54	125.477,07
Other interests payable and similar charges	350.682,23	322.273,66
Total	**5.058.774,57**	**4.823.332,93**

Financial income

Financial income *Amounts expressed in € (GROUP)*	01.01- 31.12.2018	01.01- 31.12.2017
Credit interests on bank savings	67.445,49	100.244,70
Total	**67.445,49**	**100.244,70**

Financial income *Amounts expressed in € (COMPANY)*	01.01- 31.12.2018	01.01- 31.12.2017
Credit interests on bank savings	1.259,81	1.494,26
Total	**1.259,81**	**1.494,26**

C.7.1.7. Income tax

Income tax *Amounts expressed in € (GROUP)*	01.01- 31.12.2018	01.01- 31.12.2017
Current income tax for the financial year	(7.351.820,60)	(3.480.920,87)
Income tax from previous financial years	(352.987,00)	(8.404,43)
Deferred tax (expense) / income	1.317.757,49	(3.604.614,63)
Income tax (expense) / income	**(6.387.050,11)**	**(7.093.939,93)**

Income tax *Amounts expressed in € (COMPANY)*	01.01- 31.12.2018	01.01- 31.12.2017
Current income tax for the financial year	(6.630.040,37)	(3.413.473,22)
Income tax from previous financial years	(354.613,61)	(8.404,43)
Deferred tax (expense) / income	1.779.661,01	(2.829.982,00)
Income tax (expense) / income	**(5.204.992,07)**	**(6.251.859,65)**

The tax rate for S.A. companies in Greece for the financial year that ended on the 31st of December 2018 is defined at 29% (2017: 29%). Pursuant to Article 23 of the recent Law 4579, voted in 2018, the tax rates on profits from corporate activity of legal entities are gradually reduced by 1% per year, as follows: 28% for the fiscal year 2019, 27% for the fiscal year 2020, 26% for the fiscal year 2021 and 25% for the fiscal year 2022.

This rate applies to the Company, whereas for the subsidiaries S.C. FABRICA DE LAPTE BRASOV S.A. and TYRBUL S.A. the tax rate is defined at 16% and 10% respectively.

In accordance with the provisions of Greek tax law, companies pay each year an income tax advance calculated on the income tax liability for the current year. When clearing the amount in the next financial year, any excess advance amount is refunded to the Company following a fiscal audit.

The Group and the Company have formed a cumulative provision of an amount of € 300 thousand in order to cover any imposition of additional taxes in case of audit by tax authorities for unaudited financial years.

The following table presents the unaudited financial years for the Company and the subsidiaries:

Company	Financial years
HELLENIC DAIRIES S.A.	2018
TYRBUL S.A.	2013–2018
S.C. FABRICA DE LAPTE BRASOV S.A.	2004 –2018
OLYMPUS ITALIA S.r.l.	2013 – 2018
OLYMPUS DAIRY DEUTSCHLAND GmbH	2014 – 2018
OLYMPUS DAIRY UK Ltd	2016 - 2018

We note that:

- Hellenic Dairies S.A. has been audited by tax authorities until the financial year 2011. The financial years 2012, 2013, 2014 and 2015 have been audited by the firm of Certified Public Accountants “PKF” (the ordinary auditor) and the financial years 2016 and 2017 by the firm of Certified Public Accountants “Deloitte.” (the ordinary auditor), according to Article 82 of Law 2238/1994 and Article 65A of Law 4174/13, whereas the related tax compliance reports were issued on 20.09.2013, 10.07.2014, 14.09.2015, 22.09.2016, 30.10.2017 and 30.10.2018 accordingly. The tax compliance report of 2012 contained a reservation about the failure to confirm the respect of the principle of equidistance and failure to identify any amounts that may be beyond the limits of this principle, while the tax compliance reports of 2013, 2014, 2015 and 2016 contained no reservations. The audit by tax authorities for the financial year 2012 is in progress.
- for the acquired Company TYRAS S.A., the financial years 2011 and 2012 have been audited by the firm of Certified Public Accountants, ‘PKF’ (the ordinary auditor) and the financial years 2013, 2014 and 2015 by the firm of Certified Public Accountants, ‘Deloitte.’ (the ordinary auditor), according to Article 82 of Law 2238/1994 and Article 65A of Law 4174/13, whereas the related tax compliance reports were issued on 31.07.2012, 20.09.2013, 09.07.2014, 23.09.2015 and 28.09.2016 accordingly. The tax compliance reports for the financial years

2011 and 2012 contained a reservation about the failure to confirm the respect of the principle of equidistance and failure to identify any amounts that may be beyond the limits of this principle, while the tax compliance reports for the financial years 2013, 2014 and 2015 contained no reservations.

- for the acquired Company "RODOPI" XANTHI DAIRY INDUSTRY S.A., the tax authorities have audited up to the financial year 2010. The financial years 2011, 2012, 2013 and 2014 have been audited by the firm of Certified Public Accountants "PKF" (the ordinary auditor), according to Article 82 of Law 2238/1994 and Article 65A of Law 4174/13, as well as the related tax compliance reports were issued on 01.08.2012, 20.09.2013, 10.07.2014 and 22.09.2015 accordingly. The tax compliance reports of 2011 and 2012 contained a reservation about the failure to confirm the respect of the principle of equidistance and failure to identify any amounts that may be beyond the limits of this principle, while the tax compliance reports of 2013 and 2014 contained no reservation. The audit by tax authorities for the financial year 2012 is in progress.
- until the date of approval of the financial statements, the audit of tax compliance by the ordinary auditor, "Deloitte", an S.A. of Certified Public Accountants, of the financial year 2018 has not been completed yet.

According to Circ. No. 1006/05.01.2016, enterprises, for which a tax compliance report without reservations for violations of tax legislation is issued, are not exempted from the performance of a tax audit by the tax authorities. Therefore, the tax authorities may return and perform their own tax audit. However, it is estimated by the Company's Administration that the results from such future audits by the tax authorities, if realized eventually, will not significantly affect the financial position of the Company.

To the subsidiary S.C. FABRICA DE LAPTE BRASOV S.A. tax audits have been performed regarding the validity of certain transactions with suppliers during the financial years 2011 and 2013, from which a possible additional tax liability emerged amounting to 3,074,424 RON (€ 677.335), whose assurance comes from the pledge of certain fixed assets of the Company. The Administration of the subsidiary believes that there are chances to change the decision of tax authorities through legal processes carried out. The Administration estimates, based on a letter on behalf of the legal consultant of its subsidiary, that this tax liability will not prosper and therefore a relevant provision was not formed.

Amounts expressed in € (GROUP)	01.01-31.12.2018	01.01-31.12.2017
Profit / (loss) before taxes	**28.477.539,66**	**27.907.358,17**
Income tax calculated at the applicable tax rate	(8.258.486,50)	(8.079.541,04)
Effect of different tax rate on foreign subsidiaries	771.949,85	189.475,61
Effect of tax rate change	1.390.856,95	0,00
Effect of formation of untaxed reserve	0,00	2.044.897,82
Effect of non-deductible tax income/(expenses)	63.243,21	(1.237.495,46)
Effect from tax audit differences	(354.613,61)	(11.276,86)
Income tax (expense)	**(6.387.050,11)**	**(7.093.939,93)**
Actual rate	22,43%	25,42%

Amounts expressed in € (COMPANY)	01.01-31.12.2018	01.01-31.12.2017
Profit / (loss) before taxes	**20.933.129,16**	**25.213.734,81**
Income tax calculated at the applicable tax rate (29%)	(6.070.607,46)	(7.311.983,09)
Effect of tax rate change	1.391.435,69	0,00
Effect of formation of untaxed reserve	0,00	2.044.897,82
Effect of non-deductible tax income/(expenses)	(171.207,60)	(973.497,52)

Effect from tax audit differences	(354.613,61)	(11.276,86)
Income tax (expense)	**(5.204.992,97)**	**(6.251.859,65)**
Actual rate	24,86%	24,80%

C.7.2. Tangible Fixed Assets

The Company's tangible fixed assets are as follows:

GROUP

Amounts expressed in €	Fields-Lots	Buildings and technical works	Machinery & other mechanical equipment	Transportation means	Furniture and other equipment	Projects in progress and advance payments for fixed assets acquisition	Total	Investments in property
Acquisition value on 01.01.2018	**11.408.629,93**	**65.217.280,01**	**267.899.287,32**	**12.928.669,97**	**10.617.491,84**	**34.687.368,33**	**402.758.727,40**	**0,00**
Additions for the financial year	617.330,98	654.834,36	14.412.568,43	1.409.199,81	362.609,41	36.447.535,74	**53.904.078,73**	0,00
Transfers	(523.914,00)	1.050.977,46	19.811.904,50	0,00	397.019,00	(23.038.536,40)	**(2.302.549,44)**	1.397.608,00
Revaluation	(1.149.640,92)	(4.620.046,62)	(1.146,00)	0,00	0,00	0,00	**(5.770.633,54)**	0,00
Reductions for the financial year	0,00	0,00	(1.182.680,64)	(1.131.638,28)	(166.838,26)	0,00	**(2.481.157,18)**	0,00
Other adjustments	0,00	0,00	367,86	24.741,94	0,00	24.970,00	**50.079,80**	0,00
Capitalization of interests	0,00	0,00	0,00	0,00	0,00	434.572,33	**434.572,33**	0,00
Acquisition value on 31.12.2018	**10.352.405,99**	**62.303.045,21**	**300.940.301,47**	**13.230.973,44**	**11.210.281,99**	**48.555.910,00**	**446.592.918,10**	**1.397.608.00**
Depreciations on 01.01.2018	**0,00**	**2.311.439,76**	**126.594.290,51**	**10.409.408,94**	**8.036.871,26**	**(2,11)**	**147.352.008,36**	**0,00**
Additions for the financial year	22.854,00	2.412.004,02	13.635.956,03	504.107,86	625.388,91	0,00	**17.200.310,83**	0,00
Transfers	(22.854,00)	(4.714.999,75)	0,00	0,00	0,00	0,00	**(4.737.853,75)**	0,00
Revaluation	0,00	0,00	(577.785,99)	(801.909,45)	(148.356,89)	0,00	**(1.528.052,33)**	0,00
Reductions for the financial year	0,00	0,00	367,85	1.877,21	(0,03)	(1,56)	**2.243,47**	0,00
Other adjustments	**(0,00)**	**8.444,02**	**139.652.828,40**	**10.113.484,56**	**8.513.903,25**	**(3,67)**	**158.288.656,57**	**0,00**
Depreciations on 31.12.2018	**0,00**	**2.311.439,76**	**126.594.290,51**	**10.409.408,94**	**8.036.871,26**	**(2,11)**	**147.352.008,36**	**0,00**
Balance on 31.12.2018	**10.352.405,99**	**62.294.601,19**	**161.287.473,07**	**3.117.488,88**	**2.696.378,74**	**48.555.913,67**	**288.304.261,54**	**1.397.608,00**

The Group during the financial year 2018 got an appraisal of its property by an independent professional appraiser, which readjusted the value of lots and buildings at their fair value for the financial year 2018. The reference date of the study was 31/12/2018. The revaluation of the Group's fixed assets resulted in a loss of € 1.159 thousand, which burdened the results of the current financial year and a profit of € 126 thousand, which, through other comprehensive income, increased the fair value reserve.

Amounts expressed in €	Fields-Lots	Buildings and technical works	Machinery & other mechanical equipment	Transportation means	Furniture and other equipment	Projects in progress and advance payments for fixed assets acquisition	Total
Acquisition value on 01.01.2017	**11.292.629,94**	**57.671.847,48**	**253.651.843,19**	**13.299.485,93**	**10.145.840,11**	**20.590.559,84**	**366.652.206,49**
Additions for the financial year	116.000,00	1.200.563,98	5.971.328,09	772.976,14	420.170,66	28.443.536,24	**36.924.575,11**
Transfers	0,00	6.344.868,59	8.843.662,07	0,00	158.103,00	(15.362.702,67)	**(16.069,00)**
Reductions for the financial year	0,00	0,00	(567.546,03)	(1.143.792,10)	(106.621,93)	0,00	**(1.817.960,06)**
Other adjustments	(0,01)	(0,04)	0,00	0,00	0,00	(12,00)	**(12,05)**
Capitalization of interests	0,00	0,00	0,00	0,00	0,00	1.015.986,91	**1.015.986,91**
Acquisition value on 31.12.2017	**11.408.629,93**	**65.217.280,01**	**267.899.287,32**	**12.928.669,97**	**10.617.491,84**	**34.687.368,33**	**402.758.727,39**
Depreciations on 01.01.2017	**0,00**	**0,00**	**113.825.848,60**	**10.307.390,81**	**7.430.925,23**	**(2,00)**	**131.564.162,64**
Additions for the financial year	0,00	2.311.439,76	13.187.176,13	784.331,96	706.500,85	2,62	**16.989.451,31**
Reductions for the financial year	0,00	0,00	(418.734,62)	(682.313,82)	(100.555,39)	0,00	**(1.201.603,83)**
Other adjustments	0,00	0,00	0,40	(0,01)	0,57	(2,73)	**(1,77)**
Depreciations on 31.12.2017	**0,00**	**2.311.439,76**	**126.594.290,51**	**10.409.408,94**	**8.036.871,26**	**(2,11)**	**147.352.008,35**
Balance on 31.12.2017	**11.408.629,93**	**62.905.840,25**	**141.304.996,82**	**2.519.261,03**	**2.580.620,58**	**34.687.370,44**	**255.406.719,04**

COMPANY

Amounts expressed in €-COMPANY	Fields-Lots	Buildings and technical works	Machinery & other mechanical equipment	Transportation means	Furniture and other equipment	Projects in progress and advance payments for fixed assets acquisition	Total
Acquisition value on 01.01.2018	**4.666.846,54**	**43.784.919,94**	**162.149.295,12**	**8.835.370,71**	**7.989.782,37**	**1.858.503,96**	**229.284.718,64**
Additions for the financial year	617.330,98	654.834,36	14.966.909,11	1.134.948,44	291.097,41	33.601.046,74	**51.266.167,04**
Transfers	0,00	308.456,46	114.189,50	0,00	0,00	(1.311.433,40)	**(888.787,44)**
Revaluation	(965.949,92)	(3.958.228,62)	0,00	0,00	0,00	0,00	**(4.924.178,54)**
Reductions for the financial year	0,00	0,00	(720.007,64)	(1.029.776,28)	(166.838,26)	0,00	**(1.916.622,18)**
Other adjustments	0,00	0,00	367,86	24.741,94	0,00	24.970,00	**50.079,80**
Capitalization of interests	0,00	0,00	0,00	0,00	0,00	318.262,33	**318.262,33**
Acquisition value on 31.12.2018	**4.318.227,60**	**40.789.982,14**	**176.510.753,95**	**8.965.284,81**	**8.114.041,52**	**34.491.349,63**	**273.189.639,65**
Depreciations on 01.01.2018	**0,00**	**1.817.628,56**	**92.069.143,28**	**7.171.405,46**	**6.691.489,48**	**0,00**	**107.749.666,78**
Additions for the financial year	0,00	1.923.512,20	8.411.332,83	314.352,42	352.136,54	**0,00**	**11.001.333,99**
Revaluation	0,00	(3.741.140,76)	0,00	0,00	0,00	0,00	**(3.741.140,76)**
Reductions for the financial year	0,00	0,00	(329.189,99)	(722.113,45)	(148.356,89)	0,00	**(1.199.660,33)**
Other adjustments	0,00	0,00	367,85	1.877,21	(0,03)	0,00	**2.245,03**
Depreciations on 31.12.2018	**0,00**	**0,00**	**100.151.653,97**	**6.765.521,64**	**6.895.269,10**	**0,00**	**113.812.444,71**
Balance on 31.12.2018	**4.318.227,60**	**40.789.982,14**	**76.359.099,98**	**2.199.763,17**	**1.218.772,42**	**34.491.349,63**	**159.377.194,94**

The Company during the financial year 2018 got an appraisal of its property by an independent professional appraiser, which readjusted the value of lots and buildings at their fair value for the financial year 2018. The reference date of the study was 31/12/2018. The revaluation of the Group's fixed assets resulted in a loss

of € 965 thousand, which burdened the results of the current financial year and a loss of € 217 thousand, which, through other comprehensive income, decreased the fair value reserve.

Amounts expressed in €-COMPANY	Fields-Lots	Buildings and technical works	Machinery & other mechanical equipment	Transportation means	Furniture and other equipment	Projects in progress and advance payments for fixed assets acquisition	Total
Acquisition value on 01.01.2017	**4.550.846,55**	**38.770.921,25**	**155.855.506,06**	**9.259.908,60**	**7.823.905,96**	**621.876,00**	**216.882.964,42**
Transfers	0,00	3.813.434,75	1.089.000,00	0,00	0,00	(4.918.504,75)	**(16.070,00)**
Additions for the financial year	116.000,00	1.200.563,98	5.644.740,09	605.171,21	264.510,23	6.003.602,24	**13.834.587,75**
Reductions for the financial year	0,00	0,00	(439.951,03)	(1.029.709,10)	(98.633,82)	0,00	**(1.568.293,95)**
Other adjustments	(0,01)	(0,04)	0,00	0,00	0,00	(12,00)	**(12,05)**
Capitalization of interests	0,00	0,00	0,00	0,00	0,00	151.542,47	**151.542,47**
Acquisition value on 31.12.2017	**4.666.846,54**	**43.784.919,94**	**162.149.295,12**	**8.835.370,71**	**7.989.782,37**	**1.858.503,96**	**229.484.718,64**
Depreciations on 01.01.2017	**0,00**	**0,00**	**84.426.026,71**	**7.457.669,71**	**6.380.136,21**	**0,00**	**98.263.832,63**
Additions for the financial year	0,00	1.817.628,56	7.938.961,79	381.037,58	404.972,55	2,62	**10.542.603,10**
Reductions for the financial year	0,00	0,00	(295.845,62)	(667.301,82)	(93.619,39)	0,00	**(1.056.766,83)**
Other adjustments	0,00	0,00	0,40	(0,01)	0,10	(2,62)	**(2,13)**
Depreciations on 31.12.2017	**0,00**	**1.817.628,56**	**92.069.143,28**	**7.171.405,46**	**6.691.489,47**	**0,00**	**107.749.666,77**
Balance on 31.12.2017	**4.666.846,54**	**41.967.291,38**	**70.080.151,84**	**1.663.965,25**	**1.298.292,90**	**1.858.503,96**	**121.535.051,87**

C.7.3. Intangible Assets

Amounts expressed in €	GROUP	COMPANY
Acquisition value on 01.01.2017	**977.528,66**	**765.933,82**
Additions for the financial year	90.471,64	79.107,64
Transfers	16.070,00	16.070,00
Reductions for the financial year	0,00	0,00
Other changes	0,00	0,00
Acquisition value on 31.12.2017	**1.084.070,30**	**861.111,46**
Depreciations on 01.01.2017	**777.561,93**	**623.148,49**
Additions for the financial year	28.121,62	22.925,62
Reductions for the financial year	286,54	0,00
Other changes	0,20	0,00
Depreciations on 31.12.2017	**805.970,29**	**646.074,11**
Balance on 31.12.17	**278.100,01**	**215.037,35**
Acquisition value on 01.01.2018	**1.084.070,30**	**861.111,46**
Additions for the financial year	487.092,12	288.220,00
Transfers	888.787,44	888.787,44
Reductions for the financial year	(603.461,87)	(603.461,87)
Other changes	0,00	0,00
Acquisition value on 31.12.2018	**1.856.487,99**	**1.434.657,03**
Depreciations on 01.01.2018	**805.970,29**	**646.074,11**
Additions for the financial year	316.186,66	310.553,66
Reductions for the financial year	(571.547,11)	(571.547,11)
Other changes	0,25	0,00
Depreciations on 31.12.2018	**550.610,09**	**385.080,66**
Balance on 31.12.2018	**1.305.877,90**	**1.049.576,37**

Additions and transfers of the current financial year made by the Company concern new software programs, the majority of which on 31.12.2017 was monitored by the Company under the assets in progress.

C.7.4. Investments in Subsidiaries

The Company's investments in the share capital of subsidiaries and other companies are analyzed below. At Group level the values of investments are eliminated by the consolidation records.

Investments in subsidiaries *Amounts expressed in €*	31.12.2018	31.12.2017
Balance at the beginning of the financial year	**54.383.324,60**	**54.383.324,60**
Additions/Percentage increase (Note C.6.2.5.)	10.786.127,86	0,00
Balance at the end of the financial year	**65.169.452,46**	**54.383.324,60**

During the financial year the Company increased the share capital of its subsidiaries S.C. FABRICA DE LAPTE BRASOV S.A. and TYRBUL S.A. by an amount of € 8,093,653.38 and € 2,597,527.71 respectively by offsetting equal receivables. The Company also established 4 new subsidiaries so as to increase its commercial activities.

C.7.5. Investments in Other Companies

The Company, through a subsidiary company, participates in the share capital of ProdLacta S.A. which is established in Romania, as well as in the share capital of OLYMPUS USA Corp. The investments are cited below:

Investments in other companies *Amounts expressed in €*			2018		
Company name	Head office	Holding %	Cost of acquisition	Impairment of holding	Balance value of holding
OLYMPUS USA	USA	10,00%	9.543,84	(9.543,84)	0,00
ProdLacta S.A.	ROMANIA	5,58%	2.755.882,46	(2.755.882,46)	0,00
Total			**2.765.426,30**	**(2.765.426,30)**	**0,00**

C.7.6. Existing Encumbrances

The assets of the Group include underwritings of a total amount of € 236.494 thousand for bank loans. Apart from the above underwritings, there are no other encumbrances.

C.7.7. Other Long-term Receivables

Other long-term receivables *Amounts expressed in € -GROUP*	31.12.2018	31.12.2017
Other financial assets	4.696,32	4.696,32
Other given guarantees	26.524,24	19.731,88
Total	**31.220,56**	**24.428,20**

Amounts expressed in € -COMPANY	31.12.2018	31.12.2017
Other given guarantees	7.306,00	7.306,00
Other financial assets	4.696,32	4.696,32
Total	**12.002,32**	**12.002,32**

Other long-term receivables concern the guarantees for leased buildings and PPC warranties. These receivables will be collected by the Company after the expiration of the lease contracts.

C.7.8. Inventories

Inventories-GROUP *Amounts expressed in €*	31.12.2018	31.12.2017
Merchandises and finished and unfinished products, by-products and residues	18.642.279,10	14.582.767,56
Production in progress	37.924.945,33	33.349.568,02
Raw and auxiliary materials, consumables, spare parts and packaging items	24.305.985,80	19.946.152,31
Minus:		
Provisions for inventory impairment	(470.442,00)	(657.707,00)
Total	**80.402.768,24**	**67.220.780,89**

Provisions for inventory impairment - GROUP *Amounts expressed in €*	31.12.2018	31.12.2017
Balance at the beginning of the financial year	**657.707,00**	**591.897,00**
Provision for impairment of period	(187.265,00)	65.810,00
Balance at the end of the financial year	**470.442,00**	**657.707,00**

Inventories - COMPANY *Amounts expressed in €*	31.12.2018	31.12.2017
Merchandises and products	628.444,54	576.868,85
Finished and unfinished products, by-products and residues	5.385.422,12	4.047.245,74
Production in progress	31.287.098,33	28.341.625,02
Raw and auxiliary materials, consumables, spare parts and packaging items	17.102.556,03	13.080.458,78
Minus:		
Provisions for inventory impairment	(350.000,00)	(350.000,00)
Total	**54.053.521,02**	**45.696.198,39**

Provisions for inventory impairment - COMPANY *Amounts expressed in €*	31.12.2018	31.12.2017
Balance at the beginning of the financial year	**350.000,00**	**350.000,00**
Provision for impairment of period	0,00	0,00
Balance at the end of the financial year	**350.000,00**	**350.000,00**

C.7.9. Clients and Other Commercial Receivables

Clients and other commercial receivables (GROUP) *Amounts expressed in €*	31.12.2018	31.12.2017
Clients	59.284.050,77	57.234.268,93
Cheques receivable	18.158.689,67	16.514.374,87
Minus:		
Impairments of precarious receivables	(6.695.150,86)	(6.900.778,48)
Total	**70.747.589,58**	**66.847.865,32**

The reversal of the provision is mainly due to the write-off of impaired receivables within the financial year.

Clients and other commercial receivables (COMPANY) *Amounts expressed in €*	31.12.2018	31.12.2017
Clients	38.856.423,59	41.397.688,11

Cheques receivable	18.158.689,67	16.514.374,87
Receivables from related parties	16.026.289,44	13.762.133,79
Minus:		
Impairments of precarious receivables	(5.953.000,00)	(6.417.275,93)
Total	**67.088.402,70**	**65.256.920,84**

	Group	Company
Balance of provision on precarious receivables 31.12.2017	**6.900.778,48**	**6.417.275,93**
Change due to accounting policies (adoption of IFRS 9)	423.944,36	318.001,03
Balance of provision on precarious receivables 01.01.2018	**7.324.722,84**	**6.735.276,96**
Transfer to expected credit losses	444.616,29	432.528,12
Transfer from expected credit losses	(2.138.872,42)	(2.129.065,47)
Net revaluation change	(1.694.256,12)	(1.696.537,35)
Net change of expected credit losses from new receivables or past receivables settled	694.812,96	914.740,18
Balance of provision on precarious receivables 31.12.2018	**6.325.279,67**	**5.953.479,79**

During the financial year 31.12.2018 we observe a concentration of sales in 3 client groups with a wide dispersion of branches in Greece and abroad. At the same time, the Company has a great number of clients so that the credit risk is dispersed and it proceeds to an insurance coverage of its receivables. The Administration of the Group and the Company regularly monitors the evolution of the above balances and the restriction of the exposure of their collectability risk by setting a credit limit per client.

As of January 1st 2018, the Group applies the simplified approach of IFRS 9 and calculates the expected credit losses over the whole duration of its receivables. Expected credit losses on commercial receivables are estimated on the basis of a table through which the relevant provisions are calculated in a way that reflects past experience, the current financial position of the debtor adjusted to the current overall economic situation and estimates for the future course.

The maximum exposure to credit risk at the reporting date is the accounting value of each category of receivables as indicated in note 7.11.

C.7.10. Other Short-term Receivables

Other short-term receivables ***Amounts expressed in € (GROUP)***	**31.12.2018**	**31.12.2017**
Advance payments of staff	10.670,00	3.870,00
Advance paid and withheld taxes	4.699.156,64	4.036.629,79
VAT-Grants and other receivables from the public sector	5.822.842,51	5.008.860,88
Other Lenders	880.288,69	822.009,69
Expenses for future financial years	593.100,38	431.512,68
Advance payments for the purchase of reserves and assets	6.982.952,67	8.194.071,53
Other advance payments	377,09	5.846,92
Other accrual assets	244.329,89	124.134,04
Income receivable for the financial year		0,00
Minus:		
Provisions on precarious receivables	(-1.426.924,00)	(1.408.333,00)
Total	**17.806.793,87**	**17.218.602,53**

Provisions for bad debts allowance ***Amounts expressed in € (GROUP)***	**31.12.2018**	**31.12.2017**
Balance at the beginning of the financial year	**1.408.333,00**	**1.940.431,34**
Provision for impairment of period	0,00	0,00
Provision reversal from previous financial years	18.591,00	(532.098,34)

Balance at the end of the financial year	**1.426.924,00**	**1.408.333,00**

Other short-term receivables Amounts expressed in € (COMPANY)	31.12.2018	31.12.2017
Advance paid and withheld taxes	3.426.500,64	3.552.665,79
VAT-Grants and other receivables from the public sector	5.818.099,74	4.553.186,13
Other Lenders	732.416,72	756.611,32
Precarious and disputed debtors	0,00	0,00
Expenses for future financial years	103.956,14	67.899,06
Advance payments for the purchase of reserves and assets	6.758.333,28	7.736.735,10
Management accounts of advance payments and credits	377,09	5.846,92
Other accrual assets	244.329,89	124.134,04
Minus:		
Provisions on precarious receivables	(1.380.000,00)	(1.360.000,00)
Total	**15.704.013,50**	**15.437.078,36**

Provisions for bad debts allowance *Amounts expressed in €*	31.12.2018	31.12.2017
Balance at the beginning of the financial year	**1.360.000,00**	**1.885.667,34**
Provision for impairment of period	0,00	0,00
Provision reversal from previous financial years	20.000,00	(525.667,34)
Balance at the end of the financial year	**1.380.000,00**	**1.360.000,00**

The fair values of the above assets approximate the accounting values of the books. The Company's other receivables relate to transactions that are valued at undepreciated cost and are of safe collection, except for those on which provisions were formed.

The analysis on the maturity of other short-term receivables is set out in note 7.11.

C.7.11. Contractual Maturity of Receivables

Contractual maturity analysis on financial receivables of the Group *31st of December 2018* *Amounts expressed in €*	*Balance sheet value*	*Up to 1 year*	*Up to 5 years*	*> 5 years*	*Total*
Clients	70.747.589,58	70.747.589,58	0,00	0,00	70.747.589,58
Other receivables	17.806.793,87	17.806.793,87	0,00	0,00	17.806.793,87
Reserves	8.255.807,17	8.255.807,17	0,00	0,00	8.255.807,17
Total	**96.810.190,62**	**96.810.190,62**	**0,00**	**0,00**	**96.810.190,62**

Contractual maturity analysis on financial receivables of the Company *31st of December 2018* *Amounts expressed in €*	*Balance sheet value*	*Up to 1 year*	*Up to 5 years*	*> 5 years*	*Total*
Clients	67.088.402,70	67.088.402,70	0,00	0,00	67.088.402,70
Other receivables	15.704.013,50	15.704.013,50	0,00	0,00	15.704.013,50
Reserves	5.382.561,49	5.382.561,49	0,00	0,00	5.382.561,49
Total	**88.174.977,69**	**88.174.977,69**	**0,00**	**0,00**	**88.174.977,69**

The maturity of the receivables is determined based on data and information resulting from the contracts and based on data resulting from the analysis of credit risk.

C.7.12. Cash and Cash Equivalents

Amounts expressed in €-GROUP	31.12.2018	31.12.2017
Cash on hand	124.432,65	91.195,61
Cash on banks in €	7.890.998,52	4.944.074,47
Cash on banks in foreign currency	240.376,00	296.579,95
Total	**8.255.807,17**	**5.331.850,02**

Amounts expressed in €-COMPANY	31.12.2018	31.12.2017
Cash on hand	108.824,65	82.591,61
Cash on banks in €	5.273.736,84	1.853.580,07
Total	**5.382.561,49**	**1.936.171,68**

C.7.13. Share Capital

Share Capital						
Amounts expressed in €	Number of common shares	Amount in €	Number of preferred shares	Amount in €	Total number of shares	Total amount in €
Balance on January 1st 2018	**15.988.968,00**	**11.671.946,64**	**0,00**	**0,00**	**15.988.968,00**	**11.671.946,64**
Changes of financial year 2018	0,00	0,00	4.509.720,00	3.292.095,60	4.509.720,00	3.292.095,60
Balance on December 31st 2018	**15.988.968,00**	**14.964.042,24**	**4.509.720,00**	**3.292.095,60**	**20.498.688,00**	**14.964.042,24**

Profits per share were calculated based on the weighted number of shares, namely 20,498,688.

During the Extraordinary Self-Convened General Meeting held on 14.06.2018, the share capital increase by the amount of € 3.292.095,60 was approved unanimously through the issuance of 4,509,720 preferred registered shares, without voting rights, of a nominal value of € 0.73 each with the following privileges:
a. partial or total entitlement, before the ordinary shares of the Company, to the dividend distributed in accordance with the provisions of article 33 of the articles of association.
b. privileged return on capital paid by the holders of preferred shares coming from the proceeds of the liquidation of the company's property.
c. privileged payment of dividends also for the financial years when there was no distribution of dividends.
d. entitlement to interest and/or dividend.
e. in whole or in part participation in the profits of the Company or its business activity.
f. granting of other cash benefits or considerations.

C.7.14. Reserves

GROUP DETAILS *Amounts expressed in€*	Ordinary reserve	Special reserves	Tax free & specially taxed reserves	Revaluation of property reserve	Other reserves	Exchange rate differences	Total
Balances on 01.01.2017	**4.261.836,50**	**866.535,94**	**85.882.145,56**	**7.653.295,66**	**339.079,13**	**(4.322.008,83)**	**94.680.883,96**
Distribution of profits	0,00	0,00	4.077.835,56	0,00	5.890,35	0,00	**4.083.725,91**
Balances on 31.12.2017	**4.261.836,50**	**866.535,94**	**89.959.981,12**	**7.653.295,66**	**344.969,48**	**(4.322.008,83)**	**98.764.609,87**
Balances on 01.01.2018	**4.261.836,50**	**866.535,94**	**89.959.981,12**	**7.653.295,66**	**344.969,48**	**(4.322.008,83)**	**98.764.609,87**
Distribution of profits	0,00	0,00	0,00	0,00	9.101.420,16	0,00	9.101.420,16
Property evaluation at fair values	0,00	0,00	0,00	126.894,14	0,00	0,00	126.894,14
Other adjustments	0,00	0,00	0,00	0,00	0,00	111,17	111,17
Income tax of other total income	0,00	0,00	0,00	218.946,51	0,00	0,00	218.946,51
Balances on 31.12.2018	**4.261.836,50**	**866.535,94**	**89.959.981,12**	**7.999.136,31**	**9.446.389,64**	**(4.321.897,66)**	**108.211.981,85**

COMPANY DETAILS *Amounts expressed in €*	Ordinary reserve	Special reserves	Tax free & specially taxed reserves	Revaluation of property reserve	Other reserves	Total
Balances on 01.01.2017	**4.261.836,50**	**151.622,76**	**86.546.785,73**	**2.887.857,28**	**0,00**	**93.848.102,27**
Distribution of profits	0,00	0,00	4.077.835,56	0,00	0,00	**4.077.835,55**
Balances on 31.12.2017	**4.261.836,50**	**151.622,76**	**90.624.621,29**	**2.887.857,28**	**0,00**	**97.925.937,82**
Balances on 01.01.2018	**4.261.836,50**	**151.622,76**	**90.624.621,29**	**2.887.857,28**	**0,00**	**97.925.937,82**
Distribution of profits	0,00	0,00	0,00	0,00	9.101.420,16	9.101.420,16
Property evaluation at fair values	0,00	0,00	0,00	(217.087,86)	0,00	(217.087,86)
Other adjustments	0,00	0,00	0,00	0,00	0,00	0,00
Income tax of other total income	0,00	0,00	0,00	212.830,10	0,00	212.830,10
Balances on 31.12.2018	**4.261.836,50**	**151.622,76**	**90.624.621,29**	**2.883.599,53**	**9.101.420,16**	**107.023.100,23**

C.7.15. Long-term Borrowings

Amounts expressed in €-GROUP	31.12.2018	31.12.2017
Bond loans		
Bond loans non-convertible into shares	119.653.000,00	38.389.237,82
Minus:		
Amounts payable next financial year	(7.186.333,33)	(38.389.237,82)
Long-term loans		
Long-term loans in €	40.690.773,00	63.782.917,24
Minus:		
Amounts payable next financial year	9.090.910,00	(17.541.276,68)
Balance of long-term borrowings	**144.066.529,67**	**46.241.640,56**

Maturity of long-term borrowings - GROUP *Amounts expressed in €*	31.12.2018	31.12.2017
Total long-term bond loans		
Within 1 year	21.920.413,63	55.930.514,50
From 2 to 5 years	144.066.529,67	41.696.183,56
After 5 years	0,00	4.545.457,00
Total	**165.986.943,29**	**102.172.155,06**

Amounts expressed in €-COMPANY	31.12.2018	31.12.2017
Bond loans		
Bond loans non-convertible into shares	119.653.000,00	38.389.237,82
Long-term loans		
Long-term loans in €	0,00	13.801,22
Minus:		
Amounts payable next financial year	(7.186.333,33)	(38.403.039,04)
Balance of long-term borrowings	**112.466.666,67**	**0,00**

Maturity of long-term borrowings - COMPANY *Amounts expressed in €*	31.12.2018	31.12.2017
Within 1 year	7.186.333,33	38.403.039,04
From 2 to 5 years	112.466.666,67	0,00
After 5 years	0,00	0,00
Total	**119.653.000,00**	**38.403.039,04**

The discounting rate of the Group's long-term loans is 3.34%.

The total loans of the Group and the Company are in € and are as follows:

Company's ordinary bond loan

Based on the agreement above, the observance of ratios was determined, among others, whose measurement will be performed on the semi-annual and annual consolidated financial statements. As of 31.12.2018 the Group is in compliance with 3 financial ratios of the loan agreement, while not respecting one financial ratio related to investing costs, since part of its planned investments was implemented during the financial year at a faster rate than expected. On 03.07.2019 the Company received for the above a waiver letter from the bondholders' representative.

Long-term loans of subsidiaries

The subsidiary FABRICA DE LAPTE BRASOV S.A., in February 2012, concluded a long-term loan amounting to €30 million with Black Sea Trade Development Bank, which is payable in eleven (11) six-month installments until 2019. Moreover, on 10.09.2014 the company concluded a new long-term loan with this bank amounting to €10 million, which is payable in seven (7) installments until October 2019. In

April 2016, the subsidiary concluded another long-term loan amounting to €25 million with Black Sea Trade and Development Bank and International Investment Bank, which is payable in eleven (11) installments, until the 21st of June 2023.

The subsidiary TYRBUL S.A., in April 2016, concluded a new long-term loan amounting to €25 million with Black Sea Trade and Development Bank and International Investment Bank, which is payable in eleven (11) installments, until the 21st of June 2023.

Furthermore, the Company has guaranteed the loans concluded by the subsidiaries in Romania and Bulgaria with Black Sea Trade & Development Bank and International Investment Bank. According to the amended contract of guarantee signed on April 29th 2016 the observance of the following ratios on the consolidated semi-annual and annual financial statements is provided. The Group is in compliance with 3 financial ratios of the loan agreement, while not respecting one financial ratio related to Current assets to short-term liabilities for which it received waiver letters from Black Sea Trade & Development Bank and International Investment Bank on 27.11.2018 and 20.12.2018 respectively.

C.7.16. Deferred Tax

Taxes are calculated on temporary differences, following the liability method, using tax rates applicable in the countries where the companies of the Group operate. The calculation of deferred tax of the Group and the Company is reviewed every financial year, so that the balance shown in the balance sheet shall reflect the current tax rates.

The movement in deferred taxes, following any offsets, is as follows:

Deferred tax ***Amounts expressed in €-GROUP***	**31.12.2018**	**31.12.2017**
-Deferred tax assets		
Provisions on bad debt	1.528.162,82	1.664.576,00
Other provisions	273.292,00	529.416,00
Financial leasing	0,00	0,00
Staff compensation	354.425,03	370.684,42
Impairment of holdings	4.627,96	5.029,71
Actuarial (profits)/losses of current financial year	34.405,00	0,00
Impairment of inventories	101.027,00	134.831,00
Total (a)	**2.295.939,81**	**2.704.537,13**
-Deferred tax liabilities		
Long-term loans	0,00	0,00
Revaluation of property plant and equipment	16.953.523,63	18.855.596,39
Other deferred tax liabilities	(54.718,80)	142.004,94
Total (b)	**16.898.804,83**	**18.997.601,33**
Net balance of deferred tax assets / (liabilities) in the financial statements (a) - (b)	**(14.602.865,04)**	**(16.293.064,20)**

Deferred tax ***Amounts expressed in € –COMPANY***	**31.12.2018**	**31.12.2017**
-Deferred tax assets		
Provisions on bad debt	1.382.396,76	1.541.350,00
Other provisions	250.000,00	495.900,00
Staff compensation	351.862,03	353.783,42
Impairment of holdings	2.385,96	2.767,71
Impairment of inventories	87.500,00	101.500,00
Total (a)	**2.074.144,75**	**2.495.301,13**
-Deferred tax liabilities		
Other deferred tax liabilities	(111.589,80)	45.578,93
Revaluation of property plant and equipment	12.668.298,73	15.053.049,42

Total (b)	**12.556.708,93**	**15.098.628,35**
Net balance of deferred tax assets / (liabilities) in the financial statements (a) - (b)	**(10.482.564,18)**	**(12.603.327,23)**

Deferred tax assets, liabilities and the result have been recognized based on the effective tax rates on 31/12/2018. The tax rate for S.A. companies in Greece for the financial year that ended on the 31st of December 2018 is defined at 29% (2017: 29%). Pursuant to Article 23 of the recent Law 4579, voted in 2018, the tax rates on profits from corporate activity of legal entities are gradually reduced by 1% per year, as follows: 28% for the fiscal year 2019, 27% for the fiscal year 2020, 26% for the fiscal year 2021 and 25% for the fiscal year 2022.

C.7.17. Liabilities for Defined Benefits towards Employees

The employed staff of the Group on the 31st of December 2018 amounts to 1.275 and of the Company to 757 persons, while on the 31st of December 2017 the employed staff of the Group amounts to 1.214 and of the Company to 690 persons.
The provision for compensation due to retirement is shown in the financial statements according to IAS 19.

Liabilities for benefits towards employees due to retirement ***Amounts expressed in € (GROUP)***	**31.12.2018**	**31.12.2017**
Balance at the beginning of the financial year	**1.361.518,52**	**1.241.764,27**
Expense recognized in equity	134.999,68	113.100,13
Expense recognized in income statement	285.720,05	140.197,83
Provision reversal/use from previous financial years	0,00	(133.543,71)
Total change of financial year	**420.719,73**	**119.754,25**
Balance at the end of the financial year	**1.782.238,25**	**1.361.518,52**

The provision on movement for the Group is shown in detail in the following table:

Accounting representation under IAS 19	**Group Details**	
amounts expressed in €	**31.12.2018**	**31.12.2017**
Change in the current value of the liability		
Cost of current employment	175.386,49	120.192,16
Cost of interests	25.446,30	19.868,13
Effect of cut/settlement/terminal provisions	12.950,57	363.723,13
Net expense of the financial year	**213.783,36**	**503.783,43**
Accounting severance cost in the total income statement	94.122,61	497.139,31
Expense recognized in the total income statement	(349.106,00)	(503.793,43)
Result recognized in equity	(134.999,35)	(113.100,13)
Total	**(389.982,74)**	**(119.754,25)**

Liabilities for benefits towards employees due to retirement ***Amounts expressed in € (COMPANY)***	**31.12.2018**	**31.12.2017**
Balance at the beginning of the financial year	**1.219.942,83**	**1.120.206,42**
Expense recognized in equity	44.593,88	32.527,13
Expense recognized in income statement	142.911,41	140.187,83
Provision reversal/use from previous financial years	0,00	(72.978,55)

Total change of financial year	**187.505,29**	**99.736,41**
Balance at the end of the financial year	**1.407.448,12**	**1.219.942,83**

The provision on movement for the Company is shown in detail in the following table:

Accounting representation under IAS 19	**Company Details**	
amounts expressed in €	**31.12.2018**	**31.12.2017**
Change in the current value of the liability		
Cost of current employment	160.239,30	117.919,62
Cost of interests	20.739,03	17.923,20
Effect of cut/settlement/terminal provisions	40.028,38	369.157,99
Net expense of the financial year	**221.006,71**	**505.000,81**
Accounting severance cost in the total income statement	78.095,29	437.791,53
Expense recognized in the total income statement	(221.006,71)	(505.000,81)
Result recognized in equity	(44.593,88)	(32.527,13)
Total	**(187.505,30)**	**(99.736,41)**

The actuarial assumptions used in the actuarial valuation are those of the previous financial year and are as follows:

Actuarial assumptions		
1.	Discounting rate:	1.7% with average duration 19.29
2.	Average annual increase rate of long-term inflation:	1.75% (according to the Convergence Program of the European Union – Lisbon Strategy).
3.	Average long-term annual increase in payroll:	3% (inflation + 1.25%)
4.	Valuation date:	31.12.2018
5.	Normal retirement age:	Under the statutory provisions of the Fund of Primary Insurance for each employee.
6.	General principle for calculating the actuarial figures:	As a general principle, the principle of the continuous business was used, under the framework of IAS (see IAS 1 § 23)
7.	Actuarial valuation method:	The Projected Unit Credit Method was used (see IAS 19)

C.7.18. Provisions

Provisions ***Amounts expressed in € (GROUP)***	**31.12.2018**	**31.12.2017**
Provisions for legal affairs	350.000,00	350.000,00
Other provisions	169.250,31	73.630,60
Total	**519.250,31**	**423.630,60**

Other provisions		
Balance at the beginning of the financial year	**423.630,60**	**1.089.985,19**
Expense recognized in the income statement	123.056,91	47.939,36
Provision reversal from previous financial years	(27.437,20)	(714.293,95)
Total	**519.250,31**	**423.630,60**

Provisions ***Amounts expressed in € (COMPANY)***	**31.12.2018**	**31.12.2017**
Provisions for legal affairs	350.000,00	350.000,00
Total	**350.000,00**	**350.000,00**

Other provisions		
Balance at the beginning of the financial year	**350.000,00**	**1.064.293,95**
Provision reversal from previous financial years	0,00	(714.293,95)
Balance at the end of the financial year	**350.000,00**	**350.000,00**

C.7.19. Suppliers and Other Commercial Liabilities

Suppliers and other commercial liabilities *Amounts expressed in € (GROUP)*	31.12.2018	31.12.2017
Suppliers	45.503.513,39	32.261.661,15
Clients advance payments	8.761.795,82	2.941.185,97
Cheques payable	5.031.465,34	5.348.114,09
Total	**59.296.774,55**	**40.550.961,21**

Suppliers and other commercial liabilities *Amounts expressed in € (COMPANY)*	31.12.2018	31.12.2017
Suppliers	37.666.671,12	23.890.239,56
Clients advance payments	1.989.948,30	190.195,41
Cheques payable	5.031.465,34	5.348.114,09
Total	**44.688.084,76**	**29.428.549,06**

The analysis on the maturity of commercial liabilities is set out in note 7.25.

C.7.20. Current and Other Tax Liabilities

Current tax liabilities *Amounts expressed in € (GROUP)*	31.12.2018	31.12.2017
VAT	205.797,26	306.782,64
Payroll and third parties taxes	545.483,64	451.740,46
Income tax clearance	6.764.793,79	5.778.579,51
Provisions for tax audit differences of unaudited years	300.000,00	300.000,00
Other taxes	127.890,22	33.395,46
Total	**7.943.964,91**	**6.870.498,07**

Current tax liabilities *Amounts expressed in € (COMPANY)*	31.12.2018	31.12.2017
Payroll and third parties taxes	488.941,06	414.223,67
Income tax clearance	6.630.040,37	5.713.473,22
Dividends tax	0,00	0,00
Provisions for tax audit differences of unaudited years	300.000,00	300.000,00
Tax audit differences of previous financial years	0,00	0,00
Other taxes	23.909,64	26.229,65
Total	**7.442.891,07**	**6.453.926,54**

C.7.21. Short-term Borrowing

Short-term borrowing *Amounts expressed in € (GROUP)*	31.12.2018	31.12.2017

Working capital in euro (€)

- From Domestic Banking Institutions	912.421,96	52.982.504,23
- From Foreign Banking Institutions	14.549.012,00	15.002.033,28
	15.461.433,96	**67.984.537,51**

Short-term borrowing ***Amounts expressed in € (COMPANY)***	**31.12.2018**	**31.12.2017**
Working capital in euro (€)		
- From Domestic Banking Institutions	912.421,96	52.982.504,23
	912.421,96	**52.982.504,23**

C.7.22. Long-term Liabilities Payable during the Next Financial Year

Long-term liabilities payable during the next financial year ***Amounts expressed in € (GROUP)***	**31.12.2018**	**31.12.2017**
Bond Loans		
Bond loans non-convertible into shares	7.186.333,33	38.389.237,82
Long-term loans		
Long-term loans in euro	14.734.080,30	17.541.276,68
	21.920.413,63	**55.930.514,50**

Long-term liabilities payable during the next financial year ***Amounts expressed in € (COMPANY)***	**31.12.2018**	**31.12.2017**
Bond Loans		
Bond loans non-convertible into shares	7.186.333,33	38.389.237,82
Long-term loans		
Long-term loans in euro	0,00	13.801,22
	7.186.333,33	**38.403.039,04**

C.7.23. Leasing Liabilities

Leasing liabilities *Amounts expressed in € (GROUP)*	31.12.2018	31.12.2017
Balance at the beginning of the financial year	**4.318.729,00**	**4.010.914,26**
Liabilities under new leasing contracts	7.516.462,70	7.516.462,70
Capital repayment of finance leases	(2.261.463,08)	(1.492.822,31)
Balance at the end of the financial year	**9.573.728,62**	**4.318.729,00**

Leasing liabilities *Amounts expressed in € (GROUP)*	31.12.2018	31.12.2017
Liabilities under Finance Leases	9.573.728,59	4.318.729,00
***Minus:* Amounts payable next financial year**	(1.836.469,80)	(1.062.660,74)
Balance	**7.737.258,879**	**3.256.068,26**

Minimum leases payable *Amounts expressed in € (GROUP)*	31.12.2018	31.12.2017
Within 1 year	2.104.574,92	1.189.799,20
From 2 to 5 years	6.680.980,41	3.000.066,73
After 5 years	1.631.966,72	289.808,74
Total minimum finance lease payments	**10.417.522,05**	**10.417.522,05**
Minus:		
Future financial expenses	(843.793,64)	(160.945,67)
Current value of minimum finance lease payments	**9.573.728,41**	**4.318.729,00**

Current value of minimum finance lease payments *Amounts expressed in € (GROUP)*	31.12.2018	31.12.2017
Within 1 year	1.836.469,80	1.062.660,74
From 2 to 5 years	6.150.186,08	2.973.786,16
After 5 years	1.587.072,53	282.282,10
Total Current Value	**9.573.728,41**	**4.318.729,00**

At Company level finance leases are as follows:

Leasing liabilities *Amounts expressed in € (COMPANY)*	31.12.2018	31.12.2017
Balance at the beginning of the financial year	**3.145.353,54**	**2.481.397,26**
Liabilities under new leasing contracts	8.369.822,47	8.369.822,47
Capital repayment of finance leases	(1.941.447,39)	(1.136.680,77)
Balance at the end of the financial year	**9.573.728,62**	**3.145.353,54**

Leasing liabilities *Amounts expressed in € (COMPANY)*	31.12.2018	31.12.2017
Liabilities under Finance Leases	9.573.728,59	3.145.353,54
***Minus:* Amounts payable next financial year**	(1.836.469,80)	(742.645,15)
Balance	**7.737.258,79**	**2.402.708,39**

Minimum leases payable *Amounts expressed in € (COMPANY)*	31.12.2018	31.12.2017
Within 1 year	2.104.574,92	848.402,20
From 2 to 5 years	6.680.980,41	2.107.396,73
After 5 years	1.631.966,72	289.808,74
Total minimum finance lease payments	**10.417.522,05**	**3.245.607,67**
Minus:		
Future financial expenses	(843.793,64)	(100.254,13)
Current value of minimum finance lease payments	**9.573.728,41**	**3.145.353,54**

C.7.24. Other Short-term Liabilities

Other short-term liabilities *Amounts expressed in € (GROUP)*	31.12.2018	31.12.2017
Salaries payable to employees	1.618.945,87	1.407.186,80
Dividends payable	3.060.324,60	1.786.000,00
Wages beneficiaries	0,00	166.221,00
Other short-term liabilities	496.224,43	253.835,54
Insurance organizations	2.031.990,58	1.265.348,19
Accrued Expenses of the financial year	608.646,94	92.918,56
Other accrual liabilities	318.991,87	457.350,76
Total	**8.135.124,29**	**5.428.860,85**

Amounts expressed in € (COMPANY)	31.12.2018	31.12.2017
Salaries payable to employees	1.315.795,46	1.133.364,19
Dividends payable	3.060.324,60	1.786.000,00
Other short-term liabilities	(11.687,75)	2.985,00
Insurance organizations	1.136.133,58	978.233,19
Accrued Expenses of the financial year	608.646,94	92.918,56
Other accrual liabilities	3.911,96	199.183,57
Total	**6.113.124,79**	**4.192.684,51**

The analysis on the maturity of commercial liabilities is set out in note 7.25.

C.7.25. Contractual Maturity of Liabilities

31st of December 2018 *Amounts expressed in €*	*Up to 1 year*	*Up to 5 years*	*> 5 years*	*Total*
Long-term loans (and their short-term installments)	21.920.413,63	144.066.529,67	0,00	165.986.943,29
Liabilities under finance lease	1.836.469,83	6.150.186,08	1.587.072,68	9.573.728,59
Short-term loans	15.461.433,96	0,00	0,00	15.461.433,96
Current tax liabilities	7.943.964,91	0,00	0,00	7.943.964,91
Suppliers	54.265.309,21	0,00	0,00	54.265.309,21
Cheques payable	5.031.465,34	0,00	0,00	5.031.465,34
Other liabilities	8.135.124,28	0,00	0,00	8.135.124,28
Total	**114.594.181,16**	**150.216.715,75**	**1.587.072,68**	**266.397.969,59**

C.7.26. Classification of Financial Assets and Liabilities at Fair Values

The Group and the Company make use of the following classification for the definition and disclosure of the fair value of receivables and liabilities per valuation method:

Level 1: Negotiable (not adjusted) prices in active markets for similar assets or liabilities,

Level 2: Other techniques for which all inflows that have a significant impact on the registered fair value are observable, either directly or indirectly,

Level 3: Techniques that use inflows having a significant impact on the registered fair value and are not based on observable market data.

During the period there were no transfers between level 1 and 2 neither transfers within or outside level 3 for the calculation of fair value. Amounts appearing in the Financial Statements for cash reserves, commercial and other receivables, commercial and other short-term liabilities, as well as bank short-term liabilities approach their corresponding fair values due to their short-term maturity.

The valuation method was determined by taking into account all factors in order to accurately determine the fair value, while they are measured on Level 3 of the classification for the determination of the fair value, apart from bank liabilities which are measured on Level 2 of the classification.

	Group's fair value classification		
	31.12.2018	**31.12.2017**	
Financial assets			
Clients and other commercial receivables (Note 7.9)	70.747.589,58	66.847.865,32	Level 3
Other long-term receivables (Note 7.10)	17.806.793,87	17.218.602,53	Level 3
Cash and cash equivalents (Note 7.12)	8.255.807,17	5.331.850,02	Level 1
Total	**96.810.190,62**	**89.398.317,87**	
Financial liabilities			
Long-term borrowings (Note 7.15)	144.066.529,67	46.241.640,56	Level 2
Leasing liabilities (Note 7.23)	7.737.258,79	3.256.068,26	Level 2
Suppliers and other commercial liabilities (Note 7.19)	59.296.774,55	40.550.961,21	Level 3
Short-term borrowings (Note 7.21)	15.461.433,96	67.984.537,51	Level 2
Leasing liabilities (Note 7.23)	1.836.469,80	1.062.660,74	Level 2
Long-term liabilities payable during the next financial year (Note 7.22)	21.920.413,63	55.930.514,50	Level 2
Other short-term liabilities (Note 7.24)	8.135.124,29	5.428.860,85	Level 3
Total	**258.454.004,69**	**220.455.243,63**	

C.7.27. Analysis of Cash Flows from Financing Activities

GROUP			Non-cash changes				
Amounts in €	01.01.18	Cash flows	Additions	Operational expenses	Interest provisions	Disclosure of lease	31.12.18
Bank liabilities of long-term loans	102.172.155,06	62.873.533,42	0,88	536.164,60	405.089,33	0,00	165.986.943,29
Liabilities of finance leases	4.318.729,00	(2.261.463,01)	8.369.822,47	0,00	0,00	(853.359,87)	9.573.728,59

Bank liabilities of short-term loans	67.984.537,51	(52.523.103,55)	0,00	0,00	0,00	0,00	15.461.433,96
Dividends	1.786.000,00	(5.986.324,60)	7.260.649,20	0,00	0,00	0,00	3.060.324,60
Total	**176.261.421,57**	**2.102.642,26**	**15.630.472,55**	**536.164,60**	**405.089,33**	**(853.359,87)**	**194.082.430,44**

COMPANY				Non-cash changes		
Amounts in €	01.01.18	Cash flows	Additions	Operational expenses	Interest provisions	31.12.18
Bank liabilities of long-term loans	38.403.039,04	80.367.463,03	0,00	536.164,60	346.333,33	119.653.000,00
Liabilities of finance leases	3.145.353,54	(1.941.447,42)	8.369.822,47	0,00	0,00	9.573.728,59
Bank liabilities of short-term loans	52.982.504,23	(52.070.082,27)	0,00	0,00	0,00	912.421,96
Dividends	1.786.000,00	- (5.986.324,60)	7.260.649,20	0,00	0,00	3.060.324,60
Total	**96.316.896,81**	**20.369.608,74**	**15.630.471,67**	**536.164,60**	**346.333,33**	**133.199.475,15**

C.7.28. Contingent Assets - Liabilities

Commitments-Guarantees

The Company has contingent liabilities in relation to banks, other guarantees and other matters arising in the ordinary course of activities. No substantial charges from those contingent liabilities are expected to arise. No additional payments after the date of preparation of the present financial statements are expected.

The contingent liabilities for letters of credit guaranteeing good performance and operation of the Company and the Group within the ordinary course of business are:

Contingent Liabilities	Group Details		Company Details	
amounts expressed in thousand €	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Bank Letters of Credit for Securities	1.820	582	1.805	569
Total Contingent Liabilities	**1.820**	**582**	**1.805**	**569**

Penalty clauses and legal affairs

For all litigated and under arbitration cases a provision has been made on a Group basis of € 350 thousand. This provision is shown in item "Provisions" (note 7.18). There are no other disputes litigated or under arbitration, before judicial or administrative bodies, which may affect significantly the financial position of the Company.

There are no other contested claims by third parties against the Company and the Group or court decisions which may significantly affect the financial position of the Company and the Group.

There are no other important contingent liabilities in addition to those mentioned above.

C.7.29. Transactions with related parties

The transactions in the closing financial year 1.1.2018-31.12.2018 and other receivables and payables on 31/12/2018 of the Company with the related legal entities, as defined by IAS 24, are as follows:

-Commercial receivables	31.12.2018	31.12.2017
METEORA	41.350,99	41.350,99
TYRBUL S.A.	5.317.667,54	2.361.793,00
S.C. FABRICA DE LAPTE BRASOV S.A.	8.832.576,39	5.910.532,86
OLYMPUS DAIRY DEUTSCHLAND GmbH	2.793.945,73	2.559.922,84
OLYMPUS DAIRY USA Corp	3.704.015,59	3.536.311,06
OLYMPUS ITALIA S.r.l.	2.004.075,18	2.574.189,93
OLYMPUS DAIRY UK Ltd	499.745,40	355.695,05
LATIZA S.A.	260.384,00	196.330,27
Total	**23.453.760,82**	**17.536.126,00**

-Other receivables	31.12.2018	31.12.2017
"OLYMPOS" LARISSA DAIRY INDUSTRY S.A.	0,00	300,00
TYRAS S.A.	0,00	300,00
"RODOPI" XANTHI DAIRY INDUSTRY S.A.	0,00	300,00
S.C. FABRICA DE LAPTE BRASOV S.A.	0,00	0,00
LATIZA S.A.	0,00	0,00
Total	**0,00**	**900,00**

-Commercial liabilities	31.12.2018	31.12.2017
TYRBUL S.A.	1.887.072,36	0,00
HELLENIC DAIRIES S.A.	0,00	0,00
"OLYMPOS" LARISSA DAIRY INDUSTRY S.A.	0,00	0,00
"RODOPI" XANTHI DAIRY INDUSTRY S.A.	0,00	0,00
LATIZA S.A.	0,00	0,00
S.C. FABRICA DE LAPTE BRASOV S.A.	0,00	216.293,53
Total	**1.887.072,36**	**216.293,53**

-Merchandise purchases	31.12.2018	31.12.2017
LATIZA	0,00	108.876,54
TYRBUL S.A.	18.343.487,92	18.479.029,70
S.C. FABRICA DE LAPTE BRASOV S.A.	37.617.726,91	31.506.399,86
Total	**55.961.214,83**	**50.094.306,10**

-Service purchases	31.12.2018	31.12.2017
TYRBUL S.A.	552,00	10.000,00
S.C. FABRICA DE LAPTE BRASOV S.A.	3.674,32	0,00
LATIZA S.A.	211.589,80	183.200,00
Total	**215.816,12**	**193.200,00**

-Sales of Fixed Assets	31.12.2018	31.12.2017
TYRBUL S.A.	0,00	126.000,00
S.C. FABRICA DE LAPTE BRASOV S.A.	313.601,00	51.750,00
Total	**313.601,00**	**177.750,00**

-Purchases of Fixed Assets	31.12.2018	31.12.2017
TYRBUL S.A.	0,00	2.000,00
LATIZA S.A.	0,00	19.898,04
S.C. FABRICA DE LAPTE BRASOV S.A.	50.000,00	190.015,73
Total	**50.000,00**	**211.913,77**

-Sales (Turnover)	31.12.2018	31.12.2017
METEORA	0,00	4.502,40
OLYMPUS DAIRY UK Ltd	3.404.807,11	1.193.897,12

TYRBUL S.A.	13.515.799,99	4.187.578,13
S.C. FABRICA DE LAPTE BRASOV S.A.	7.276.700,11	5.594.903,62
OLYMPUS DAIRY DEUTSCHLAND GmbH	16.274.050,48	11.666.371,63
OLYMPUS ITALIA S.r.l.	15.427.527,23	13.155.776,61
LATIZA S.A.	0,00	0,00
Total	**55.898.884,92**	**35.803.029,51**

-Sales of Services (Other Income)	**31.12.2018**	**31.12.2017**
"OLYMPOS" LARISSA DAIRY INDUSTRY S.A.	1.158,32	1.200,00
"RODOPI" XANTHI DAIRY INDUSTRY S.A.	1.158,32	1.200,00
TYRAS S.A.	1.158,32	1.200,00
S.C. FABRICA DE LAPTE BRASOV S.A.	3.675,00	3.150,00
OLYMPUS DAIRY DEUTSCHLAND GmbH	1.874,25	1.199,52
OLYMPUS ITALIA S.r.l.	2.053,80	1.232,28
OLYMPUS DAIRY UK Ltd	823,20	1.129,85
TYRBUL S.A.	1.606,50	2.085,19
Total	**13.507,71**	**12.396,84**

	Company	
Amounts expressed in thousand €	**31.12.2018**	**31.12.2017**
Guaranteed financing limits towards banks for subsidiaries and associates & joint ventures	**66.494**	**83.896**
Used from among the approved and guaranteed financing limits towards banks for subsidiaries and associates & joint ventures	**61.025**	**78.880**
Advance payments and Good performance Letters of Credit	**1.805**	**569**

	Company	
Amounts expressed in thousand €	**31.12.2018**	**31.12.2017**
Transactions and fees to managers and Administration members	**0**	**0**
Claims from managers and Administration members (Accounts to be paid)	**13**	**20**
Liabilities towards managers and Administration members	**0**	**1.788**

	Group	
Amounts expressed in thousand €	**31.12.2018**	**31.12.2017**
Guaranteed financing limits towards banks for subsidiaries and associates & joint ventures	**231.494**	**245.221**
Used from among the approved and guaranteed financing limits towards banks for subsidiaries and associates & joint ventures	**181.937**	**170.316**
Advance payments and Good performance Letters of Credit	**1.820**	**582**

	Group	
Amounts expressed in thousand €	**31.12.2018**	**31.12.2017**
Transactions and fees to managers and Administration members	**0**	**0**
Claims from managers and Administration members (Accounts to be paid)	**13**	**20**
Liabilities towards managers and Administration members	**7**	**1.792**

C.7.30. Subsequent events

According to the minutes of the Board of Directors No. 13/12.02.2019, it was decided to establish a new subsidiary in France under the trade name "OLYMPUS FOODS FRANCE".

Apart from the already mentioned events, there are no other events following the financial statements that concern the Group and the Company.

Trikala, 3rd of July 2019

The Chairman of the Board of Directors	The Chief Executive Officer	The Financial Director
DIMITRIOS SARANTIS Identity card No. AI 848942	MICHAIL SARANTIS Identity card No. AM 377566	ARGYRIS KONSTANTAKOS Identity card No. AE 812656 Economic Chamber of Greece class A' licence No. 90838