

# **MACEDONIAN THRACE BREWERY S.A.**

**Registered Office: Industrial Area of Komotini, GR-69100 Komotini**

**Companies Reg. No. 35100/67/B/96/003**

**G.E.MI. No. 014029110000**

## **FINANCIAL STATEMENTS**

**Year 2017**

**1 January to 31 December 2017**

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## Independent Auditor's Report

To the Shareholders of MACEDONIAN THRACE BREWERY S.A.

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of MACEDONIAN THRACE BREWERY S.A. (the Company), which comprise the balance sheet as at 31 December 2017, and the statements of income and changes in equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MACEDONIAN THRACE BREWERY S.A. as at 31 December 2017 and its financial performance for the year then ended in accordance with the requirements of the L. 4308/2014 as in force.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the L. 4308/2014 as in force, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 misstatement when it exists. Misstatements 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 misstatement 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, 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**

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report, according to the provisions of paragraph 5 of article 2 (part B') of L. 4336/2015, we note that:

- In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 43a of cod. L. 2190/1920 and its content corresponds with the accompanying financial statements for the year ended 31/12/2017.
- Based on the knowledge we obtained during our audit of MACEDONIAN THRACE BREWERY S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 11 July 2018

**Panagiotis I. Korovesis**

Certified Public Accountant Auditor  
Institute of CPA (SOEL) Reg. No. 16071



CERTIFIED PUBLIC ACCOUNTANTS

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## BALANCE SHEET at 31 DECEMBER 2017

| ASSETS   | Note  | 2017                        | 2016                        |
|--|-------|-----------------------------|-----------------------------|
| <b><u>Non-current assets</u></b>                       |       |                             |                             |
| <b><i>Tangible assets</i></b>                          |       |                             |                             |
| Land-Buildings   | 6.1   | 4.354.256,98                | 3.965.453,63                |
| Mechanical equipment                                   | 6.1   | 6.130.840,75                | 5.896.623,46                |
| Other equipment  | 6.1   | <u>6.147.289,67</u>         | <u>4.383.102,42</u>         |
| <b>Total</b>   |       | <b><u>16.632.387,40</u></b> | <b><u>14.245.179,51</u></b> |
| <b><i>Intangible assets</i></b>                        |       |                             |                             |
| Other intangible assets                                | 6.4   | <u>20.563,56</u>            | <u>6.805,16</u>             |
| <b>Total</b>   |       | <b><u>20.563,56</u></b>     | <b><u>6.805,16</u></b>      |
| <b><i>Financial assets</i></b>                         |       |                             |                             |
| Other  |       | <u>13.663,48</u>            | <u>13.663,48</u>            |
| <b>Total</b>   |       | <b><u>13.663,48</u></b>     | <b><u>13.663,48</u></b>     |
| <b>Total non-current assets</b>                        |       | <b><u>16.666.614,44</u></b> | <b><u>14.265.648,15</u></b> |
| <b><u>Current assets</u></b>                           |       |                             |                             |
| <b><i>Inventories</i></b>                              |       |                             |                             |
| Finished and semi-finished products                    |       | 2.921.915,72                | 3.267.558,49                |
| Merchandise  |       | 18.849,96                   | 26.315,33                   |
| Raw materials and consumables                          |       | 1.717.370,49                | 497.582,93                  |
| Other inventories                                      |       | <u>425.534,33</u>           | <u>448.825,58</u>           |
| <b>Total</b>   |       | <b><u>5.083.670,50</u></b>  | <b><u>4.240.282,33</u></b>  |
| <b><i>Financial assets and payments on account</i></b> |       |                             |                             |
| Trade receivables                                      | 7.2.1 | 3.355.425,59                | 2.979.074,21                |
| Accrued income   |       | 70.969,43                   | 50.426,43                   |
| Other receivables                                      | 7.2.2 | 1.503.873,18                | 1.117.549,25                |
| Other financial assets                                 |       | -                           | 19.999,80                   |
| Prepaid expenses                                       |       | 22.160,61                   | 20.314,92                   |
| Cash and cash equivalents                              | 7.2.3 | <u>368.165,03</u>           | <u>522.764,22</u>           |
| <b>Total</b>   |       | <b><u>5.320.593,84</u></b>  | <b><u>4.710.128,83</u></b>  |
| <b>Total current assets</b>                            |       | <b><u>10.404.264,34</u></b> | <b><u>8.950.411,16</u></b>  |
| <b>Total Assets</b>                                    |       | <b><u>27.070.878,78</u></b> | <b><u>23.216.059,31</u></b> |

| <b>LIABILITIES</b>                              | <b>Note</b> | <b>2017</b>                 | <b>2016</b>                 |
|---|-------------|-----------------------------|-----------------------------|
| <b><u>Equity</u></b>                            |             |                             |                             |
| <b><i>Paid-up capital</i></b>                   |             |                             |                             |
| Capital   | 8           | 4.662.565,20                | 4.662.565,20                |
| Own securities                                  |             | <u>(229.621,72)</u>         | <u>(229.621,72)</u>         |
| <b>Total</b>                                    |             | <b><u>4.432.943,48</u></b>  | <b><u>4.432.943,48</u></b>  |
| <b><i>Reserves and retained earnings</i></b>    |             |                             |                             |
| Statutory reserve                               | 8           | 3.843.694,96                | 2.505.346,31                |
| Tax-free reserves                               | 8           | 4.452.886,98                | 4.170.533,67                |
| Retained earnings                               |             | <u>1.736.006,37</u>         | <u>1.813.769,80</u>         |
| <b>Total</b>                                    |             | <b><u>10.032.588,31</u></b> | <b><u>8.489.649,78</u></b>  |
| <b>Total equity</b>                             |             | <b><u>14.465.531,79</u></b> | <b><u>12.922.593,26</u></b> |
| <b><u>Provisions</u></b>                        |             |                             |                             |
| Provisions for employee benefits                | 9.1         | <u>214.240,34</u>           | <u>209.012,05</u>           |
| <b>Total</b>                                    |             | <b><u>214.240,34</u></b>    | <b><u>209.012,05</u></b>    |
| <b><u>Liabilities</u></b>                       |             |                             |                             |
| <b><i>Non-current liabilities</i></b>           |             |                             |                             |
| Long-term bank loans                            | 10.1.1      | 3.696.934,94                | 2.789.263,22                |
| Government grants                               |             | <u>-</u>                    | <u>5.626,29</u>             |
| <b>Total</b>                                    |             | <b><u>3.696.934,94</u></b>  | <b><u>2.794.889,51</u></b>  |
| <b><i>Current liabilities</i></b>               |             |                             |                             |
| Short-term bank loans                           |             | 800.000,00                  | 203.613,31                  |
| Current portion of long-term debt               | 10.1.1      | 1.129.385,36                | 1.035.191,51                |
| Trade payables                                  | 10.2.1      | 821.840,94                  | 637.832,24                  |
| Other taxes and duties                          |             | 631.825,46                  | 383.171,35                  |
| Social security organizations                   |             | 159.247,85                  | 133.912,59                  |
| Other payables                                  | 10.2.2      | 5.144.115,49                | 4.853.624,16                |
| Accrued expenses                                |             | -                           | 36.646,83                   |
| Deferred income                                 |             | <u>7.756,61</u>             | <u>5.572,50</u>             |
| <b>Total</b>                                    |             | <b><u>8.694.171,71</u></b>  | <b><u>7.289.564,49</u></b>  |
| <b>Total liabilities</b>                        |             | <b><u>12.391.106,65</u></b> | <b><u>10.084.454,00</u></b> |
| <b>Total Equity, Provisions and Liabilities</b> |             | <b><u>27.070.878,78</u></b> | <b><u>23.216.059,31</u></b> |

## STATEMENT OF INCOME by FUNCTION

|   | Note | 2017                       | 2016                       |
|---|------|----------------------------|----------------------------|
| Turnover (net)  |      | 20.534.345,03              | 19.373.761,14              |
| Cost of sales   |      | <u>(13.851.134,82)</u>     | <u>(11.944.878,18)</u>     |
| <b>Gross profit/(loss)</b>                            |      | <b>6.683.210,21</b>        | <b>7.428.882,96</b>        |
| Other operating income                                |      | <u>84.624,71</u>           | <u>42.921,92</u>           |
|   |      | <b>6.767.834,92</b>        | <b>7.471.804,88</b>        |
| Administrative expenses                               |      | (1.208.309,89)             | (1.270.012,75)             |
| Distribution costs                                    |      | (3.228.171,69)             | (3.565.582,19)             |
| Other expenses and losses                             |      | (170.547,29)               | (170.097,34)               |
| Other income and gains                                |      | <u>41.675,89</u>           | <u>128.736,97</u>          |
| <b>Earnings/(loss) before interest and tax (EBIT)</b> |      | <b>2.202.481,94</b>        | <b>2.594.849,57</b>        |
| Interest and similar income                           |      | 1.008,22                   | 120,28                     |
| Interest expense and similar charges                  |      | <u>(277.314,81)</u>        | <u>(191.353,03)</u>        |
| <b>Profit/(loss) before income tax</b>                |      | <b>1.926.175,35</b>        | <b>2.403.616,82</b>        |
| Income tax expense                                    |      | <u>(383.236,82)</u>        | <u>(502.912,83)</u>        |
| <b>Profit/(loss) for the period net of tax</b>        |      | <b><u>1.542.938,53</u></b> | <b><u>1.900.703,99</u></b> |

## STATEMENT OF CHANGES IN EQUITY

|                                    | Capital             | Share premium | Owners Deposits | Own shares/ securities | Fair value reserves | Statutory reserve   | Tax-free reserves   | Retained earnings   | Total                |
|------------------------------------|---------------------|---------------|-----------------|------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|                                    |                     |               |                 | -                      |                     |                     |                     |                     |                      |
| <b>Balance at 1 January 2016</b>   | <b>4.662.565,20</b> | <b>0,00</b>   | <b>0,00</b>     | <b>229.621,72</b>      | <b>0,00</b>         | <b>2.364.697,44</b> | <b>3.888.180,36</b> | <b>758.736,79</b>   | <b>11.444.558,07</b> |
| Increase/(decrease) in the period  | 0,00                | 0,00          | 0,00            | 0,00                   | 0,00                | 0,00                | 0,00                | 0,00                | 0,00                 |
| Internal transfers                 | 0,00                | 0,00          | 0,00            | 0,00                   | 0,00                | 140.648,87          | 282.353,31          | -423.002,18         | 0,00                 |
| Dividend distribution              | 0,00                | 0,00          | 0,00            | 0,00                   | 0,00                | 0,00                | 0,00                | -422.668,80         | -422.668,80          |
| Profit/(loss) for the period       | 0,00                | 0,00          | 0,00            | 0,00                   | 0,00                | 0,00                | 0,00                | 1.900.703,99        | 1.900.703,99         |
|                                    |                     |               |                 | -                      |                     |                     |                     |                     |                      |
| <b>Balance at 31 December 2016</b> | <b>4.662.565,20</b> | <b>0,00</b>   | <b>0,00</b>     | <b>229.621,72</b>      | <b>0,00</b>         | <b>2.505.346,31</b> | <b>4.170.533,67</b> | <b>1.813.769,80</b> | <b>12.922.593,26</b> |
| Increase/(decrease) in the period  | 0,00                | 0,00          | 0,00            | 0,00                   | 0,00                | 0,00                | 0,00                | 0,00                | 0,00                 |
| Internal transfers                 | 0,00                | 0,00          | 0,00            | 0,00                   | 0,00                | 1.338.348,65        | 282.353,31          | -1.620.701,96       | 0,00                 |
| Dividend distribution              | 0,00                | 0,00          | 0,00            | 0,00                   | 0,00                | 0,00                | 0,00                | 0,00                | 0,00                 |
| Profit/(loss) for the period       | 0,00                | 0,00          | 0,00            | 0,00                   | 0,00                | 0,00                | 0,00                | 1.542.938,53        | 1.542.938,53         |
|                                    |                     |               |                 | -                      |                     |                     |                     |                     |                      |
| <b>Balance at 31 December 2017</b> | <b>4.662.565,20</b> | <b>0,00</b>   | <b>0,00</b>     | <b>229.621,72</b>      | <b>0,00</b>         | <b>3.843.694,96</b> | <b>4.452.886,98</b> | <b>1.736.006,37</b> | <b>14.465.531,79</b> |

**NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2017**  
**(According to the provisions of article 29, L. 4308/2014)**

**1. Information about the Company**

- a) Company name: MACEDONIAN THRACE BREWERY S.A.
- b) Legal form: Société Anonyme.
- c) Reporting period: 1.1.2017 - 31.12.2017.
- d) Registered office address: Industrial Area of Komotini, GR-69100 Komotini
- e) Companies Reg. No. 35100/67/B/96/003  
General Commercial Registry (G.E.MI.): 014029110000
- f) Management considers that the going concern assumption is appropriate for the preparation of the financial statements.
- g) The company is classified as a medium-sized entity.
- h) Management declares that the financial statements have been prepared in full compliance with this law.
- i) The amounts of the financial statements are presented in Euro which is the functional measurement currency of the Company.
- j) The amounts are not rounded, unless otherwise stated.

**2. Factors putting at risk the company's prospect as a going concern**

The Company carried out a related assessment and did not identify factors putting at risk the company's prospect as a going concern.

**3. Accounting policies and methods**

The preparation of financial statements requires the exercise of judgement and the use of accounting estimates by management, which affect the process of applying the accounting policies, the carrying amounts of income, expenses, assets and liabilities and the disclosures. These estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual events however, could differ from these estimates. Estimates and related assumptions are continually evaluated.

Accounting estimates are made mainly for the calculation of depreciation of assets, the participating interests, the impairment of receivables, the provisions and the fair value estimation when its application is chosen.

**3.1. Accounting policies and methods applied**

The company for the separate items of the financial statements applies the following accounting policies and methods, under the accrual basis principle.

### **3.1.1. Tangible assets**

#### **a) Initial recognition**

Tangible assets are initially recognized at acquisition cost, which includes any costs attributable that is to bringing the asset to the present condition or location or intended use.

Specifically, the cost of self-produced assets, includes the cost of raw materials, consumable materials, labour and any other cost directly attributable to this asset. In addition, it includes a fair proportion of fixed and variable costs indirectly associated with the self-produced asset, to the extent that these amounts refer to the period of construction or production. The company charges the cost of self-produced assets having long period of construction or production with interest of interest-bearing liabilities in proportion to the part corresponding to it.

#### **b) Subsequent measurement**

Subsequent to initial recognition assets are measured at depreciable cost (initial cost, plus any subsequent cost that qualifies for recognition as an asset, less accumulated depreciation and impairment losses).

Depreciation on tangible assets is calculated using the straight-line method by equal annual charges over the estimated useful life of the asset, as follows:

- Buildings and technical works: 25 years.
- Machinery - Technical installations and other mechanical equipment: 10 years.
- Vehicles - Passenger cars: 6,25 years.
- Vehicles - Trucks, etc.: 8,33 years.
- Furniture, fittings and equipment: 10 years.

An impairment loss is recognized when it is estimated that the asset's carrying amount exceeds its recoverable amount.

The carrying amount of the Company's assets is reviewed for impairment when there are indications that the carrying amount is greater than its recoverable amount. In such case it is calculated the recoverable amount of the asset and if the carrying amount exceeds the estimated recoverable amount, the related difference is recognized as impairment loss in the income statement. The recoverable amount is the higher of an asset's fair value (less costs to sell) and value in use.

For the purposes of assessing the value in use, the estimated future cash flows are discounted at their present value using a pre-tax discount rate which reflects the current market estimates for the time value of money and the risks associated with these assets.

#### **c) Derecognition**

Tangible assets are derecognized at their disposal or when no future economic benefits are expected from their use or disposal.

### **3.1.2. Intangible assets**

Intangible assets include concessions - patents - rights, computer software, trademarks and licences.

The value of trademarks - licences - concessions - patents and rights includes the cost incurred to acquire an intangible asset and any cost incurred subsequently to renew the period of its force, decreased by the amount of accumulated amortisation and any impairment losses.

The value of computer software licences includes the costs incurred to acquire and bring to use the specific software, decreased by the amount of accumulated amortisation and any impairment losses. Significant subsequent costs are recognised as intangible assets when they increase their efficiency beyond the initial specifications.

The amortisation of licences - concessions and rights is calculated using the straight-line method over their estimated useful lives. The amortisation of computer software licences is calculated using the straight-line method in 5 years.

Trademarks are not amortised since they are considered to have an indefinite useful life but are tested annually for impairment.

The amortisation charge on all the assets as above is included in the income statement.

### **3.1.3. Financial assets**

#### **3.1.3.1. Participations**

Participations are carried at cost subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses are recognized when the carrying amount of the participations exceeds their recoverable amount. As recoverable amount is considered the value in use that is the present value of expected future cash flows from the participation within the following 5-year period and the residual value at the end of the five-year period.

#### **3.1.3.2. Other financial assets**

##### **a) Initial recognition**

All the financial assets are initially recognised at cost, namely the cost incurred to acquire the assets. Cost comprises all the cash and cash equivalents or the fair value of another consideration given in exchange of their acquisition plus transaction costs.

##### **b) Subsequent measurement**

Subsequent to initial recognition, financial assets are measured at cost (nominal amounts) less any impairment loss, except of the interest bearing assets which, when the amounts, the term of their maturity or the interest rate are significant, are carried at amortised cost using the effective interest method.

Impairment loss arises when the asset's carrying amount is higher of the amount an entity estimates that will recover from this asset.

The amount an entity estimates that will recover from a financial asset is the higher of:

- The present value of the estimated amount calculated using the original effective interest rate.
- The asset's fair value, decreased by the necessary selling cost.

Impairment loss is recognized in the income statement and reversed as profit when circumstances causing it ceased existing. Reversal is made up to the value the asset would have if no impairment loss had been recognised.

Loans and receivables denominated in foreign currencies are measured using the exchange rates prevailing at the date of the balance sheet. The related exchange rate differences are recognised in profit or loss.

### **c) Derecognition**

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or substantially all of the risks and rewards of ownership of the asset have been transferred.

## **3.1.4. Income taxes**

### **3.1.4.1. Current tax**

The current income tax includes:

- The income tax arising pursuant to the provisions of current tax law.
- The income tax and the additional taxes arising from the tax audit.

Any tax audit differences are recognised in the income statement for the year when these are assessed by the tax authorities and made acceptable by the Company.

### **3.1.4.2. Deferred taxes**

Deferred taxes arise when there are temporary (reversible) differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet.

The company did not choose the recognition of deferred taxes.

## **3.1.5. Inventories**

### **a) Initial recognition**

Inventories are initially recognised at cost, which includes any costs attributable that is to bringing any item of the inventories to the present condition or location or intended use.

Specifically, the cost of self-produced inventories, includes the cost of raw materials, consumable materials, labour and any other cost directly attributable to these assets. In addition, it includes a fair proportion of fixed and variable costs indirectly associated with the self-produced asset, to the extent that these amounts refer to the period of production. The company charges the cost of self-produced inventories having long period of production or maturity with interest of interest-bearing liabilities in proportion to the part corresponding to them.

### **b) Subsequent measurement**

Subsequent to initial recognition inventories are measured at the lower of cost and their net realisable value. The cost is determined using the annual weighted average cost method. In case of measurement at net realisable value, the impairment loss is recognised as cost of sales, unless significant, where it is incorporated in the item "Impairment of assets".

### **3.1.6. Payments on account and other non-financial assets**

Payments on account of costs incurred are initially recognized at cost (amounts paid) and subsequently measured at initial cost less the amounts used based on the accrual basis principle and any impairment losses. The impairment of payments on account of costs incurred refers to the case where the recipient of the related amount is not able either to fulfil the undertaken commitment either to return the balance of the amount.

Other non-financial assets are initially recognized at cost and subsequently measured at the lower of cost and recoverable amount that is the amount expected to be received.

### **3.1.7. Financial liabilities**

#### **a) Initial recognition and subsequent measurement**

Financial liabilities both at initial recognition and subsequently are measured at their nominal amounts, except those of long-term maturity, which are carried at amortized cost using the effective rate method. The financial liabilities denominated in foreign currencies are measured using the exchange rates prevailing at the date of the balance sheet. The related exchange rate differences are recognised in profit or loss.

#### **b) Derecognition**

A financial liability is removed from the balance sheet when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires.

### **3.1.8. Non-financial liabilities**

#### **a) Initial recognition and subsequent measurement**

Non-financial liabilities are initially recognized and subsequently measured at the nominal amount expected to be required for their settlement. Differences arising either at a revaluation either at a settlement of non-financial liabilities are recognized as gains or losses for the period in which they occur.

#### **b) Derecognition**

A non-financial liability is removed from the balance sheet when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires.

### **3.1.9. Provisions**

Provisions are initially recognized and subsequently measured at the nominal amount expected to be required for the settlement of obligations, unless the measurement at the present value of the expenditure expected to be required to settle the obligation has material impact on the amounts of the financial statements.

Specifically, the provisions for employee retirement benefits arising from defined benefit plans are recognized and measured based on the by law arisen nominal amounts as at the balance sheet date.

### **3.1.10. Government grants**

Government grants received for acquisition of fixed assets are recognised as deferred income and are partially credited to the income statement as income in proportion to the depreciation of the assets for which the grants were received, while those received for compensating expenses incurred are recognised as income credited to the income statement in the same period that are recognised also the respective expenses.

### **3.1.11. Income and Expenses**

The company recognizes income and expenses, when these are accrued.

In particular:

- Income from sale of goods is recognized in the period in which it is accrued provided that all the following conditions are fulfilled:
  - ✓ Significant risks and rewards of ownership of the goods are transferred to the buyer.
  - ✓ Goods have been accepted by the buyer.
  - ✓ The economic benefits associated with the transaction can be measured reliably and it is more than probable that will flow to the entity.
- Income from provision of services and construction contracts is recognised by reference to the completed contract method.
- Income resulting from the use of an entity's assets by third parties is recognised as follows:
  - ✓ Interest based on time proportion by the effective rate or the straight-line method.
  - ✓ Dividends or similar income resulting from participation held in the equity of other entities when these are approved by the competent body that announces their distribution.
  - ✓ Rights based on the related contractual terms and conditions.

### **3.1.12. Equity**

The items of equity are initially recognized and subsequently measured at the nominal amounts that have been received or paid.

### **3.1.13. Contingent assets and contingent liabilities**

These records concern contingent rights and commitments respectively, resulting from past events and their existence will be certified only by the occurrence or non-occurrence of one or more uncertain future events, which are not wholly within the control of the Company. Such information is disclosed in the notes to the financial statements.

### **3.1.14. Events after the Balance Sheet date**

The values of the assets and the liabilities at the balance sheet date, are adjusted, if there is an objective indication that corrective events subsequent to this date impose adjustments to their value. These adjustments are made for such events, up to the date of approval of the financial statements by

the Board of Directors. Un-adjusted after the balance sheet date events are disclosed when significant, in the notes to the financial statements.

### **3.1.15. Critical accounting estimates and assumptions**

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## **3.2. Change in accounting policies and methods, changes in accounting estimates and correction of prior periods' errors**

### **3.2.1. Change in accounting policies and methods**

Changes in accounting policies and methods, are recognized by retrospective restatement of the financial statements of all the periods that are published with the statements of the present period, so as the items that are presented to be comparable.

In the present period no such changes occurred.

### **3.2.2. Changes in accounting estimates**

Changes in accounting estimates are recognized in the period in which it is ascertained that they arise and affect this period and future periods, as appropriate. Such changes are not recognized retrospectively.

### **3.2.3. Correction of prior periods' errors**

Corrections of errors are recognized by retrospective correction in the financial statements of all the periods that are published with the statements of the present period.

In the present period retrospective adjustments occurred in certain items of the comparative period 2016 due to change (decrease) in the rate of the entitled exemption by the L. 3908/11 (Tax exempt Discount). Due to this change, the amount of the income tax in the statement of income for the year was restated to € 502.912,83 from amount € 79.382,87 that was initially published and as a result the profit/(loss) for the year net of tax is decreased by the difference amount € 423.529,96 and consequently by this difference amount are equally decreased the balance sheet items "Other receivables" and "Tax-free reserves" in relation to the originally published data.

#### 4. Deviations from the law provisions in order to achieve fair presentation of the financial statements

When in exceptional circumstances, the company deviates from the application of a law provision in order to fulfil the obligation of fair presentation of the financial statements, discloses and justifies sufficiently the reasons for the deviation.

In the present period no need for such deviation occurred.

#### 5. Relation of an asset or a liability with more than one item of the balance sheet

There are no assets or liabilities that are related with more than one item of the balance sheet.

#### 6. Information relating to tangible and intangible assets

##### 6.1. Own-used tangible assets

| Table of changes in own-used tangible assets   | Land              | Buildings           | Mechanical equipment | Other equipment      |
|--|-------------------|---------------------|----------------------|----------------------|
| <b>Cost</b>                                    |                   |                     |                      |                      |
| <b>Balance 1.1.2016</b>                        | 984.610,88        | 5.329.006,45        | 20.630.557,43        | 10.350.852,33        |
| Additions                                      | 0,00              | 743.736,71          | 742.581,55           | 1.202.940,47         |
| Disposals                                      | 0,00              | (1.363,29)          | (456,44)             | (25.795,43)          |
| Payments on account for non-current assets     | 0,00              | 69.642,50           | 159.979,34           | 5.770,00             |
| <b>Balance 31.12.2016</b>                      | <b>984.610,88</b> | <b>6.141.022,37</b> | <b>21.532.661,88</b> | <b>11.533.767,37</b> |
| <b>Accumulated depreciation and impairment</b> |                   |                     |                      |                      |
| <b>Balance 1.1.2016</b>                        | 0,00              | 3.013.645,23        | 14.571.163,27        | 6.761.420,08         |
| Depreciation charge                            | 0,00              | 146.534,39          | 1.064.875,15         | 563.542,37           |
| Write-downs of depreciation charge             | 0,00              | 0,00                | 0,00                 | (174.297,50)         |
| <b>Balance 31.12.2016</b>                      | <b>0,00</b>       | <b>3.160.179,62</b> | <b>15.636.038,42</b> | <b>7.150.664,95</b>  |
| <b>Net book amount 31.12.2016</b>              | <b>984.610,88</b> | <b>2.980.842,75</b> | <b>5.896.623,46</b>  | <b>4.383.102,42</b>  |
| <b>Cost</b>                                    |                   |                     |                      |                      |
| <b>Balance 1.1.2017</b>                        | 984.610,88        | 6.141.022,37        | 21.532.661,88        | 11.533.767,37        |
| Additions                                      | 0,00              | 165.854,54          | 229.288,96           | 2.479.808,74         |
| Disposals                                      | 0,00              | (344,58)            | (15.137,71)          | (18.411,41)          |
| Payments on account for non-current assets     | 0,00              | 379.742,08          | 1.119.007,43         | 102.595,00           |
| <b>Balance 31.12.2017</b>                      | <b>984.610,88</b> | <b>6.686.274,41</b> | <b>22.865.820,56</b> | <b>14.097.759,70</b> |
| <b>Accumulated depreciation and impairment</b> |                   |                     |                      |                      |
| <b>Balance 1.1.2017</b>                        | 0,00              | 3.160.179,62        | 15.636.038,42        | 7.150.664,95         |
| Depreciation charge                            | 0,00              | 156.448,69          | 1.098.941,39         | 799.805,08           |
| Write-downs of depreciation charge             | 0,00              | 0,00                | 0,00                 | 0,00                 |
| <b>Balance 31.12.2017</b>                      | <b>0,00</b>       | <b>3.316.628,31</b> | <b>16.734.979,81</b> | <b>7.950.470,03</b>  |
| <b>Net book amount 31.12.2017</b>              | <b>984.610,88</b> | <b>3.369.646,10</b> | <b>6.130.840,75</b>  | <b>6.147.289,67</b>  |

## 6.2. Investment property

This did not occur.

## 6.3. Biological assets

This did not occur.

## 6.4. Intangible assets

| <b>Table of changes in intangible assets</b>   | <b>Other intangible assets</b> |
|--|--------------------------------|
| <b>Cost</b>                                    |                                |
| <b>Balance 1.1.2016</b>                        | 356.063,82                     |
| Additions                                      | 34.939,30                      |
| Disposals                                      | (17.469,65)                    |
| <b>Balance 31.12.2016</b>                      | <b>373.533,47</b>              |
| <b>Accumulated amortisation and impairment</b> |                                |
| <b>Balance 1.1.2016</b>                        | 344.445,72                     |
| Amortisation charge                            | 22.282,59                      |
| <b>Balance 31.12.2016</b>                      | <b>366.728,31</b>              |
| <b>Net book amount 31.12.2016</b>              | <b>6.805,16</b>                |
| <b>Cost</b>                                    |                                |
| <b>Balance 1.1.2017</b>                        | 373.533,47                     |
| Additions                                      | 34.534,55                      |
| Disposals                                      | (8.904,33)                     |
| <b>Balance 31.12.2017</b>                      | <b>399.163,69</b>              |
| <b>Accumulated amortisation and impairment</b> |                                |
| <b>Balance 1.1.2017</b>                        | 366.728,31                     |
| Amortisation charge                            | 11.871,82                      |
| <b>Balance 31.12.2017</b>                      | <b>378.600,13</b>              |
| <b>Net book amount 31.12.2017</b>              | <b>20.563,56</b>               |

## 6.5. Payments on account and non-current assets in course of construction

The payments on account for non-current assets of amount € 1.821.598,64 concern acquisitions of fixed assets which occurred in the frame of the investment programme in course of construction for expansion of the existing Malting plant and are analysed per category of asset in the table "6.1. Own-used tangible assets".

## 7. Financial assets

### 7.1. Measurement at fair value

This did not occur.

## 7.2. Measurement at cost

### a) Derivative financial instruments

This did not occur.

### b) Non-current financial assets which are presented at an amount that exceeds their fair value

This did not occur.

## 7.2.1. Trade receivables

The trade receivables are analysed in the table below:

| <b><u>Trade receivables</u></b>          | <b><u>31.12.2017</u></b>   | <b><u>31.12.2016</u></b>   |
|--|----------------------------|----------------------------|
| Customers domestic                       | 2.689.922,80               | 2.569.617,50               |
| Customers abroad                         | 14.928,96                  | 10.633,71                  |
| Domestic customers assigned to Factoring | 21.433,93                  | 21.433,93                  |
| Doubtful debtors                         | 96.153,33                  | 128.877,47                 |
| Other contested customers                | 108.835,75                 | 108.835,75                 |
| Notes overdue                            | 1.213,79                   | 1.213,79                   |
| Cheques receivable (post-dated)          | 961.240,87                 | 656.104,64                 |
| Provision for doubtful receivables       | <u>-538.303,84</u>         | <u>-517.642,58</u>         |
| <b>Total</b>                             | <b><u>3.355.425,59</u></b> | <b><u>2.979.074,21</u></b> |

## 7.2.2. Other receivables

The other receivables are analysed in the table below:

| <b><u>Other receivables</u></b>  | <b><u>31.12.2017</u></b>   | <b><u>31.12.2016</u></b>   |
|----------------------------------|----------------------------|----------------------------|
| Cash accommodations to employees | 7.894,87                   | 23.148,33                  |
| Other sundry debtors             | 16.352,07                  | 17.413,31                  |
| Accrued income                   | 1.076.987,61               | 1.076.987,61               |
| Income tax settlement account    | <u>402.638,63</u>          | <u>0,00</u>                |
| <b>Total</b>                     | <b><u>1.503.873,18</u></b> | <b><u>1.117.549,25</u></b> |

The amount € 1.076.987,61 concerns subsidies receivable from the Manpower Employment Organization (OAED) to subsidize the cost of payroll of border areas from the year 2010 until the abolition of the subsidy on 11/04/2016, without this abolition being related to the Company's current claims generated up to this date. The Company proceeded in legal claim of these receivables by bringing an action against the OAED from 1/6/2016. Based on the opinions of the Legal Advisors dealing with the case, the Management considers that the above action will be accepted in the whole and these amounts are all recoverable.

## 7.2.3. Cash and cash equivalents

The cash and cash equivalents are analysed in the table below:

| <b><u>Cash and cash equivalents</u></b> | <b><u>31.12.2017</u></b> | <b><u>31.12.2016</u></b> |
|---|--------------------------|--------------------------|
| Cash on hand                            | 101.988,41               | 142.011,49               |
| Current deposits                        | <u>266.176,62</u>        | <u>380.752,73</u>        |
| <b>Total</b>                            | <b><u>368.165,03</u></b> | <b><u>522.764,22</u></b> |

## 8. Equity accounts

The paid-up share capital of the company is divided in 264.168 ordinary registered voting shares of nominal value € 17,65 each and amounts to € 4.662.565,20.

The statutory reserve of amount € 3.843.694,96 is analysed to the Legal Reserve of € 396.001,02 and the Special Reserves of € 3.447.693,94.

In the account Tax-free Reserves the change in relation to the previous year is due to setting up the Tax-free Reserve under L. 3908/2011 of amount € 282.353,31.

## 9. Provisions

### 9.1. Provision for employee retirement benefits

The obligation for employee benefits was determined based on the provisions of L. 2112/1920.

The movement of the obligation recognized in the balance sheet is as follows:

|   | <u>31.12.2017</u>        | <u>31.12.2016</u>        |
|---|--------------------------|--------------------------|
| Beginning of year                         | 209.012,05               | 219.305,62               |
| Past service cost                         | 21.751,56                | 13.331,10                |
| Benefits paid in the year                 | <u>(16.523,27)</u>       | <u>(23.624,67)</u>       |
| <b>Net liability in the balance sheet</b> | <b><u>214.240,34</u></b> | <b><u>209.012,05</u></b> |

### 9.2. Other provisions

This did not occur.

## 10. Liabilities

### 10.1. Non-current liabilities

#### 10.1.1. Bank loans

##### (a) Loan collateral

The company has subscribed with the National Bank of Greece a long-term bank loan of outstanding balance € 3.063.471,42, for securing which the company granted the right of first mortgage € 587.234,07 on privately-owned assets.

##### (b) Maturity of borrowings

| Outstanding balance              | Bank loans          |
|----------------------------------|---------------------|
| <b>Current portion:</b>          |                     |
| Within 1 year                    | 1.129.385,36        |
| <b>Total current portion</b>     | <b>1.129.385,36</b> |
| <b>Non-current portion:</b>      |                     |
| 1 - 2 years                      | 1.181.003,77        |
| 2 - 5 years                      | 2.515.931,17        |
| Later than 5 years               | 0,00                |
| <b>Total non-current portion</b> | <b>3.696.934,94</b> |
| <b>Grand total</b>               | <b>4.826.320,30</b> |

#### 10.1.2. Other non-current liabilities

This did not occur.

### 10.1.3. Government grants

| <b><u>Table of changes in government grants</u></b> | <b><u>31.12.2017</u></b> | <b><u>31.12.2016</u></b> |
|---|--------------------------|--------------------------|
| Opening balance                                     | 10.266,39                | 18.856,23                |
| <u>Less:</u> Transfer to income statement           | -2.509,78                | -8.589,84                |
| Closing balance                                     | 7.756,61                 | 10.266,39                |
| <u>Less:</u> Transfer to deferred income            | -7.756,61                | -4.640,10                |
| <b>Final balance</b>                                | <b><u>0,00</u></b>       | <b><u>5.626,29</u></b>   |

## 10.2. Current liabilities

### 10.2.1. Trade payables

The trade payables are analysed in the table below:

| <b><u>Trade payables</u></b> | <b><u>31.12.2017</u></b> | <b><u>31.12.2016</u></b> |
|------------------------------|--------------------------|--------------------------|
| Suppliers - domestic         | 320.795,93               | 340.522,71               |
| Suppliers - abroad           | <u>501.045,01</u>        | <u>297.309,53</u>        |
| <b>Total</b>                 | <b><u>821.840,94</u></b> | <b><u>637.832,24</u></b> |

### 10.2.2. Other payables

The other payables are analysed in the table below:

| <b><u>Other payables</u></b>                   | <b><u>31.12.2017</u></b>   | <b><u>31.12.2016</u></b>   |
|--|----------------------------|----------------------------|
| Customers' returnable package items            | 4.035.393,69               | 3.855.957,24               |
| Salaries and wages payable                     | 70.980,14                  | 65.192,98                  |
| Dividends payable                              | 125.321,30                 | 301.712,66                 |
| Shareholders - Capital redeemed to be refunded | 346.228,93                 | 346.228,93                 |
| Other current liabilities in Euro              | 474.062,62                 | 284.532,35                 |
| Accrued expenses                               | <u>92.128,81</u>           | <u>0,00</u>                |
| <b>Total</b>                                   | <b><u>5.144.115,49</u></b> | <b><u>4.853.624,16</u></b> |

## 11. Income and expenses of significant amount or particular frequency or importance

Follows analysis of the income and the expenses in the tables below:

| <b><u>Income</u></b>                                 | <b><u>31.12.2017</u></b>    | <b><u>31.12.2016</u></b>    |
|--|-----------------------------|-----------------------------|
| Sales of merchandise                                 | 183.038,38                  | 288.147,69                  |
| Sales of finished and semi-finished products         | 20.160.375,69               | 18.883.768,81               |
| Sales of other inventories & scrap material          | 190.930,96                  | 201.844,64                  |
| Grants & sundry sales revenue                        | 28.466,82                   | 22.572,76                   |
| Income from side business                            | 56.157,89                   | 20.349,16                   |
| Capital revenue                                      | 1.008,22                    | 120,28                      |
| Self-constructed fixed assets & operating provisions | <u>158.722,89</u>           | <u>143.649,12</u>           |
| <b>Total</b>   | <b><u>20.778.700,85</u></b> | <b><u>19.560.452,46</u></b> |
| <b><u>Expenses</u></b>                               | <b><u>31.12.2017</u></b>    | <b><u>31.12.2016</u></b>    |

|                                      |                             |                             |
|--------------------------------------|-----------------------------|-----------------------------|
| Personnel costs and expenses         | 2.608.645,87                | 2.850.306,01                |
| Third party fees and expenses        | 1.082.676,18                | 1.208.322,50                |
| Third party utilities                | 981.098,64                  | 882.981,25                  |
| Taxes-duties                         | 5.139.811,92                | 4.481.419,69                |
| Sundry expenses                      | 2.205.356,62                | 2.149.694,94                |
| Interest expense and similar charges | 277.314,81                  | 191.353,03                  |
| Depreciation of fixed assets         | 2.107.792,76                | 1.909.120,53                |
| Operating provisions                 | <u>39.711,31</u>            | <u>18.502,19</u>            |
| <b>Total</b>                         | <b><u>14.442.208,11</u></b> | <b><u>13.691.700,14</u></b> |

## 12. Interest embedded in the value of assets in the period

This did not occur.

## 13. Proposed distribution of profits

The board of directors proposes to the forthcoming Ordinary General Meeting of Shareholders the distribution of dividend amounting € 729.103,68 of the year's profit net of tax and after the deduction of the statutory reserve and the tax exemption provided by the L. 3908/11.

## 14. Dividends paid in the year

In the present year were paid dividends € 176.391,36 from profits of the previous year 2015.

## 15. Accounting of period's losses

The present year presented a profitable result.

## 16. Deferred taxes

The company did not choose the recognition of deferred taxes.

## 17. Personnel costs and categories

The average number of employed personnel per category amounts to:

|                                      | <u>31.12.2017</u> | <u>31.12.2016</u> |
|--------------------------------------|-------------------|-------------------|
| Administrative (employees) personnel | 58                | 58                |
| Wage-workers (technical personnel)   | <u>48</u>         | <u>53</u>         |
| <b>Total</b>                         | <b><u>106</u></b> | <b><u>111</u></b> |

The company in respect to employed personnel was charged with the following costs:

|                                  | <u>31.12.2017</u>          | <u>31.12.2016</u>          |
|----------------------------------|----------------------------|----------------------------|
| Salaries and wages               | 2.020.916,25               | 2.260.485,42               |
| Fringe benefits, personnel costs | 30.038,60                  | 22.462,31                  |
| Social security & allowances     | <u>557.691,02</u>          | <u>567.358,28</u>          |
| <b>Total</b>                     | <b><u>2.608.645,87</u></b> | <b><u>2.850.306,01</u></b> |

## 18. Advances and credits to the members of the board and management

There are no such items.

## 19. Participating interests in companies with unlimited responsibility of the partners

There are no such items.

**20. Data of the company preparing consolidated financial statements of the final total group of enterprises, part of which is the company as subsidiary**

The company does not belong to a final total group of enterprises for which consolidated financial statements are prepared.

**21. Data of the company preparing consolidated financial statements of a subtotal of enterprises, part of which is the company as subsidiary**

The company does not belong to a subtotal of enterprises for which consolidated financial statements are prepared.

**22. Place where the consolidated financial statements are available**

This did not occur.

**23. Fees to members of the Board and Management**

The Company was charged with the following amounts:

|   | <b>Fees</b>              |
|---|--------------------------|
| To members of the board of directors acting as managers | <u>219.532,47</u>        |
| <b>Total</b>  | <b><u>219.532,47</u></b> |

**24. Related-party transactions**

The following transactions were carried out with related parties and the year-end balances of receivables or payables from/to related parties are as follows:

|  | <b><u>31.12.2017</u></b> | <b><u>31.12.2016</u></b> |
|--|--------------------------|--------------------------|
| <b><u>Accumulated sales</u></b>                |                          |                          |
| Sales of goods                                 | 175.071,62               | 234.446,39               |
| Other income                                   | <u>0,00</u>              | <u>1.200,00</u>          |
|  | <b><u>175.071,62</u></b> | <b><u>235.646,39</u></b> |
| <b><u>Year-end balances of receivables</u></b> |                          |                          |
| Receivables from sales of goods and services   | 302.599,20               | 379.017,87               |
| Other receivables                              | <u>0,00</u>              | <u>1.243,20</u>          |
|  | <b><u>302.599,20</u></b> | <b><u>380.261,07</u></b> |

**25. Off Balance Sheet arrangements of material positive or negative impact on the company**

There are no such arrangements.

**26. Financial commitments, guarantees and contingencies not disclosed in the balance sheet**

**a) Financial commitments**

There are no such commitments.

**b) Guarantees**

The Company has granted letters of guarantee to various third parties, analysis of which is set out below:

|                                   |                          |                          |
|-----------------------------------|--------------------------|--------------------------|
|                                   | <b><u>31.12.2017</u></b> | <b><u>31.12.2016</u></b> |
| Other guarantees to third parties | <u>190.017,00</u>        | <u>168.236,25</u>        |
| <b>Total</b>                      | <b><u>190.017,00</u></b> | <b><u>168.236,25</u></b> |

### c) Contingencies

In accordance with the relevant tax provisions: a) in article 84, par 1 of L. 2238/1994 (unaudited income tax cases), b) in article 57 par. 1 of L. 2859/2000 (unaudited V.A.T. cases) and c) in article 9 par. 5 of L. 2523/1997 (imposition of fines for income tax cases), the State's authority for the imposition of tax for the years 2010 and 2011 has become time-barred until 31.12.2017, subject to specific or exceptional provisions that may provide for a longer limitation period and provided the conditions laid down therein.

Beyond these, according to consistent case-law of the Council of State and the administrative courts, in the absence of an existing provision in the Laws Code about Stamp Duties laying down any limitation period, the relevant claim of the State for the imposition of stamp duty according to the article 249 of the Civil Code is subject to limitation period of twenty years.

For the years 2012 to 2016 the company is subject to the tax audit of the Certified Auditors Accountants pursuant to the regime provided for by the requirements of the article 82 par. 5 of L. 2238/1994 (years 2012 and 2013) and the requirements of the article 65A of L. 4174/2013 (years 2014 to 2016) as in force and accordingly were issued the Tax Compliance Reports. For the year 2017 the Company is subject to the tax audit of the Certified Auditors Accountants that is required by the provisions of the article 65A of L. 4174/2013. This audit is in progress and the tax compliance report is foreseen to be issued after the publication of the financial statements for the year 2017. If by the completion of the tax audit additional tax liabilities arise, we estimate that these will have no material impact on the financial statements.

## 27. Events after the balance sheet date

No such events have occurred.

**Komotini, 30 June 2018**

**THE CHAIRMAN OF  
THE B. OF D.**

**THE MANAGING  
DIRECTOR**

**THE VICE CHAIRMAN  
OF THE B. OF D.**

**THE HEAD OF  
THE ACCOUNTING DEPT.**

**KONSTANTINOS  
ARAMPATZIS**

**ID. No. AA 468039**

**CHRISTOS  
DIMTSOUDIS**

**ID. No. AH 370225**

**THEODORA  
KATSIKOUDI**

**ID. No. AM 904540**

**CHARALAMPOS  
ZAFEIRIADIS**

**ID. No. AH 369762**

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