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STATEMENTS OF REPRESENTATIVES OF THE BOARD OF DIRECTORS
(Pursuant to article 4, par. 2 of Law 3556/2007)

The herein below members of the Board of Directors of LOULIS MILLS SA:

1. Mr Nikolaos K. Loulis - Chairman of the Board of Directors

2. Mr Nikolaos S. Fotopoulos - Vice - Chairman of the Board of Directors & CEO

3. Mr Konstantinos N. Dimopoulos - Member of the Board of Directors,

specifically appointed as per today's decision (14 May 2020) of the Company's Board of Directors

DO HEREBY DECLARE THAT

To the best of our knowledge:

a. The accompanying Annual Financial Statements for the Company and the Group, which have been prepared in accordance with the applicable Accounting Standards, fairly represent the assets and liabilities, the equity and operating results for LOULIS MILLS SA, as well as of the companies included in the consolidation as a whole and

b. The Annual Report of the Board of Directors fairly represents the development, performance and position of LOULIS MILLS SA, as well as of the consolidated companies as a whole, including of the description of the main risks and uncertainties they face.

The Chairman of the BoD	The Vice-Chairman of the BoD & CEO	The BoD Member
NIKOLAOS K. LOULIS	NIKOLAOS S. FOTOPOULOS	KONSTANTINOS N. DIMOPOULOS

ANNUAL REPORT OF THE BOARD OF DIRECTORS

OF LOULIS MILLS SA

on the financial statements for the fiscal year from

1st January 2019 to 31st December 2019

This report of the Board of Directors of LOULIS MILLS SA (hereinafter referred to as the "Company") has been prepared in accordance with the current legislation and the applicable provisions of the Hellenic Capital Market Commission and is referred to the Annual Financial Statements (Consolidated and Separate) of December 31, 2019 and for the year then ended. The LOULIS MILLS Group (hereinafter the "Group"), beyond the Company includes subsidiaries which the Company controls directly or indirectly. The Consolidated and Separate Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

This report includes the financial review from January 01, 2019 to December 31, 2019, the significant events that took place in 2019, the expected growth and development, the description of the most significant risks and uncertainties for next year, the Corporate Governance Statement, the Group's and Company's significant transactions with their related parties, the most important facts that have been occurred until the date of the preparation of the financial statements as well as any other additional information required by the relevant legislation.

A. Financial review 2019

The Group's **Turnover (Sales**) for 2019 amounted to € 107,73 million, increased by 9,12% compared to € 98,73 million in 2018. At the same time, the Company's turnover amounted to € 100,58 million compared to € 91,89 million in the previous period, having increased by 9,47%.

Regarding the **Sales per Segment**, we recognize a decrease of 17,45% in the sold quantities of consumer products, which accounted for the current period to 19,4 thousand tonnes compared to 23,5 thousand tonnes in the previous year. That decrease affected negatively the sales of the consumer products as they reduced by 6,01% in 2019 compared to the previous year. On the contrary, the sold quantities of business products in the current year increased by 2,89% compared to the prior year. That increase led to a total rise in sales of business products by 11,12% for the Group and 11,80% for the Company. Finally, the sales of mixtures for bakery and pastry, for 2019, performed total sales of € 8,74 million compared to € 7,55 million in the previous year, increased by 15,70% whereas the Group's activity of training services, for 2019, performed total sales € 76 thousand compared to € 124 thousand in the previous year.

The Group's **Cost of Sales** for 2019 amounted to € 85,37 million, increased by 8,75% compared to € 78,50 million in the previous year. At the same time, the Company's cost of sales amounted to € 80,39 million compared to € 73,46 million for 2018, having increased by 9,43%. In addition, the Group's **Gross Profit** for 2019 amounted to € 22,36 million for the Group and € 20,19 million for the Company, increased by 10,55% compared to € 20,23 million in 2018 for the Group and increased by 9,58% compared to € 18,42 million in the previous year for the Company. While, the ratio of cost of sales to sales, for 2018, from 20,49% for the Group and 20,05% for the Company, increased, in 2019, to 20,76%, for the Group and 20,07% for the Company.

The Group's **Administrative Expenses and Distribution Costs** amounted for 2019 to € 18,81 million increased by 4,27% compared to the previous year when they amounted to € 18,04 million, whereas they decreased as a percentage to sales since in the previous year they represented 18,27% of sales compared to 2019 when they represent 17,46%. Respectively, the Company's administrative expenses and distribution costs amounted to € 16,59 million for the current year increased by 3,43% compared to € 16,04 million for the previous year, while the Company's ratio of administrative expenses and distribution costs to sales decreased to 16,49% for 2019, compared to 17,46% for 2018. In particular, the Group's Distribution Costs, as a percentage to total sales, decreased, since in the 2018 they represented 14,23% of sales compared to 13,23% for the current year whereas the Administrative Expenses amounted to € 4,56 million for 2019 having increased by 14,29% compared to the previous year. Similarly, the Company's Distribution Costs, as a percentage to total sales, decreased, since in 2018 they represented 13,71% of sales compared to 12,67% for the current year whereas the Administrative Expenses amounted to € 3,84 million for 2019 having increased by 11,30% compared to the previous year.

The Group's **Financial Expenses** amounted to € 2,16 million for 2019 having increased by 1,89% compared to the previous year when they amounted to € 2,12 million, while as a percentage to sales they decreased from 2,15% to 2,00%. Correspondingly, the financial expenses of the Company amounted to € 1,80 million for the current year, having decreased by 5,26 % compared to the respective year of 2018 while as a percentage to sales they decreased from 2,07% to 1,79%.

The **Total Depreciation** for 2019 for the Group amounted to € 4,67 million and € 4,41 million for the Company, compared to € 4,22 million for the Group and € 4,17 million for the Company for the prior period, having increased by 10,50% for the Group and 5,95% for the Company. As a percentage to sales, total depreciation increased for the Group from 4,28% to 4,33% while for the Company it decreased from 4,53% in 2018 to 4,39% for the current year.

The Group's **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**[1] amounted to € 10,15 million in 2019 having increased by 9,14% compared to € 9,30 million for 2018 and as a percentage to sales remained unchanged to 9,42%. Respectively, for the Company, EBITDA increased by 6,18% from € 9,39 million in the previous year to € 9,97 million in 2019 and as a percentage to sales it decreased from 10,22% in 2018 to 9,91% in 2019.

After having taken into account all the above, the Group's **Net Profit before Tax** amounted to € 3,33 million for the current year compared to € 0,60 million for the prior year, representing a significant increase. As a percentage to sales it also increased from 0,61% in 2018 to 3,10% in 2019.

Respectively, for the Company the **Net Profit before Tax** amounted to € 3,82 million for 2019 compared to € 3,55 million in the previous period, showing an increase of 7,61%. As a percentage to sales, it decreased from 3,86% in 2018 to 3,80% in 2019.

Income tax for the Group amounted to € -0,32 million for 2019 compared to € -0,15 million for the previous year and for the Company it amounted to € 0,09 million compared to € -0,13 million in 2018.

Following the above, the Group's **Net Profit after Tax** amounted to € 3,02 million for the current year compared to € 0,45 million in the previous period and as a percentage to sales it amounted to 2,80% in 2019 from 0,46% in 2018. Similarly, the Company's net profit after tax amounted to € 3,92 million in 2019 compared to € 3,43 million in the previous year and as a percentage to sales it amounted from 3,73% in 2018 to 3,89% in the current year.

The Group's profit attributable to **Non-controlling Interests** for 2019 amounted to € 0,17 thousand loss compared to € 809,85 thousand loss in the previous year.

As a result of all the above, the Group's **Net Profit after Taxes** to return to the Company's shareholders for the current year amounted to a profit of € 3,02 million over profit € 1,26 million in the previous year.

For the year 2019, the **Operating cash flows** for the Group and the Company amounted to € 6,26 million and € 9,04 million, respectively, while in the previous year it amounted to € 10,67 million for the Group and € 8,66 million for the Company.

The **Purchases of Tangible and Intangible Assets** for the Group in 2019 amounted to € 4,74 million compared to € 7,42 in 2018.

The Group's **Total Net Borrowing**[1] at December 31, 2019 amounted to € 38,83 million compared to € 38,06 million at December 31, 2018, i.e. increase of 2,02%, while the Company's total borrowings at December 31, 2019 amounted to € 29,79 million compared to € 32,43 million December 31, 2018, having decreased by 8,14%.

In summary, the financial results of the Group and the Company are reflected through some key financial ratios and are compared to the objectives set by the Company's management, based on the size of the company, the sector in which it operates, the conditions prevailing in the market and the average figures of the sector where the data are available, as follows:

Basic Group's Ratios

		01.01.2019 - 31.12.2019		01.01.2018 - 31.12.2018		01.01.2017 - 31.12.2017		Target
1	**Total Net Borrowing[1] / EBITDA[1]**	38.826.676 / 10.148.585	3,83	38.061.338 / 9.297.711	4,09	37.473.394 / 10.491.032	3,57	(≤4,50)
2	**EBITDA[1] / Interest Paid**	10.148.585 / 2.146.008	4,73	9.297.711 / 2.109.771	4,41	10.491.032 / 2.024.826	5,18	(≥4,00)
3	**Non-Current Assets / Total Net Borrowing[1]**	106.245.220 / 38.826.676	2,74	104.128.186 / 38.061.338	2,74	97.065.453 / 37.473.394	2,59	(≥2,50)
4	**Total Net Borrowing[1] / Total Equity**	38.826.676 / 90.808.480	0,43	38.061.338 / 89.200.562	0,43	37.473.394 / 92.212.487	0,41	(≤0,60)
5	**Total Current Assets / Total Current Liabilities**	68.281.974 / 30.126.967	2,27	66.126.910 / 33.186.864	1,99	71.427.424 / 26.991.938	2,65	(≥1,10)
6	**Total Liabilities / Total Equity**	83.718.714 / 90.808.480	0,92	81.054.534 / 89.200.562	0,91	76.280.390 / 92.212.487	0,83	(≤1,00)

Basic Company's Ratios

		01.01.2019 - 31.12.2019		01.01.2018 - 31.12.2018		01.01.2017 - 31.12.2017		Target
1	**Total Net Borrowing[1] / EBITDA[1]**	29.793.539 / 9.966.240	2,99	32.426.878 / 9.390.505	3,45	35.452.430 / 10.513.295	3,37	(≤4,50)
2	**EBITDA[1] / Interest Paid**	9.966.240 / 1.790.614	5,57	9.390.505 / 1.891.022	4,97	10.513.295 / 1.883.017	5,58	(≥4,00)
3	**Non-Current Assets / Total Net Borrowing[1]**	99.721.923 / 29.793.539	3,35	97.055.118 / 32.426.878	2,99	95.839.839 / 35.452.430	2,70	(≥2,50)
4	**Total Net Borrowing[1] / Total Equity**	29.793.539 / 91.808.603	0,32	32.426.878 / 88.190.362	0,37	35.452.430 / 88.123.153	0,40	(≤0,60)
5	**Total Current Assets / Total Current Liabilities**	63.123.627 / 23.774.382	2,66	63.144.410 / 25.818.366	2,45	63.885.848 / 22.390.689	2,85	(≥1,10)
6	**Total Liabilities / Total Equity**	71.036.947 / 91.808.603	0,77	72.009.166 / 88.190.362	0,82	71.602.534 / 88.123.153	0,81	(≤1,00)

1 *For explanations and the calculation of the indicators see section "Alternative Performance Measures (APMs)"*

2 *The figures of 2017 are adjusted according to IFRS 15 "Contracts with Customers" 15 with a transition date of 1 January 2018.*

B. Group's Companies and Branches

The Group and the Company own the following branches:

Name	Head office	Branches	% Parent's participation	Basis for the consolidation
LOULIS MILLS SA	Sourpi, Magnisia	Keratsini of Attica, Mandra of Attica, Podochori of Kavala, Kalochori of Thessaloniki	-	Parent
KENFOOD SA	Keratsini, Attica	Ampelochori of Viotia, Mandra of Attica, Podochori of Kavala, Kalochori of Thessaloniki	99,99%	Direct
GREEK BAKING SCHOOL SA	Keratsini, Attica	-	99,70%	Direct
LOULIS LOGISTICS SERVICES SA	Sourpi, Magnisia	-	99,67%	Direct
LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD	Nicosia, Cyprus	-	100,00%	Direct
LOULIS MEL-BULGARIA EAD	General Toshevo, Bulgaria	-	100,00%	Indirect

C. Significant Events in 2019

The most significant events that took place during 2019 are as follows:

Issuance of a bond loan

On January 14, 2019 the Company proceeded with the issuing of a bond loan of a total amount of € 3,0 million in order to finance its business needs. That bond loan is of two years duration and was issued in association with Alpha Bank S.A.

Issuance of a bond loan

On June 28, 2019 the Company proceeded with the issuing of a bond loan of a total amount of € 2,5 million in order to finance its business needs. That bond loan is of three years duration and was issued in association with National Bank of Greece S.A.

Participation in the share capital increase of the subsidiary "GREEK BAKING SCHOOL SA"

On July 1st, 2019 the Company decided to participate in the share capital increase of its 99,67% subsidiary under the name "GREEK BAKING SCHOOL" through the full payment of the total amount of the share capital increase of € 52.485,00. Following the above share capital increase of "GREEK BAKING SCHOOL", the share capital amounts to € 25.000,00, divided into 5.000 common nominal shares, of an amount of € 5,00 per each and the Company possesses now 99,70% of the share capital of "GREEK BAKING SCHOOL" instead of 99,67% previously possessed.

In particular on June 27, 2019 the Ordinary General Meeting of the company "GREEK BAKING SCHOOL" decided, by 4.500 votes i.e 100% of its share capital, the share capital increase by € 2.500,00 by issuing 500 new common registered shares of value of € 5,00 per each and of selling value of € 104,97 per each. The funds raised through the share capital increase amounted to € 52.485,00 and allocated as follows: € 2.500,00 (i.e 500 shares x € 5,00 each) for the share capital increase and € 49.985,00 (i.e 500 shares x € 99,97 each) credited the "Share Premium Reserve" account.

Following the above share capital increase of "GREEK BAKING SCHOOL", the share capital amounts to € 25.000,00, divided into 5.000 common nominal shares, of an amount of € 5,00 per each and the Company possesses now 99,70% of the share capital of "GREEK BAKING SCHOOL" instead of 99,67% previously possessed.

Participation in the share capital increase of the subsidiary "KENFOOD SA"

On July 1st, 2019 the Company decided to participate in the share capital increase of its 70,00% subsidiary under the name "KENFOOD SA" through the full payment of the total amount of the share capital increase of € 1.774.398,32 in order to meet its extraordinary cash needs according to its statutory purposes .

In particular on June 28, 2019 the Ordinary General Meeting of the company "KENFOOD SA" decided, by 67.031 votes i.e 100% of its share capital, the share capital increase by € 670.090,00 by issuing 67.009 new common registered shares of value of € 10,00 per each and of selling value of € 26,48 per each. The funds raised through the share capital increase amounted to € 1.774.398,32 and allocated as follows: € 670.090,00 (i.e 67.009 shares x € 10,00 each) for the share capital increase and € 1.104.308,32 (i.e 67.009 shares x € 16,48 each) credited the "Share Premium Reserve" account.

Following the above share capital increase of "KENFOOD SA", the share capital amounts to € 1.340.400,00, divided into 134.040 common nominal shares, of an amount of € 10,00 per each and the Company possesses now 85,00% of the share capital of "KENFOOD SA" instead of 70,00% previously possessed.

Decisions of the Ordinary General Meeting of the Shareholders of the Company

On July 08, 2019 the Annual General Meeting of Shareholders took place where 76,3% of the share capital was represented, i.e. the shareholders and the shareholders' representatives who attended and voted represented 13.062.701 shares and 13.062.701 votes.

The Annual General Meeting of Shareholders of the Company made the following decisions on the agenda items, as those are being presented according to the vote results, which have been published also on the legally registered site of the Company to the General Commercial Registry (G.E.MI.) (www.loulismills.gr):

1. The Annual Financial Statements for the Company and the Group in accordance with the International Financial Reporting Standards, for the fiscal year 01.01.2018 to 31.12.2018 have been approved unanimously by 13.062.701 votes, i.e. 76,3% of the share capital after the hearing and approval of the relative Reports of the Board of Directors and the Certified Auditor. At the same General Meeting it was decided by 13.062.701 votes, i.e. 76,3% of the share capital, not to distribute dividends to shareholders.

2. The overall management that took place during the fiscal year ended 31.12.2018 has been unanimously approved by 13.062.701 votes, i.e. 76,3% of the share capital and the Certified Auditor were discharged unanimously by 13.062.701, i.e. 76,3% of the share capital from any liability for indemnity for the fiscal period 01.01.2018- 31.12.2018.

3. The company "BDO Auditors Accountants SA" with registration number ELTE 173, which shall nominate from its members the regular Auditor – Accountant and the alternate Auditor - Accountant for the audit of the annual financial statements of the Company and the Consolidated Financial Statements in accordance with International Financial Reporting Standards for the fiscal period 01.01.2019 to 31.12.2019, was unanimously elected by 13.062.701 votes, i.e. 76,3% of the share capital.

4. The distribution of remuneration to the Members of the Board of Directors for the fiscal year 01.01.2018 - 31.12.2018 was approved unanimously, by 13.062.701 votes, ie 76,3% of the share capital and the distribution of remuneration to the Members of the Board of Directors for the next fiscal year 2019 was pre-approved.

5. Remuneration policy according to art. 110 and 111 of L.4548/2018 has been established and approved unanimously, by 13.062.701 votes, i.e 76,3% of the share capital.

6. The amendment, addition, deletion and renumbering of provisions of the Company's Articles of Association due to adaptation of the L.4548/2018 pursuant to art. 183 of that Law has been approved unanimously, by 13.062.701 votes, i.e 76,3% of the share capital.

7. The increase of the share capital by € 1.027.216,80 by increasing the nominal value of each share by € 0,06 through capitalization of the reserves "Difference From Share Issue Premium" has been approved unanimously, by 13.062.701 votes, i.e 76,3% of the share capital and the equal decrease of the share capital of the Company by € 1.027.216,80 by reducing the nominal value of each share by € 0,06 leading to the return of capital through cash payments to the Shareholders has been approved. The amendment of the art. 5 of the Company's Articles of Association has been approved unanimously, by 13.062.701 votes, i.e 76,3% of the share capital.

8. A new three-member Audit Committee has been elected unanimously, by 13.062.701 votes, i.e 76,3% of the share capital, pursuant to art. 44 of Law 4449/2017, composed of the following members:

- Koutoupis Andreas son of Georgios Koutoupis, Member of the Board of Directors – Independent Non-Executive Member, Chairman
- Georgios Mourelatos, son of Apostolos Mourelatos, Independent Non-Executive Member of the Board of Directors.
- Kontochristopoulos Konstantinos son of Anastasios

9. The authorization, in accordance with Article 98 par. 1 of L.4548/2018, to both the Board of Directors members and the Company's Directors to participate in the Board of Directors or in the Management of other related companies as those companies are defined in article 32 of Law 4308/2014 and, therefore, to conduct on behalf of the related companies actions falling within the Company's purposes, has been granted by 13.062.701 votes, i.e. 76,3% of the share capital.

All the above decisions of the Ordinary General Meeting are immediately applicable. The Company shall not distribute dividends to shareholders for the fiscal year 01.01.2018 - 31.12.2018 according to the first item of the agenda.

Increase and equal reduction of the Company's share capital by increase and equal reduction of the par value of the Company's shares and capital return in cash to shareholders

The Annual General Meeting of July 08, 2019 decided the increase of the share capital of the Company by € 1.027.216,80 by increasing the nominal value of each share by € 0,06 (from € 0,94 to € 1,00) with capitalization of the reserves "difference from the issue of shares above par" and the simultaneous decrease of the share capital of the Company by the same amount (€ 1.027.216,80) by decreasing the nominal value of each share by € 0,06 (from € 1,00 to € 0,94) , in order to return capital in cash to shareholders € 1.027.216,80 i.e. € 0,06 per share.

Following the increase and the simultaneous decrease mentioned above, the share capital remains at the amount of € 16.093.063,20, divided into 17.120.280 nominal shares, of an amount of € 0,94 per share.

On July 25, 2019, the decision with number 77914/25.07.2019 of the Ministry of Economy and Development which approved the modification of art. 5 of the Company's Articles of Association has been published on the General Commercial Registry (G.E.MI.) with registration number 1802015.

The Corporate Actions Committee of the Athens Stock Exchange during its session on July 31, 2019, was informed about the equal increase and reduction of the par value of the Company's shares and the capital return in cash to shareholders of € 0,06 per share.

In the light of the above, as of the following date of August 02, 2019, the shares of the Company were traded on the ATHEX under their final par value of € 0,94 per share without the right to the benefit of the capital return in cash of € 0,06 per share. From the same above date, the upset price of the Company's shares in the Athens Stock Market shall be formed in accordance with the Bylaws of Athens Stock Exchange, in combination with decision no. 26, issued by the BoD of the Athens Stock Exchange, as now in force.

Shareholders entitled to receive the capital return are those registered in the electronic registry of the Dematerialized Securities System (DSS) on August 05, 2019. The payment date of the capital return was set August 09, 2019 through ALPHA BANK.

Issuance of bond loan

On August 08, 2019 the Company proceeded with the issuing of a bond loan of a total amount of € 5 million in order to finance its general business needs. The bond loan is of two and a half years duration and was issued in association with Piraeus Bank S.A.

Purchase of 14,99% of the subsidiary "KENFOOD SA"

On August 13, 2019 the Company agreed and proceeded with the purchase of 20.092 common registered shares, i.e 14,99% of the shares of the subsidiary "KENFOOD SA" for € 1.168.906,35.

Following the above, the holding share of the Company in the share capital of "KENFOOD SA" amounts to 99,99%.

Issuance of bond loan

On October 25, 2019 the Company proceeded with the issuing of a bond loan of a total amount of € 1 million in order to finance its general business needs. The bond loan is of three years duration and was issued in association with Optima Bank S.A.

Liquidation and Dissolution of the Subsidiary «GRINCO HOLDINGS LTD»

On October 31, 2019 the final Financial Statements of the company «GRINCO HOLDINGS LTD» have been submitted to the Department of the Registrar of Companies and Official Receiver (D.R.C.O.R.) of the Ministry of Energy, Commerce and Industry of the Republic of Cyprus, in order to begin the liquidation and dissolution of the company through «Strike Off». The company «GRINCO HOLDINGS LTD» performed no activities during the current year 2019 and the relevant announcement of the deletion of the company is expected to be published in the Government Gazette of the Republic of Cyprus within 2020.

Issuance of bond loan

On December 24, 2019 the Company proceeded with the issuing of a bond loan of a total amount of € 3 million in order to meet its cash needs. The bond loan is of five years duration and was issued in association with Eurobank Ergasias Bank S.A.

D. Future Performance and Development

The vision of LOULIS MILLS SA is "to create value for human nutrition". The continuous commitment of the Management is to keep that vision in order the Group to remain the undoubtful leader and pioneer in the market. In particular, the mission of the Group is:

- to produce and distribute innovative raw materials of high quality as well as render high-level services in the food market
- to pioneer and develop with respect to its three centuries tradition as well as create value for its customers, employees, shareholders and the society.
- to be the leader in the market of Southeast Europe and at the same time enforce its export orientation with environmental and social responsibility.

For 2020, the Group aims to achieve its annual business objectives and to set the foundation for its long term development. Like in the past, special focus shall be given to the digitalization of the internal control procedures of the Group as well as the further use of the synergies among the companies of the Group.

The main strategic orientations and priorities of the Group for the period 2019-2021 are:

- Product Superiority. To produce innovative and market-leader products of high quality, create value for its customers and be superior of its competitors.
- Focus on Customer. To understand the challenges of its customers and fulfill effectively their needs exceeding their expectations.
- Team Strengthening. To promote cooperation, respect, creativeness, improvement, training and safety so as the employees feel adequately assisted in accomplishing their work.

- Operational Efficiency. To keep operating cost at low levels without compromising the quality of the products and services through more effective management of the available resources as well as carrying out high-return investments.
- Digitalization. To invest and get trained in customized technologies which shall support its development and shall assist its more effective operation.
- Support of International Activity. To develop its activity abroad by boosting exports as well as by its expansion through the industrial unit in Bulgaria.
- Edge Thinking. To discover continuously operating and product innovations which shall support its further development through new ideas and experimentations.
- Corporate Social Responsibility. Every activity of the Group to have positive environmental and social impact so as to contribute to the long term sustainability of the planet and the social prosperity and at the same time ensuring its own viability.

The foreseen performance for 2020 depends to a great extent on the continuous uncertainty in the local market as well as the duration and intensity of the spreading of the new coronavirus «Covid-19», which WHO, on March 2020, declared a "pandemic". The critical moments we undergo and the financial effect of the pandemic have upset the markets worldwide and have changed significantly the daily working conditions. Management monitors closely the changes, assesses the risks and takes the necessary action in order to minimize the effect of the pandemic on the financial results of the Group, to continue the smooth implementation of its strategic plan 2019-2021 and to ensure the business viability of the Group.

E. Main risks and uncertainties for the next year

The main risks that the Group is exposed to and is likely to face next year are as follows:

Credit Risk

The Group does not have significant concentration of credit risk in any of its contracting parties, mainly due to the large number of customers and the great dispersion of the Group's customer base.

The Management of the Group has adopted and applies credit control procedures to minimize its doubtful receivables through the evaluation of the credit ability of its customers and the effective management of the receivables before they become overdue. For the monitoring of credit risk, customers are classified according to their credit profile, the maturity of their receivables and the historical background of their collection.

Additionally, the Group's companies have an insurance contract that covers most of their claims. This contract cannot be sold or transferred. Customers considered to be unreliable are reevaluated at every reporting date and when a likelihood of non-recovery of these receivables occurs, a provision for doubtful debts is formed.

Liquidity Risk

The Group keeps its liquidity risk at low levels through the availability of adequate cash or/and approved bank credit limits ensuring the fulfillment of the Group's short-term financial liabilities. The Group's liquidity ratio (current assets to current liabilities) amounted to 2,27 at December 31, 2019 towards 1,99 for the previous year.

For the monitoring and management of liquidity risk the Group forms cash flow projections on a regular basis.

Interest Rate Risk

The Group's exposure to the risk of changes in the interest rates relates to its short-term and long-term loans. The Group manages Interest Rate Risk through keeping the total of its loans at variable interest rates. Since the Company's loans are linked with the Euribor index, the maintenance of the latter at low levels has a direct positive impact on the financial cost of the Group.

The table below presents the sensitivity of the Earnings Before Tax of the Group and the Company if the interest rates change by a percentage point:

Sensitivity Analysis on Interest Rate Changes

	Interest Rate Volatility	Impact on Company's EBT	Impact on Group's EBT
01.01.2019 31.12.2019	1,00%	-379.542	-479.887
	-1,00%	379.542	479.887
01.01.2018 31.12.2018	1,00%	-366.963	-433.121
	-1,00%	366.963	433.121

Exchange Rate Risk

The Group operates in Southeast Europe and as a result any change in the operating currencies of those countries towards other currencies exposes the Group to risk of exchange rate. The main currencies involved in the Group's transactions are Euro and Bulgarian Lev.

The Group's Management continuously monitors the foreign exchange risks that may arise and assesses the need for action, yet at the moment there is no such risk since the exchange rate between the two currencies is stable from 1 January 1999 (BGN 1.95583 = EUR 1).

Risk of Inventory Loss

The Management of the Group takes all the necessary measures (insurance, storage) in order to minimize the risk and the contingent loss due to inventory loss from natural disasters, thefts, etc. Moreover, due to the inventory's high turnover ratio and the simultaneous inventory's long duration (expiry date), the risk of their obsolescence is very limited.

Risk of price variation of raw materials

The Group is exposed to risk derived from the variation in prices of the used raw materials for its products. The fluctuation in prices of the raw materials during the recent years as well as the general economic crisis lead us to the conclusion that this fluctuation will continue to exist. Therefore, exposure to that risk is considered high and for that reason the Group's Management takes all the necessary measures in order, firstly, to eliminate the Group's exposure to that risk through achieving specific agreements with its suppliers and using derivative financial instruments and secondly, to quickly adjust its pricing and commercial policy.

F. Information about Labour and Environmental Policy

Human resources

The most crucial factor of the Group's success is its people. In particular, a strong family culture has been established which is based on the values of the Group and the mutual respect, trust, cooperation and team spirit. Through investing in the applied training methods the Group intends to achieve a variety of business advantages such as increase in productivity, employees' satisfaction, involvement and sustenance of the manpower as well as attracting young and qualified people. In the long term, maintaining the interest of the employees and the support provided for their development are crucial for the way the Group creates value. Discriminations are excluded from the Group's practices and human rights and equal opportunities are supported in every way according to the international standards.

Our key priority and vision is to create, develop, evolve and take care of the leading team.

Health and Safety

Within the Group, the protection of the employees and all of those involved in the Group's chain value represent an integral part of the Group's policy, philosophy, work and daily life. Nothing can be more important than the people and their safety who contribute every day to the development of the Group. Health and safety are not a typical procedure yet a basic ingredient of the Group's philosophy. Specifically the Group:

- makes continuous efforts for the improvement of the working conditions for each position through conducting daily inspections in the working areas and trains the employees about the practices they have to follow in order to remain safe within a healthy working environment (supply and mandatory use of Personal Protective Equipment, information provided about the safe working procedures etc.),
- provides a safe and healthy working environment consistent with the applied legislation, regulations and the internal health and safety requirements,
- conducts seminars, on an annual basis, of health and safety so as to provide employees a general training as well as to inform them about any potential hazards may be involved in their job,
- commits itself for the interest of its employees, to the continuous improvement of health and safety in the working areas, though, among other things, identifying safety hazards and addressing health and safety issues,
- provides medical surveillance of all of our employees through the appointment of an Occupational Doctor,
- applies strict prevention procedures in order to eliminate accidents and minimize days of absence from work due to working accident,
- aims to the reduction of noise and dust levels of the production facilities to the lowest possible levels in order to protect our employees from occupational diseases resulted from the exposure to those factors.

Relations between Management and employees

Loulis Group traditionally operates like a big family. This has formed a common culture and a common vision based on its tradition, principles, values and the love for its products. Particularly:

- the applied policy of the "open door" the Group ensures conditions of mutual trust and understanding since all the employees are able to communicate directly with the Management regarding the solution of any working problem or other,
- the signed contracts with the employees do not include any provision for any change of the terms or any predetermined notice for change. However, the Group has chosen to inform employees before any significant change occurs.

Development and training of employees

Development and training of the employees is a key priority within Loulis Group. The Group aims to the employees' personal development and evolution as well as the development of their skills. That is valuable to each of our employees individually because it enhances their confidence and simultaneously it prepares them to meet the high standards of the products and services provided to the customers and consumers. The training of an employee begins from the first working day when an adapted reception and integration program exists according to the requirements of each post.

Human rights policy

The respect of human rights is fundamental principle for the sustainable development of Loulis Group and of its social partners. The Group commits itself to ensuring that its people are treated with the appropriate dignity and respect and acknowledges that the manpower consists of different people having its own personality. For that reason the Group:

- provides security assurance to the employees, as considered necessary, with respect to the employees' confidentiality and dignity,
- applies Human Rights Policy which is based on the human rights international principles as included in the Universal Declaration of Human Rights, the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work, the UN Global Compact and the UN Guidelines for Labour,
- commits itself to keep the working environment free of violence, bullying, intimidation or any other inappropriate or disturbing conditions caused by internal or external threats,
- encourages a safe and healthy environment without discriminations and reprisals. All decisions regarding employment are based on personal skills, performance and behavior.

Benefits to employees

The contribution of the people to the Group's development is continuously recognized through providing the employees several benefits. In particular the Group:

- provides competitive salaries so as to attract qualified staff and securing a decent standard of living for all employees,
- wishes to contribute effectively to the strengthening of the employees' work-life balance,

- applies benefit policy that supports effectively the employees and their families (liquidity assistance to meet any special need, medical insurance for all the employees and provision for insurance for the members of their families at low cost, providing products (flour) free of charge and reduced prices for the purchase of extra products).

Environmental issues

The efforts of Loulis Group for the protection of the environment is not limited to the implementation of the legislation and requirements and adoption of the appropriate measures for each case. Yet, it is expressed through its continuous efforts for reducing the environmental impact of the Group's operations, focusing on achieving efficient energy consumption within the production process, reducing the disturbance caused to the local areas and the implementation of an Environmental Management System. Furthermore, the Group applies specific Environmental Policy which sets the conditions for the integrated management of the environmental impacts caused by its operations and adopts and applies practices that ensure the best environmental protection and management. Namely the Group:

- fully complies with the environmental legislation and regulations,
- manages the applied programs for the reduction of the environmental impact through the certified Environmental Management Systems (ISO 14001:2015),
- continuously trains the employees involved in the production process regarding environmental protection issues,
- uses the most optimistic practices within the production units regarding the water consumption and the waste management having achieved almost zero water consumption, zero liquid waste, zero waste of any type while at the same time recycles the various materials arising through contracting the process of waste management with verified providers of waste recycling,
- aims to the efficient energy consumption within the production process through the adoption of technologies with high energy efficiency and with reduced energy consumption required per every tonne of obtained product,
- minimizes as much as possible the transfer of raw materials, products and employees in order to achieve reduction of gas emissions to the environment.

G. Alternative Performance Measures (APMs)

According to the ESMA/2015/1415en Guidelines on Alternative Performance Measures (APMs) of the European Securities and Markets Authority, an Alternative Performance Measure (APM) is a financial measure of historical or future financial performance, financial position or cash flows, which is not defined or provided in the current Financial Reporting Framework (IFRS). APMs typically arise from or are based on financial statements prepared in accordance with the current Financial Reporting Framework (IFRS), primarily with the addition or deduction of amounts from the figures presented in the financial statements.

The Group uses to a limited extent Alternative Performance Measures (APMs) when publishing its financial performance, in order to better understand the Group's operating results and financial position.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

The indicator Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) ,which aims to a better analysis of the Group's and Company's results, is estimated as follows: Profit/(Loss) before tax, as adjusted by the addition of "Financial Expenses" and "Depreciation", without including the items "Financial Income", " Fair Value valuation of bonds and participations" and "Goodwill Impairment". The margin of this indicator is calculated as the ratio of the "Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)" with the total of "Sales".

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Sales	**107.731.666**	**98.726.902**	**100.584.409**	**91.885.260**
Profit/(Loss) before Tax	3.334.528	604.769	3.824.239	3.550.628
Fair Value valuation of Bonds and Participations	9.703	(195.000)	9.703	(195.000)
Goodwill Impairment	0	2.567.116	0	0
Financial Income	(22.505)	(27.089)	(83.094)	(33.935)
Financial Expenses	2.158.522	2.123.195	1.802.334	1.903.666
Depreciation	4.668.337	4.224.720	4.413.058	4.165.146
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	**10.148.585**	**9.297.711**	**9.966.240**	**9.390.505**
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) margin	**9,42%**	**9,42%**	**9,91%**	**10,22%**

Earnings before Interest and Tax (EBIT)

The indicator Earnings before Interest and Tax (EBIT), which serves the better analysis of the Group's and Company's operating results, is estimated as follows : Profit/(Loss) before tax, as adjusted by the inclusion of "Financial Expenses" , without taking into account the items "Financial Income", "Fair Value valuation of bonds and participations" and "Goodwill Impairment". The margin of this indicator is calculated as the ratio of the "Earnings before Interest and Tax (EBIT)" with the total of "Sales".

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Sales	**107.731.666**	**98.726.902**	**100.584.409**	**91.885.260**
Profit/(Loss) before tax	3.334.528	604.769	3.824.239	3.550.628
Fair Value valuation of bonds and participations	9.703	-195.000	9.703	-195.000
Goodwill impairment	0	2.567.116	0	0
Financial Income	-22.505	-27.089	-83.094	-33.935
Financial Expenses	2.158.522	2.123.195	1.802.334	1.903.666
Earnings before Interest and Tax (EBIT)	**5.480.248**	**5.072.991**	**5.553.182**	**5.225.359**
Earnings before Interest and Tax (EBIT) margin	**5,09%**	**5,14%**	**5,52%**	**5,69%**

Total Net Borrowing

The "Total Net Borrowing" is one ESMA that the Management uses to evaluate the capital structure of the Group and the Company. It is estimated as the sum of the items "Long-term Borrowing Liabilities "and "Short-term Borrowing Liabilities", net of the item "Cash and cash equivalents".

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Long-term Borrowing Liabilities	37.963.762	31.953.550	31.763.322	29.892.522
Short-term Borrowing Liabilities	10.024.972	11.358.505	6.190.880	6.803.793
Cash and Cash Equivalents	(9.162.058)	(5.250.717)	(8.160.663)	(4.269.437)
Total Net Borrowing	**38.826.676**	**38.061.338**	**29.793.539**	**32.426.878**

H. Corporate Governance Statement

Introduction

LOULIS MILLS SA is committed and adhere to standards of corporate governance. Within this context, the Company has implemented the principles set out by the Corporate Governance Code introduced by the Hellenic Corporate Governance Council (HCGC) with some exceptions, but always in accordance with the current legislation. The code can be found at the following Web address:

http://www.helex.gr/el/web/guest/esed-hellenic-cgc

1. Internal Audit and Risk Management

1.1 Main features of the Internal Audit

Internal Audit is performed by the Internal Auditing Department according to the Audit Program as described in the Company's Business Rules and Procedure.

It is noted that the audit, on the basis of which the relevant report is prepared, is carried out within the regulatory framework in line with Law 3016/2002, as now in force, and specifically in accordance with articles 7 and 8 of the same Law, and the provisions of the Resolution 5/204/2000 of the Board of Directors of the Hellenic Capital Market Commission (HCMC), as amended by HCMC Board of Directors decision Nr. 3/348/19.7.2005.

During the audit, the internal audit department takes into account the necessary journals, documents, files, bank accounts and portfolios of the Company and requests the Management's absolute and continuous cooperation, in order to obtain all the requested information and data so as to obtain reasonable assurance for the preparation of the report free of essential misstatements with respect to the information and conclusions included therein. The Internal Audit does not include any assessment regarding the appropriateness of the accounting policies that were implemented, as well as the reasonableness of the assessments that were made by Management, since these are goals of the audit carried out by the Company's certified auditor.

The aim of the Internal Audit is the assessment of the general conditions and the operating procedures of the internal audit system. During every audit period, certain audit areas – fields are selected, while the audit and the examination of the operation and organisation of the Company's Board of Directors and the operation of the two main Departments operating on the basis of the provisions pursuant to Law 3016/2002, i.e. the Department for Servicing Shareholders and the Corporate Announcements Department, are being audited on a fixed and permanent basis.

1.2 Managing the Company's risks in relation to the procedure for preparing the Financial Statements

The Company has developed and applies policies and procedures for the preparation of the financial statements to ensure their credibility and compliance with legislation and regulations that affect their preparation and disclosure.

These procedures concern the proper audit and recording of revenue and expenditure, as well as the monitoring of the status and the value of the Company's assets. The policies and procedures that have been implemented, are being evaluated and readjusted in case they become inadequate or due to changes in the current legislation.

At the end of each accounting period, the Company's accounting department undertakes the actions that are required for the preparation of the financial statements according to the law.

The implemented policies and procedures which relate to the preparation of the Financial Statements, are:

- Procedures for closing periods that include the deadlines for submission, competencies, classification and analysis of the accounts and updates for the necessary disclosures.
- Reconciliation of the account balances of Customers and Suppliers and the receivables and liabilities, at regular time basis.
- Procedures that ensure that the transactions are recognised in accordance with the International Financial Reporting Standards.
- Reconciliation of the bank accounts and borrowing accounts kept by the Company at approved Banks on a monthly basis.
- Audit and reconciliation of the cheques receivable and cheques payable.
- Forming provisions for the Company's receivables and liabilities in cases where the supporting documents have not yet been obtained.
- Carrying out inventory physical counting and audit of the warehouse imports – exports on a monthly basis.
- Audit procedure for the reconciliation of sales with the documents issued.
- Implementation of policies and procedures for areas such as significant purchases, payment and collection procedures, managing inventories, etc.

- Implementation of procedures for entries being made by different people within the context of segregation of duties.
- Approvals and procedures for the correct entry of the Company's expenses into the accounts of the applied chart of accounts and the correct cost center;
- Procedures for purchase approvals, register and monitoring of assets and charging of the proper depreciation amounts;
- Procedures for monitoring and managing staff and payroll liabilities.
- Procedures that ensure the appropriate use of the Company's applied accounting policies and that the access and the changes made to it through the Company's Information System are only carried out by authorized users in specified area of responsibility.

The Information System of the Company is continually being developed and upgraded in close cooperation with a competent IT Company in order to adjust to the Company's continuously growing and specific needs for the support of the Company's long-term goals and prospects.

2. General Meeting of Shareholders

2.1 Operation and main authorities of the General Meeting:

The General Meeting is the supreme body of the Company, and may decide for each corporate case and rule on all matters submitted to it. The role, powers, convening, participation, the ordinary and extraordinary quorum and majority of runners, the Bureau, the agenda and the general operation of the General Meeting of Shareholders of the Company are described in the Articles of Association of the Company, as it has been updated on the basis of the provisions of law 4548/2018, as amended.

In particular, the General Meeting is exclusively responsible to decide on:

- amendments to the Articles of Association, as they considered, however, the increases or reductions in the capital. The decisions for the amendment of the Company's Articles of Association are valid, if not prohibited by an explicit provision of it,
- election of the BoD members and Auditors,
- approval of the Company's balance sheet,
- distribution of annual profits,
- merge, split, convert, revival, extension of duration, or dissolution of the company and
- appointing liquidators

Within the provisions of the aforementioned paragraph the followings are not included: a) increases decided in accordance with the article 24 of codified law 4548/2018 by the Board of Directors, as well as increases imposed by provisions of other laws, b) the amendment or adjustment of provisions of the Articles of Association by the Board of Directors in accordance with article 117, paragraph 2(b) law 4548/2018, c) the appointment of the first BoD by the Statute, d) the election of Directors according to the Company's Articles of Association pursuant to article 82 of law 4548/2018, for the replacement of the resigned ones, deceased or lost their property in any other way, e) absorption of according to article 117 par. 2(e) of law 4548/2018 of a limited company from another company that owns 100% of its shares and f) possibility of profit distribution or optional reserves within the current fiscal year by decision of the Board of Directors, if authorized by the General Meeting.

Among the General Meeting's duties the election of the members of the Audit Committee is included pursuant to law 4449/2017 and Company's Business Rules of Procedure of the Audit Committee.

The decisions of the General Meeting are binding for the shareholders who are absent or disagree.

The General Meeting of Shareholders shall be convened by the Board of Directors at all times and regularly convenes at the registered office of the Company or to another district of Municipality within the county of the registered office of the Company or other adjacent municipality of the registered office of the Company, at least once per fiscal year and always within the first six months of the end of each fiscal year. The General Meeting can meet and at the district of the municipality where it is located the headquarters of the Athens Stock Exchange.

The Board of Directors may convene an extraordinary meeting of the General Meeting of shareholders if deemed necessary or if requested by shareholders representing the required percentage according to law and the Company's Articles of Association.

The General Meeting, with the exception of repetitive meetings and those assimilated, convened at least twenty (20) days before the date set for the meeting. It is clarified that non-working days are also counted. The day of publication of the invitation and the day of the meeting are not counted.

At the invitation of the shareholders in General Meeting, should be determined the date, the hour and the venue where the Meeting will be held, the agenda issues, shareholders who are entitled to participate, as well as precise instructions about the procedure in which shareholders will be able to participate in the meeting and to exercise their rights in person or through a representative or possibly remotely.

The convocation at shareholders meeting is not required when shareholders are present or represented who represent the entire share capital and none of them disagree for conducting the meeting and decision-making.

The General Meeting is to meet quorum and valid for agenda topics when they are present or are represented shareholders representing one fifth (1/5) of the paid-up share capital.

If this quorum is not reached the General Meeting shall meet and meet again within twenty (20) days from the day of the meeting that was aborted after invited the shareholders before ten (10) days. The Repeat Meeting shall be valid for the items of the original agenda irrespective of the represented percentage of the share capital is present.

The decisions of the General Meeting are taken by absolute majority of votes represented therein.

In the case decisions are to be taken by the General Meeting concern restrictively: a) change of nationality of the Company, b) extend, merge, split, convert, revival or dissolution of the Company, c) change of the purpose of the Company, d) increase of the share capital, which is not provided in the Company's Articles of Association, in accordance with paragraphs 1 and 2 of article 24 of codified law 4548/2018 unless imposed by law or is made by the capitalization of reserves, e) reduction of share capital, unless made in accordance with paragraph 5 of article 21 or paragraph 6 of article 49 of law 4548/2018, f) change the way of distribution of profits, g) increase the liabilities of the shareholders, h) conversion of name shares to bearer shares or bearer shares to name shares, i) granting or renewal of authority to the Board of Directors to increase the share capital in accordance with article 24 paragraph 1 of law 4548/2018, the General Meeting shall form quorum, meet valid and can take legitimate decisions on the agenda when present or represented in that shareholders up to two thirds (2/3) of the paid-up share capital.

The General Meeting is chaired temporarily, and until the election of president by the General Meeting, by the Chairman of the Board of Directors or his Deputy, or if they are not presented, by another member of the Board of Directors, or if not attended any Board Member, a person who is elected from the Meeting. The interim President shall appoint a temporary secretary who will count the votes. After the declaration of the list of the shareholders present as final, the General Meeting will proceed to the election of a President and a secretary, who will count the votes.

The discussions and decisions of the General Meeting are limited to matters which are included on the agenda. Procedures for hearing and decision-making of the General Meeting are recorded in summary form in a special minute book and shall be signed by the Chairman and the secretary. The President of the General Meeting, on request of the shareholders, is obliged to record an accurate summary of the opinions expressed by those shareholders on the Company's record. The minutes should also include the list of shareholders who were present or represented at the meeting, as well as the number of shareholders and their vote. In case one (1) only shareholder is present at General Meeting, it is mandatory the presence of a notary, who subscribes to the Minutes.

2.2 Rights of the shareholders and ways of exercising those rights

2.2.1 Rights of participation and voting

The shareholders shall only exercise their rights, regarding the Company's management, at the General Meetings and in accordance with the provisions of the law and the Articles of Association. Every share represents one vote at the General Meeting, subject to the provisions of the article 36 & 38 par. 4 of Law 4548/2018, as in force.

Anyone that appears as a shareholder on the records of the Intangible Securities System of the Company that is managed by the "Hellenic Exchange SA" (HESA), which keeps the Company's securities (shares), may participate at the General Meeting. The verification of the shareholder status is made with the submission of the relevant written certification that is issued by the aforementioned body or alternatively through the direct online connection between the Company and the records of the mentioned above body. The shareholder's capacity must exist upon the record date, namely at the beginning of the fifth (5th) day prior to the convening of the General Meeting, and the relevant certification or online certification regarding the shareholder capacity must have been obtained by the Company at the latest on the third (3rd) day prior to the convening of the General Meeting.

As far as the Company is concerned, the right to participate and vote at the General Meeting is only exercised by the person holding the shareholder's capacity upon the corresponding record date. In case of non-compliance with the provisions under article 124 of Law 4548/2018, the aforementioned shareholder may only participate in the General Meeting after it has received its permission.

It is noted that the exercise of the mentioned above rights (participation and voting) does not require the blocking of the holder's shares or the application of any other equivalent procedure, which restricts the capacity to sell and transfer these shares during the intervening period between the record date and the date of the General Meeting.

The shareholders may participate and vote at the General Meeting in person or via representatives. Every shareholder may appoint up to three (3) representatives. Legal entities may participate in the General Meeting by appointing up to three (3) natural persons as their representatives. Nevertheless, if the shareholder holds the Company's shares, which appear on more than one security accounts, that restriction does not prevent the shareholder from appointing different representatives for the shares that appear on each securities account in relating to the General Meeting. A representative that is acting for more than one shareholders may vote differently for each shareholder. The shareholder's representative is required to notify to the Company prior to the commencement of the General Meeting every specific fact that may be useful for the shareholders to evaluate the risk the representative to serve other interests apart from the interests of the represented shareholder. Within the definition of this paragraph, a conflict of interest may arise specifically when the representative:

- a) is a shareholder that is exercising control over the Company or another legal person or entity that is controlled by that shareholder;
- b) is a member of the Board of Directors or person of the Company's general management or a shareholder exercising control over the Company or shareholder of another legal person or entity that is controlled by a shareholder that is exercising control over the Company;
- c) is the Company's employee or Certified Auditor or a shareholder that is exercising control over the Company or shareholder of another legal person or entity that is controlled by a shareholder that is exercising control over the Company;
- d) is the spouse or a relative of 1st degree to one of the natural persons that subject to cases (a) to (c).

The appointment and revocation of the shareholder's representative shall be made in writing and communicated to the Company in the same way at least three (3) days prior to the date of the General Meeting.

2.2.2 Other rights of the shareholders

Ten (10) days prior to the Regular General Meeting every shareholder may receive copies of the Company's annual financial statements and reports by the Board of Directors and the Auditors. These documents must have been submitted in time in the Company's offices by the Board of Directors.

On request of the shareholders that represent one-twentieth (1/20th) of the paid up share capital the Board of Directors is obliged to convene an Extraordinary General Meeting of the shareholders, by appointing its date, which cannot be later than forty-five (45) days after the date upon which the request was submitted upon the Chairman of the Board of Directors. The application shall contain the objective of the agenda. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the submission of the relevant request, the meeting shall be convened by the petitioning shareholders at the Company's expense, by a resolution of the Single Member Court of First Instance where the Company's registered offices are based, which shall be issued under the interim relief proceedings. This decision shall specify the place and time for the meeting, as well as the agenda.

An application by the shareholders that represent one-twentieth (1/20th) of the paid up share capital shall compel the Board of Directors to enter additional matters on the agenda of the General Meeting that has already been convened, if the relevant application is received by the Board of Directors at least fifteen (15) days prior to the General Meeting. The additional matters must be disclosed or notified at the responsibility of the Board of Directors in accordance with article 122 pursuant to Law 4548/2018, at least seven (7) days prior to the General Meeting. Where these matters are not disclosed, the petitioning shareholders are entitled to request the adjournment of the General Meeting in accordance with paragraph 2 under article 141 pursuant to Law 4548/2018 and to personally proceed with the publication in accordance with the provisions of the previous section, at Company's expense.

An application by shareholders that represent one-twentieth (1/20th) of the paid up share capital shall compel the Board of Directors to make available to the shareholders, at least six (6) days prior to the date of the General Meeting, drafts of resolutions on matters that have been included in the initial or the revised agenda, where the relevant application has been received by the Board of Directors at least seven (7) days prior to the date of the General Meeting.

Following an application by any shareholder, submitted to the Company at least five (5) clear days prior to the General Meeting, the Board of Directors is required to provide the General Meeting with the required specific information concerning the affairs of the Company, to the extent that this is useful for making an actual assessment of the matters on the agenda.

An application by shareholder/s that represent one-twentieth (1/20th) of the paid up share capital shall compel the Chairman of the Meeting to postpone the decision-making for only one time regarding all or specific matters by the Extraordinary or Regular General Meeting, by appointing a date for continuing the meeting for the making of those decisions that are specified in the application by the shareholders, which cannot however be greater than thirty (30) days after the date of adjournment. The General Meeting after an adjournment constitutes a continuation of the previous meeting and it is not necessary to repeat the formalities for publishing the invitation to the shareholders, wherein new shareholders may not participate therein in observation of the provisions under article 141, paragraph 5 of Law 4548/2018.

An application by shareholders that represent one-twentieth (1/20th) of the paid up share capital, which must be submitted to the Company five (5) clear days prior to the regular General Meeting, shall compel the Board of Directors to inform the General Meeting regarding the amounts that have been paid for any reason by the

Company over the last two-year period to members of the Board of Directors or Managers or its other employees, as well as any other agreement that has been made for any reason between the Company and the same persons. Furthermore, an application by any shareholder, submitted in accordance with the aforementioned, shall compel the Board of Directors to provide specific information regarding the Company's affairs to the extent that this is useful for the actual assessment of the matters on the agenda. The Board of Directors may refuse to provide the requested information for insufficient reason while writing down the relevant explanation in the Minutes. Such reason, under the circumstances, may be the representation of the petitioning shareholders on the Board of Directors, in accordance with articles 79 or 80 of Law 4548/2018.

At request by the shareholders that represent one-fifth ($1/5^{th}$) of the paid up share capital, which must be submitted to the Company within the deadline mentioned in the previous paragraph, the Board of Directors shall compel to provide information to the General Meeting in relation to the course of the corporate affairs and the Company's assets status. The Board of Directors may refuse to provide the requested information for insufficient reason while writing down the relevant explanation in the Minutes. Such reason, under the circumstances, may be the representation of the petitioning shareholders on the Board of Directors, in accordance with articles 79 or 80 of Law 4548/2018 as long as the relevant members of the Board of Directors have been adequately informed.

If an application by shareholders that represent one-twentieth ($1/20^{th}$) of the paid up share capital, resolutions upon any matter on the agenda of the General Meeting shall be passed with a roll call.

The Company's shareholders that represent one-twentieth ($1/20^{th}$) of the paid up share capital have the right to request an audit of the Company from the Single Member Court of First Instance in the region where the Company is based, which shall adjudicate the matter on the basis of ex parte proceedings. The Audit shall be ordered where actions are conjectured that violate the provisions in the law or the Articles of Association or the resolutions by the General Assemble.

The Company's shareholders that represent one-fifth ($1/5^{th}$) of the paid up share capital have the right to request an audit of the Company from the competent Court in the previous paragraph, where it is believed from the whole course of the corporate affairs that the Management of the corporate affairs is not being carried out as dictated by sound and prudent Management. This provision shall not be implemented on those occasions where the minority requesting the Audit is represented on the Company's Board of Directors.

3. Board of Directors

The Board of Directors manages the Company as a collective body, taking its decisions in accordance with the current SA legislation, the stock exchange legislation, the regulatory provisions of the ASE and the supervising authorities. The members of the Board of Directors shall acquire all relevant information regarding the operation of the Company. Moreover they must exercise their duties at the interests of the company and its shareholders.

The Board of Directors (BoD) is competent for the administration and representation of the Company and for the management of its property. It decides on all issues of the Company, in general, within the frame of the Company's scope and object, except for these issues which pursuant to the Law and these Articles of

Association are subject to the exclusive competence of the General Meeting. The BoD has the authority to decide on the issuance of bond loans according to Law 4548/2018 and that duty cannot be transferred. The BoD elects the Remuneration Committee. The BoD mainly formulates the Company's strategy and growth policy, while supervising and controlling its management corporate property. The composition and the duties of the BoD are prescribed by the law and the Company's Articles of Association. Main obligation and duty of the members of the BoD is the constant pursuit of enhancing the Company's long-term economic value and the protection of the general corporate interest. As part of the internal regulations of the company, the BoD has sufficient information to base its decisions on the Company's and subsidiaries" transactions with related parties.

3.1 Composition and operation of the Board of Directors

According to article 17 of the Company's Articles of Association the BoD shall be comprised of five (5) to seven (7) members that are natural or legal persons, which are elected by the General Meeting of the Shareholders by an absolute majority of the votes represented at the General Meeting. The members of the Board of Directors may be re-elected and freely revoked.

The tenure of the members on the Board of Directors shall be for a period of 4 years commencing from the meeting date of the General Meeting that elected the board and shall be extended until the expiry of the deadline, within the immediately following regular General Meeting must convene. That specific article of the Articles of Association has been amended and the tenure for the members of the Board of Directors shall be for four years.

The Board of Directors shall meet upon every occasion required under the law, the Articles of Association or the Company's needs, following an invitation by its Chairman or his/her deputy at the Company's registered offices or the Company's branch at Keratsini (1 Spetson Street). The invitation must necessarily state with clarity the matters on the agenda, or else the passing of resolutions shall only be permitted only if all of the members on the Board of Directors are present or represented and no one has objected to the decision-making.

The Board of Directors may validly convene outside its registered offices in any other domestic or location abroad, on condition that all its members are present or represented at that meeting and no one has objected to holding the meeting elsewhere and to decision-making.

The Board of Directors may convene via teleconferencing. In that case the invitation to the members on the Board of Director shall include the necessary information regarding their participation at the meeting. The Chairman or his/her lawful deputy shall chair the meetings by the Board of Directors.

The Board of Directors shall be in quorum and validly convened where one half plus one of the directors are present or represented, however the number of the directors present can under no circumstances be less than three (3).

An absolute majority of the directors present and represented is required for the valid decision-making by the Board of Directors.

A director that is absent may be represented by another director through a simple letter or Telegraph that is addressed to the Chairman of the Board of Directors. Every director may only represent one other director and it is furthermore necessary that at least three members are present at every meeting.

The discussions and decisions of the Board of Directors shall be entered in a précis form into a special Journal that may also be kept on a computerised system. Following an application by the member of the Board of Directors, the Chairman is required to enter a precise summary of his/her opinion in the Minutes. A list of the members of the Board of Directors that were present or represented at the meeting shall also be entered into this Journal. The minutes of the Board of Directors shall be signed by the Chairman or Vice- Chairman if elected, or if a Vice- Chairman has not been elected then the minutes are signed by the Managing Director. Copies of the Minutes shall be officially issued by these persons, without requiring any other validation.

The Board of Directors has the right to transfer its authorities on every occasion by its special decision, which shall be entered into the Minutes, (excluding of those that require collective action) on specific and individually determined matters to one or more members of the Board of Directors or to other persons that shall act alone or collectively. The Board of Directors may also assign the Company's internal audit to one or more persons that are not its members and to members of the Board of Directors where it is not prohibited by the law. These persons may further assign the exercise of the authorities that have been assigned to them or a section thereof to other members or third parties, where this is provided in the resolutions of the Board of Directors.

- a) If a director's position is vacated due to death, resignation or under any whatsoever other cause, the remaining members on the Board of Directors, which must be at least three (3), may elect a replacement director. The tenure of the replacement director shall expire at the same date with the director's tenure who has been replaced would have expired. The resolution with the election shall be submitted to the publication requirements under article 12 of Law 4548/2018 and shall be announced by the Board of Directors at the immediately next General Assemble, which may replace the elected members, even where the relevant matter has not been entered on the agenda.
- b) In the aforementioned case of resignation, death, or loss of the capacity as a member of the Board of Directors in any whatsoever manner, the remaining members may continue managing and representing the Company without replacing the missing members, in accordance with the hereinabove, on condition that their number exceeds one half of the members that were prior to the onset of the above events. In any case, these members cannot be less than three (3).
- c) In any case, the remaining members of the Board of Directors, regardless of their number, may proceed with convening a General Meeting for the exclusive purpose of electing a new Board of Directors.

3.2 Information concerning the members of the Board of Directors

The Company's current Board of Directors is comprised of six (6) members, in respect of which three (3) members are executive, two (2) are non-executive and independent members, whereas one (1) member is non-executive and dependent and their tenure is for a period of four years (4 years) until **June 13, 2021**.

In particular:

1. **Mr Nikolaos Loulis, son of Konstantinos Loulis**, Chairman of the Board of Directors – Executive Member

2. **Mr Nikolaos Fotopoulos, son of Spyridon Fotopoulos**, Vice- Chairman of the Board of Directors and Managing Director – Executive Member

3. **Mr Konstantinos Dimopoulos , son of Nikolaos Dimopoulos**, Member of the Board of Directors – Executive Member

4. **Mr Khedaim Abdulla Saeed Faris Alderei, son of Abdulla**, Member of the Board of Directors – Non-Executive Member

5. **Mr Georgios Mourelatos, son of Apostolos Mourelatos**, Member of the Board of Directors – Independent Non-Executive Member

6. **Mr Andreas Koutoupis son of Georgios Koutoupis,** Member of the Board of Directors – Independent Non-Executive Member.

The Board of Directors was convened on twenty-one (21) occasions during 2019 and after having confirmed the legal quorum, members were present in person or represented at the meetings i.e. Nikolaos Loulis, Nikolaos Fotopoulos, Konstantinos Dimopoulos and Georgios Mourelatos have been present in person or represented in all meetings, Khedaim Abdulla Saeed Faris Alderei has been present via teleconference in eight meetings and Andreas Koutoupis has been present in ten meetings.

Brief resumes of the members of the Board of Directors are presented below:

Nikolaos, son of Konstantinos Loulis, Chairman of the Board of Directors – Executive Member

Born in 1986 at Volos; Studied at the Business Administration Department of the Boston College where he majored in accounting, costing and the financial sector; graduated in 2008; since August 2009 he has studied at the Special School for Technical Mills in Switzerland from where he received his diploma in February 2010; he has also graduated with an MBA from INSEAD business school; speaks English and German.

Nikolaos, son of Spyridon Fotopoulos, Vice- Chairman of the Board of Directors and Managing Director – Executive Member

Born in 1960; Graduated in 1983 from the Athens University of Economics and Business and holds an MBA from Universitaet Mannheim in Germany (1986). In 1992 he was appointed as the Officer in Charge of the Athens branch at the "KYLINDROMYLOS LOULI SA" Company and in 1986 he became the Chief Financial Officer of that Company. Between 1999 and 2004 he served as the Chairman \ and Managing Director of the "SAINT GEORGE MILLS SA" Company (a subsidiary of "LOULIS MILLS SA").

Konstantinos, son of Nikolaos Dimopoulos, Member of the Board of Directors – Executive Member

Born in 1929; held various positions between 1954 and 1988 at the "SAINT GEORGE MILLS SA" Company (1967-1974: Manager of the Thessaloniki branch, 1974-1982: Athens Sales Manager, 1982-1988: Attica Sales Manager). Between 1991 and 2004 he was a member of the Board of Directors for "SAINT GEORGE MILLS SA".

Khedaim Abdulla Saeed Faris Alderei, the son of Abdulla, Member of the Board of Directors – Non-Executive Member.

He is a member of the Royal family and government of the United Arab Emirates; he has studied in the USA and Lebanon; He has served as the Deputy Foreign Minister for the United Arab Emirates and has held other senior government positions; he was also the Managing Director of the A/Y Sheikh Hamdan Bin Zayed Al Nahyan Enterprises.

Georgios Mourelatos, son of Apostolos Mourelatos, Member of the Board of Directors – Independent Non-Executive Member.

He was born in Patras in 1954; he studied Political and Economic Sciences in Athens; during his career till today in the Banking and the Food Sector, he has served in middle management and senior positions of responsibility as the Senior Officer of the Central Treasury Management in the Banking Sector, General Manager at "Agios Georgios Mills" as well as the General Manager of LOULIS GROUP of Companies. He is currently employed as a consultant – internal associate at Eurobank.

Andreas Koutoupis son of Georgios Koutoupis, Member of the Board of Directors – Independent Non-Executive Member.

He was born in 1974. Dr Andreas G. Koutoupis is Chartered and Certified Internal Auditor of the same name Consulting company providing Internal Audit services, Professional Trainer presenting Corporate Governance, Business Risk Management and Internal Audit and Head of Internal Audit Services (Director) of Mazars in Greece for the las 8 years.

He served as a Senior Manager within the Internal Audit Services department of PricewaterhouseCoopers of Greece for more than 10 years.

He owns PhD in Accounting and Auditing – Corporate Governance and Internal Controls, Degree of Master of Science in Internal Auditing and Management (City University Business School, London, UK) and he has been awarded a BSc in Public Administration (Panteion University).

He is Chartered Auditor in Risk Management, The Institute of Internal Auditors, holds an 'A' class Greek Accounting & Tax License, is Chartered Internal Auditor (CMIIA), Certified Internal Controls Auditor (CICA), Certified Internal Auditor (CIA). Moreover, he holds Accreditation in Internal Quality Assessment/ Validation and Certification in Control Self-Assessment (CCSA). Finally, he holds Advanced Diploma in Internal Auditing and Management (MIIA Internal Auditing Qualification, Professional Level), Diploma in Internal Audit Practice (PIIA Internal Auditing Qualification, Practitioner Level) and holds license to practice the profession of economist – Economic Chamber of Greece.

Therefore, the members of the BoD, as now in force, have diversity in terms of age, education and employment background as well as in skills, views, abilities, knowledge, qualifications and expertise which aims to the most effective pursuit of the corporate objectives.

4. Audit Committee

The Company, in full compliance with the Provisions and requirements of Law 4449/2017, appointed the Audit Committee at the annual Ordinary General Meeting of the shareholders that took place on July 8, 2019, consisting of the following:

1) **Andreas Koutoupis** son of Georgios and Marianthi, 'A' class Greek Accounting & Tax License holder, Internal Audit Consultant, I.D. AB 011519/20-12-2005 of Piraeus P.D, residing in Athens, (36 Eressou str.), born in Athens in 1974, T.R.N. 062392659, Independent Non-Executive Member of the BoD of the Company, elected by the aforementioned Ordinary General Meeting as Chairman of the Audit Committee and has proven sufficient knowledge of accounting and auditing (international standards), as well as meets the requirements of independence of law 3016/2002.

2) **Georgios Mourelatos** son of Apostolos and Maria, business consultant, I.D. AE 041631/2-2-2007 of Vironas P.D., residing in Vironas of Attica, 5 Saranta Ekklision str., born in Patra of Achaia in 1954, T.R.N. 022348273, Independent Non-Executive Member of the BoD of the Company.

3) **Konstantinos Kontochristopoulos** son of Anastasios and Paraskevi, economist, I.D. AK 537719/7-6-2012 of Neos Kosmos P.D., residing in Glika Nera of Attica, 10 Makrigianni str., born in Marousi in 1977, T.R.N. 078121528 and he is not a member of the Company's BoD. Konstantinos Kontochristopoulos is Economist, and born in 1977 in Athens. After completed his studies in Finance and Accounting at American College of Greece he attended Brunel University of London for postgraduate studies in Finance and Investments while he has also graduated with an MBA from Kent University. He has been over several years Deputy General Director in LOULIS MILLS SA in Greece and Bulgaria, Financial Director of SCHUR FLEXIBLES ABR S.A. member of the Austrian group SCHUR FLEXIBLES GROUP whereas for the time being he is Financial Director of DUNAPACK VIOKYT Packaging S.A. member of the Austrian group PRINZHORN GROUP. He is also a member of the board of directors of the Association of Industries of Thessaly & Central Greece.

The responsibilities and obligations of the Audit Committee, in full compliance with law 4449/2017 are the following:

- reporting to the BoD on the outcome of the statutory audit and the contribution of the statutory audit to the integrity of the financial information as well as the role of the Audit Committee on that procedure,
- monitoring the procedure of financial information and submitting recommendations or proposals for ensuring its integrity,
- monitoring the effectiveness of the Company's internal audit function, quality assurance of the Company's risk management system and, if applicable, of the internal audit department regarding the financial information of the Company without breaching its independence,

- monitoring the statutory audit of the annual and consolidated Financial Statements and primarily its performance taking into consideration any findings or conclusions of the competent authority pursuant to par. 6 art. 26 of the Regulation (EU) 537/2014.
- reviewing and monitoring the independence of the External Auditors or audit companies pursuant to art. 21, 22, 23, 26 and 27 as well as art. 6 of the Regulation (EU) 537/2014 and particularly the appropriateness of non-audit services' provision to the Company according to art. 5 of the Regulation (EU) 537/2014,
- monitoring the process of appointment of the External Auditor or audit companies and making recommendations regarding the appointment of the External Auditor or audit companies in accordance with article 16 of Regulation (EU) 537/2014, unless par. 8 of art. 16 of Regulation (EU) 537/2014 applies. In general, the mission of the Audit Committee is to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting, compliance with applicable laws and regulations, to safeguard the company's assets and investments and ensure that significant risks are identified and adequately managed.

It is clarified that the External Auditor who conducts the audit of the Annual and Interim Financial Statements neither provides any other type of non-audit services to the Company nor is linked with the Company in any other relationship in order to be ensured his objectivity, impartiality and independence.

4.1 Audit Committee Activities

4.1.1 Meetings and participation

The Committee held seven (7) meetings during 2019 at which all three members of the Audit Committee were present. These meetings were scheduled to coincide with the time of publishing of the Company's Financial Statements.

The internal auditor of the Company and the statutory auditor, Mr. Spirakis Dimitrios had the opportunity to discuss issues with the Audit Committee without the presence of members of the executive management.

4.1.2 Review of the Financial Results

The Audit Committee supervises and evaluates the procedures for preparing the Company's interim and annual Financial Statements in accordance with the applicable accounting standards and examines the reports of the external auditors regarding any deviations from the current accounting practices and audit standards. In particular, the Audit Committee re-examined the main estimations and judgements that significantly affect the financial results, the main issues for disclosure and presentation, in order to ensure the completeness, clarity and adequacy of the information disclosed in the Financial Statements, prior to their submission to the Board of Directors.

4.1.3 External audit

Independence

The Audit Committee is responsible for developing, implementing and auditing the Company's procedures in relation to the external audit. These procedures have been designed with a view to ensuring the independence and objectivity of the external auditors and determining the appropriate framework for the movement of staff from the Audit Company to the Company's branches. They, also, determine the required actions if non-auditing services are provided by the external auditor.

In principle, the external auditors are excluded from providing consulting services and cannot be employed at LOULIS MILLS SA in a non-auditing position, unless there are compelling reasons. Any recommendation for engaging external auditors in non-auditing activities must be approved by the Audit Committee prior to their assignment.

The Audit Committee annually receives a confirmation from the statutory auditor in relation to the independence and objectivity of the external auditors, as required on the basis of the professional standards and regulatory provisions, as well as confirmation regarding senior Management's compliance with the Company's instructions regarding the engagement of former external auditors by the Company or their employment in non-auditing projects.

Effectiveness and revision

The Audit Committee has undertaken the annual revision of the experience, available resources and the independence of the external auditors, as well as the evaluation of the effectiveness of the auditing procedures that were applied to:

- The review and approval of the audit plan by the statutory auditor regarding the financial statements for 2019, the terms included in the engagement letter and the preferred auditing fees;
- Conducting interviews with Management and other management executives, as well as the statutory auditor with respect to ensuring the independence, objectivity and integrity of the external auditors and defining the audit strategy and cooperation with the Company; and
- Obtaining information from the statutory auditor with respect to the procedures that ensure the independence and the quality of the audit.

Concerning the proposal to the Board of Directors for renewing the cooperation for one year with the statutory auditor, the Audit Committee considered the auditor's tenure and examined the need to conduct a full bidding process. There were no contractual obligations that would restrict the decision by the Audit Committee in relation to the selection of the external auditors.

4.1.4 Internal Audit

During 2019 the Audit Committee:

- Reviewed the outcome of the audits that were carried out by the Internal Audit Department and evaluated Management's response to the brought-up issues such as, inter alia, the implementation of any recommendations made.
- Reviewed and approved the internal audit plan for 2020, including the recommended audit approach, the coverage extent and allocation of resources.

- Reviewed the effectiveness of the internal audit after having taken into account the opinions of the Board of Directors and other senior management executives on issues such as independence, adequacy of resources and vocational training, strategy, planning and the methodology for the internal audit.
- Reviewed the periodical reports regarding the significant internal controls as well as the details for any taken remedial action.

The Internal Audit Department constitutes an independent operation that ensures that all operations of the Company are carried out in accordance with the corporate objectives, policies and procedures. Specifically, the Internal Audit aims to ensure the credibility and stability of the financial audit internal controls within the full scope of the Company's activities.

The Internal Auditor acts in accordance with the International Standards for the Professional Practice of Internal Auditing and the Company's policies and procedures and reports directly to the BoD Audit Committee.

The BoD monitors the mains risks that over time the Company faces assisted by, among others, the Audit Committee and the Internal Control Department. Furthermore, the BoD regularly reexamines the corporate strategy, the main business risks and the internal control systems.

5. Remuneration Committee

The Remuneration Committee set up and elected by the Company's BoD, with three-year term, at its meeting of May 27, 2019 and consists of the following:

1. **Andreas Koutoupis** son of Georgios Koutoupis and Marianthi, Independent Non-Executive Member of the Board of Directors appointed as Chairman of the Remuneration Committee.
2. **Georgios Mourelatos** son of Apostolos and Maria, Independent Non-Executive Member of the BoD of the Company.
3. **Konstantinos Kontochristopoulos** son of Anastasios and Paraskevi, not a member of the Company's BoD

The Remuneration Committee acts as an independent and objective body that assists with transparency the Board of Directors in the performance of its duties with regard to the remuneration of the Board of Directors, the executives and the employees of the Company undertaking the drawing up procedures and monitoring of the Remuneration Policy and the Remuneration Report of articles 110-113 of Law 4548/2018.

Particularly, the Remuneration Committee:

1. Proposes and presents to the BoD the content of the Remuneration Policy and its revisions regarding the members of the BoD and the Management Executives. The Remuneration Committee includes in the Remuneration Policy all the elements required by the law and the Corporate Governance Code with all appropriate differentiations according to the roles and duties of each of these persons (Executive BoD members, Non-executive BoD members, Executives). At its proposal to the BoD regarding the content of the Remuneration Policy, the Committee takes into account the Company's payroll and working conditions, which examines regularly, as well as the developing strategy, the Company's objectives, the conditions prevailing in the economy and the food market and the needs indicated by the executive management and the Company's Human Resources Department.

2. Monitors the implementation of the Remuneration Policy internally and on a regular basis.

3. Suggests a temporary derogation from the Remuneration Policy, provided that (a) the Remuneration Policy sets forth the procedural conditions under which a derogation may be made from its content; (b) the Remuneration Policy defines the certain points under which the derogation may be applied, (c) this derogation is necessary for the long-term servicing of the interests of the Company as a whole, or for ensuring its viability.

4. Regularly reviews the terms and conditions of the current contract agreements of the members of the BoD and the executives of the Company, including indemnities in the event of compensation, as well as the pension arrangements.

5. Reviews annually the Remuneration Policy, with regards to its compliance with the policies and procedures adopted by the BoD, the Law and the Corporate Governance Code and informs the BoD thereof. The Remuneration Committee ensures that, when assessing the mechanisms adopted for the risk alignment of the Remuneration Policy, all types of risks, liquidity and Company's capital adequacy are taken into account and it proposes corrective actions if it finds implementation weaknesses or deviations of the Remuneration Policy.

6. Submits proposed performance targets in relation to any variable remuneration of the BoD executive members as well as targets linked to stock option plans or shares. For that purpose, examines and submits proposals to the BoD concerning the total amount of the annual variable fees, meaning apart from the salary.

7. Examines and submits proposals to the BoD (and subsequently to the General Meeting whenever it is required) regarding the offering of stock option plans or the granting of shares.

8. Submits proposals for the review and improvement of any process related to the drafting of the Remuneration Policy, the Remuneration Report and the determination of the information contained therein.

9. Prepares the Remuneration Report of article 112 of Law 4548/2018. The Remuneration Committee determines and includes in the Remuneration Report all the information required by Law 4548/2018 and the Corporate Governance Code. The Remuneration Committee submits a report to the BoD outlining how the Remuneration Report, takes into account the outcome of the General Meeting's vote on the previous Remuneration Report.

10. Is generally responsible for proposing, making decisions and expressing an opinion on any corporate policy linked with fees and on any matter falling under articles 109-114 of Law 4548/2018, either voluntarily or at the request of the BoD or the General Meeting.

The Committee held three (3) meetings during 2019 at which all three members of the Remuneration Committee were present.

I. Significant transactions between the Company and Related Parties

The cumulative amounts for sales and purchases from the beginning of the current period and the balances of the Group's and the Company's receivables and liabilities accounts at the end of the current period, which have resulted from its transactions with related parties, as per IAS 24, are as follows:

Significant Transaction with related parties

	Group – 2019			
	Sales of Good and Services	**Purchases of Goods and Services**	**Receivables**	**Liabilities**
Associates	0	0	0	0
Executives and Members of the Management	0	0	395.361	5.340
Total:	**0**	**0**	**395.361**	**5.340**

	Sales of Goods and Services	**Purchases of Goods and Services**	**Receivables**	**Liabilities**
Kenfood SA	494.538	1.187.211	0	51.214
Greek Baking School S.A.	8.400	47.250	0	0
Loulis Logistics Services SA	480	0	0	0
Loulis International Foods Enterprises Bulgaria Ltd	0	0	0	0
Loulis Mel-Bulgaria EAD	80.873	927.527	3.582.897	0
Associates	0	0	0	0
Executives and Members of the Management	0	0	500	320
Total:	**584.291**	**2.161.988**	**3.583.397**	**51.534**

	Group - 2018			
	Sales of Goods and Services	**Purchases of Goods and Services**	**Receivables**	**Liabilities**
Associates	0	0	0	0
Executives and Members of the Management	0	0	145.372	26
Total:	**0**	**0**	**145.372**	**26**

	Company - 2018			
	Sales of Goods and Services	**Purchases of Goods and Services**	**Receivables**	**Liabilities**
Kenfood SA	144.487	885.688	200.000	28.753
Greek Baking School S.A.	8.400	43.050	0	0
Loulis Logistics Services SA	480	0	0	0
Grinco Holdings Ltd	0	0	0	0
Loulis International Foods Enterprises Bulgaria Ltd	0	0	0	0
Loulis Mel-Bulgaria EAD	18.689	1.034.792	2.612.889	0
Associates	0	0	0	0
Executives and Members of the Management	0	0	464	26
Total:	**172.056**	**1.963.530**	**2.813.353**	**28.779**

Fees of Executives and Members of the Management

	Group		Company	
	2019	**2018**	**2019**	**2018**
Salaries and Other Fees	900.080	909.432	664.451	629.664
Total:	**900.080**	**909.432**	**664.451**	**629.664**

There are no other significant transactions with the associated companies for 2019.

J. Events that have occurred up to the date of the Financial Statements' preparation

The most significant events that took place subsequently of December 31, 2019 and till the date of the Financial Statements' preparation are as follows:

Significant information regarding the impact of «Covid-19» Pandemic

The spreading of the new coronavirus «Covid-19» and its declaration by WHO from March 2020 as a pandemic as well as the imposition of emergency measures for its tackling by each government have affected negatively the global economy.

The Group, with a sense of responsibility, monitors the developments in order to respond adequately at all levels in respect of ensuring its smooth business operation and the safety of its employees. In order to face effectively the impact of the pandemic and to ensure its proper-functioning the Group: a) offered remote working (teleconferencing), b) suspended the business meetings in person and other business events c) restricted commuting and travelling and d) disinfected the working areas. Furthermore, the Group ensured the daily support and guidance of the employees in respect of their most effective adjustment to the new conditions.

For the time being, it is estimated that the impact of the pandemic shall not affect significantly the corporate operations, the performance and the financial position of the Group and the Company. In particular, it is noted that the Group's companies neither fall within the type of companies for which mandatory suspension of operations has been imposed nor are entitled to State financial support for addressing the impact of the pandemic. Furthermore, regarding the Group's activities, there was no decrease in sales for the first four-month period of 2020 compared to the corresponding period of the previous year as a result of the fact that the Group and the Company do not depend on customers or suppliers, local or abroad, that have mandatorily suspended their operations and did not contracted with customers or suppliers that the relevant contracts cannot be fulfilled. Regarding the collection of receivables it is noted that there are no significant late payments and no liquidity issues are expected to arise. The borrowing liabilities are being repaid smoothly without delay and the terms of the loan contracts are met. In respect of the Group's inventories, they are considered adequate and no supply shortfalls have occurred.

Finally, management monitors closely the developments, assess the risks involved and takes all the necessary action in order to minimize the effect of the pandemic in the financial results of the Group, to continue the smooth implementation of its strategic plan 2019-2021 and to ensure the business viability of the Group. Management considers that, in any case, the pandemic shall not have any impact on the going concern of the Group and the Company.

Participation in the share capital increase of the subsidiary «LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD»

In May 2020 the Company decided to participate in the share capital increase of its 100% subsidiary under the name «LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD» through the full payment of the total amount of the share capital increase of € 2.000.000,00 for the capital support of its 100% indirectly subsidiary under the name «LOULIS MEL-BULGARIA EAD», in order the increased liquidity needs of the latter to be met.

JA. Information pursuant to Article 50, par. 2 of Law 4548/2018 for acquired own share

The Company, on December 31, 2019, did not possess any own shares.

JB. Explanatory Report of the Board of Directors (pursuant to article 4, par. 7 & 8 of law N.3556/2007)

This Explanatory Report of the Board of Directors to the Annual General Meeting of shareholders includes detailed information in accordance with the provisions of paragraph 1 of article 11a pursuant to Law 3371/2005 as in force.

1. Share Capital Structure

The Company's share capital amounts to € 16.093.063,20, divided into 17.120.280 shares with the nominal value of € 0,94 per each. All shares are ordinary, registered, voting shares, listed for trading on the Athens Exchange and particularly in the Mid Cap class.

2. Restrictions on the transfer of Company's shares

There are no restrictions in the Articles of Association regarding the transfer of the company shares, except of those declared by Law.

3. Significant direct or indirect participations according to articles 9-11 of Law 3556/2007.

On settlement date 19.04.2019 Mr. Loulis Nikolaos holds 48,47%, Mrs Evangelia Louli holds 6,86%, and AL DAHRA AGRICULTURE SPAIN SLU holds 20,01% of the share capital of the Company. There is no other natural or legal person that owns more than 5% of the share capital.

4. Holders of any type of share providing special rights of control.

There are no Company's shares providing their holders with any special control rights.

5. Restrictions on voting rights.

There are no restrictions in the Articles of Association regarding voting rights.

6. Agreements between Company's shareholders.

The Company is not aware of any agreements between its shareholders which might result in restrictions on the transfer of its shares or the exercise of voting rights.

7. Rules of appointment and replacement of members of the Board of Directors and amendment of Articles of Association which are differentiated from those as specified in Law 4548/2018.

The regulations set out in the Company's Articles of Association regarding the appointment and replacement of its BoD members as well as the amendment of its Articles of Association do not differ from the provisions of the Law 4548/2018.

8. Responsibility of the Board of Directors for issuing new shares or purchase own shares.

According to the provisions of article 6 of Company's Articles of Association, within five years from the relevant decision of the General Meeting, the BoD, following a decision taken with the quorum and majority requirements prescribed in Law 4548/2018, has the right to increase the share capital partially or in full by issuing new shares, for an amount that cannot exceed the triple of the paid up share capital at the date the relevant authority has been granted to the BoD. Pursuant to the provisions of art. 49 of Law 4548/2018, public limited companies, following a decision of the General Meeting of their shareholders, can acquire own shares, up to 10% of their total number of shares, based on the specific terms and procedures of the art. 49 of Law 4548/2018. There is no any contrary provision in the Company's Articles of Association.

9. Important agreement made by the Company, which will come into effect, be amended or expire upon any changes in the Company's control following a public offer and the results of this agreement.

There are no such agreements.

10. Agreements made between the Company and its BoD members or its personnel, regarding compensation in case of resignation or release from duties without sufficient reason or in case of termination of their term or employment due to a public offer.

There are no agreements between the Company and the members of its Board of Directors or its personnel for the payment of compensation particularly in the event of resignation or termination of employment without sufficient reason or termination of tenure or employment due to public offer.

JC. Dividends and shares

The BoD of the Company after taking into account the financial results of the year 2019, the financial position of the Company, the prospects as well as the conditions prevailing in the wider financial environment shall propose in the following Annual General Meeting of the Shareholders dividend distribution of a total amount of € 1.198.419,60 corresponding to gross dividend of € 0,07 per share.

JD. Corporate Social Resposibility

The annual Corporate Social Responsibility Report by Loulis Mills AE, based on a globally recognized reporting standard (GRI Standards), will be accessible to the public and posted on the Company's webpage (www.loulismills.gr).

The Chairman of the Board of Directors

Nikolaos Loulis

Soupri, Magnisia May 14, 2020

The Board of Directors

[Translated from the original in Greek]

Independent Auditor's Report

To the Shareholders of "LOULIS MILLS S.A."

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of the Company "LOULIS MILLS S.A." (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2019, and the separate and consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company "LOULIS MILLS S.A." and its subsidiaries (the Group) as of December 31, 2019, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as incorporated in Greek Legislation. Our responsibilities, under those standards are described in the "Auditor's Responsibilities for the Audit of the separate and consolidated financial statements" section of our report. During our audit, we remained independent of the Company and the Group, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and the consolidated financial statements of the current period. These matters and the related risks of material misstatement were addressed in the context of our audit of the separate and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Valuation of inventories	
As described in Note 7.7 of the financial statements the value of the inventories as included in the statement of financial position of the Group and the Company at December 31, 2019 amounts to € 21.716.168 and € 16.301.012 respectively. The Group and the Company valuate inventories at the lower of cost and net realizable value. For the determination of the net realizable value the Management of the Company performs appropriate estimates, based on the maturity of	We performed a risk based approach and our audit includes, among others, the following procedures: • The understanding and the test of the procedures designed by the Management regarding inventories. • We attended physical inventory counting in Company's warehouses and production facilities. • On a sample basis we tested the verification of both the purchase and the production cost.

the inventories, their movement during every reporting period as well as any liquidation future plans.
We consider valuation of inventories of the Group and the Company a key audit matter due to the significant value of the inventories as well as the judgment and estimations involved by the Management in the determination of their net realizable value.
The disclosures of the Group and the Company regarding the accounting policy applied for the valuation of inventories are described in Notes 6.4.8, 6.5.4 and 7.7 of the financial statements.

- We examined on a sample basis the available accounting records used to determinate the net realizable value and the identification of obsolete stock.
- We evaluated the reasonableness of estimates and assumptions used by the Management for the valuation of inventories.
- We also assessed the adequacy and appropriateness of the relating disclosures included in the financial statements.

Recoverability of trade receivables

As described in Note 7.8 of the financial statements, the value of the trade receivables as included in the statement of financial position of the Group and the Company at December 31, 2019, amounted to € 33.011.519 and € 32.052.672 respectively and the relevant accumulated impairment provision amounts to € 7.669.019 and € 6.232.201 respectively.

Management evaluates the recoverability of the trade receivables of the Group and the Company and estimates the necessary impairment provision for the expected credit loss.
Management, in order to estimate the amount of impairment of its trade receivables, evaluates their recoverability, by reviewing the maturity of the customers' balances, their credit history and the settlement of the subsequent payments.
Given the significance of the matter above and the level of the judgements and estimations that were required we consider recoverability of trade receivables a key audit matter.

The disclosures of the Group and the Company regarding the trade receivables are described in Notes 6.4.7, 6.5.5 and 7.8 of the financial statements.

We performed a risk based approach and our audit includes, among others, the following procedures:

- The understanding and the examination of the credit control procedures of the Group and the Company designed for credit granting to customers as well as the monitoring of the trade receivables.
- The evaluation of the assumptions and methodology used by the Management of the Company to determine the recoverability of the trade receivables or their classification as bad debts, taking into account the customers' ageing analysis and any guarantees and collaterals provided by the customers.
- The examination of the response letters received from legal advisors concerning the matters they dealt with through the year so as to identify indications of trade balances that may not be recoverable in the future.
- We received third party confirmation letters on a sample basis of the trade receivables and performed procedures subsequent to the financial statements date for collections against end year balances
- The examination of the maturity of the year-end trade receivable balances and the existence of any debtors facing financial difficulty. Discussion with the Management and examination of the recent mail

between the Company and its customers. Evaluation of the publicly available information.

- Recalculation of the expected credit loss taking into account the calculation model used by the management and we confirmed the completeness and the accuracy of the data.
- We also assessed the adequacy and appropriateness of the disclosures included in the financial statements.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives, but does not include the financial statements and our auditor's report thereon. Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this respect.

Responsibilities of Management and Those Charged with Governance for the separate and consolidated Financial Statements

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

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and 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, Management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated 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 in 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 separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and 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 misstatement resulting from fraud is higher than 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 the Group'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 and the Group'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 separate and 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 Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate 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 separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement which is included therein, according to the provisions of paragraph 5 of article 2 of L. 4336/2015 (part B), we note that:

a) The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 152 of Law 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 150-151 and 153 and of paragraph 1 (cases c' and d') of article 152 of Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31.12.2019.

c) Based on the knowledge we obtained during our audit about the company "LOULIS MILLS S.A." and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the separate and the consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company, referred to in article 11 of EU Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and the Group any prohibited non-audit services referred to in article 5 of EU Regulation No 537/2014.

4. Auditor's Appointment

We were appointed as statutory auditors for the first time by the General Assembly of shareholders of the Company on 23/06/2014. Our appointment has been, since then, uninterrupted renewed by the Annual General Assembly of shareholders of the Company for 6 consecutive years.

BDO Certified Public Accountant S.A.
449 Mesogion Av,
Athens- Ag. Paraskevi, Greece
Reg. SOEL: 173

Ag. Paraskevi, May 15, 2020
Certified Public Accountant

Dimitrios V. Spirakis
Reg. SOEL: 34191

ANNUAL FINANCIAL STATEMENTS

1. STATEMENT OF FINANCIAL POSITION

(Amounts in €)		GROUP		COMPANY	
		31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
ASSETS	**Note**				
Non-Current Assets					
Property, Plant and Equipment	7.1	100.367.011	101.817.782	92.248.428	94.745.096
Investment Property	7.1	341.116	341.116	341.116	341.116
Right of Use Assets	7.2	2.950.268	0	1.666.112	0
Other Intangible Assets	7.3	1.534.091	893.157	791.827	140.182
Goodwill	7.4	1.000.000	1.000.000	0	0
Investments in Subsidiaries	7.5	0	0	4.659.123	1.814.653
Other Non-Current Receivables	7.6	52.734	76.131	15.317	14.071
		106.245.220	**104.128.186**	**99.721.923**	**97.055.118**
Current Assets					
Inventories	7.7	21.716.168	21.918.421	16.301.012	19.842.702
Trade Receivables	7.8	33.011.519	33.296.488	32.052.672	31.467.562
Derivative Financial Assets	7.9	177.240	127.800	177.240	127.800
Cash and Cash Equivalents	7.10	9.162.058	5.250.717	8.160.663	4.269.437
Other Current Assets	7.11	4.214.989	5.533.484	6.432.040	7.436.909
		68.281.974	66.126.910	63.123.627	63.144.410
TOTAL ASSETS		**174.527.194**	**170.255.096**	**162.845.550**	**160.199.528**
EQUITY AND LIABILITIES					
Equity attributable to Equity Holders of the Parent					
Share Capital		16.093.063	16.093.063	16.093.063	16.093.063
Share Premium Account		31.602.358	32.629.575	31.602.358	32.629.575
Own Shares Purchased		0	0	0	0
Other Reserves	7.12	43.112.889	40.830.980	44.113.182	39.467.724
Equity attributable to Equity Holders of the Parent		90.808.310	89.553.618	91.808.603	88.190.362
Non-Controlling Interest		170	(353.056)	0	0
Total Equity		**90.808.480**	**89.200.562**	**91.808.603**	**88.190.362**
Non - Current Liabilities					
Non - Current Loans and Borrowings	7.13	37.963.762	31.953.550	31.763.322	29.892.522
Deferred Tax Liabilities	7.14	11.177.405	11.780.540	11.204.232	12.217.977
Provisions for Retirement Benefits	7.15	850.416	787.461	787.580	734.182
Non-Current Lease Liabilities	7.2	458.673	0	365.940	0
Other Non-Current Liabilities	7.16	3.141.491	3.346.119	3.141.491	3.346.119
		53.591.747	47.867.670	47.262.565	46.190.800
Current Liabilities					
Trade Payables	7.17	13.623.434	11.783.889	11.359.686	9.262.861
Loans and Borrowings	7.13	10.024.972	11.358.505	6.190.880	6.803.793
Derivative Financial Liabilities	7.9	48.780	51.750	48.780	51.750
Tax Liabilities	7.18	1.451.295	1.481.444	1.415.727	1.340.900
Current Lease Liabilities	7.2	356.084	0	282.904	0
Other Current & Accrued Liabilities	7.19	4.622.402	8.511.276	4.476.405	8.359.062
		30.126.967	33.186.864	23.774.382	25.818.366
Total Equity and Liabilities		**174.527.194**	**170.255.096**	**162.845.550**	**160.199.528**

Since 01.01.2019, the Group and the Company adopted the IFRS 16 by applying the cumulative effect method, according to which the comparative information is not being restated. Analytical information is provided in paragraph 3.7 of Chapter 6 (Change in accounting policies).

2. STATEMENT of COMPREHENSIVE INCOME

(Amounts in €)

		GROUP		COMPANY	
	Note	**1/1-31/12/2019**	**1/1-31/12/2018**	**1/1-31/12/2019**	**1/1-31/12/2018**
Revenue	7.20	107.731.666	98.726.902	100.584.409	91.885.260
Cost of Sales		(85.369.050)	(78.498.806)	(80.394.340)	(73.460.735)
Gross Profit		**22.362.616**	**20.228.096**	**20.190.069**	**18.424.525**
Other Income	7.21	3.654.636	3.600.336	3.398.638	3.408.560
Distribution Expenses	7.23	(14.250.708)	(14.045.757)	(12.748.641)	(12.594.719)
Administration Expenses	7.24	(4.561.078)	(3.992.679)	(3.839.793)	(3.446.895)
Other Expenses	7.22	(1.725.218)	(3.284.121)	(1.447.091)	(566.112)
Fair Value valuation of Bonds and Participations		(9.703)	195.000	(9.703)	195.000
Financial Income	7.25	22.505	27.089	83.094	33.935
Financial Expenses	7.25	(2.158.522)	(2.123.195)	(1.802.334)	(1.903.666)
Profits/(Losses) before Taxes		**3.334.528**	**604.769**	**3.824.239**	**3.550.628**
Tax Expense	7.26	(317.141)	(154.101)	93.468	(125.275)
Profits/(Loss) from Continuing Operations		**3.017.387**	**450.668**	**3.917.707**	**3.425.353**
Profits/(Loss) from Discontinued Operations		**0**	**0**	**0**	**0**
Net Profit for the Year		**3.017.387**	**450.668**	**3.917.707**	**3.425.353**
Owners of the Parent Company		3.017.555	1.260.522	3.917.707	3.425.353
Non-Controlling Interests		(168)	(809.854)	0	0
Other Comprehensive Income					
Profit/Loss on Revaluation of Property	7.28	1.308.972	(496.179)	1.308.972	(488.002)
Subsidies		0		0	
Actuarial Profits/Losses		(72.754)	(5.862)	(64.365)	(4.130)
Income Tax that relates to Other Comprehensive Income	7.28	(314.153)	131.034	(314.153)	129.321
Items that will be Reclassified to Profit of Loss		**922.065**	**(371.007)**	**930.454**	**(362.811)**
Items that will not be Reclassified to Profit of Loss		**0**	**0**	**0**	**0**
Total Comprehensive Income For the Year		**3.939.452**	**79.661**	**4.848.161**	**3.062.542**
Profit Attributable to:			0		0
Owners of the Parent Company		3.939.621	891.974	4.848.161	3.062.542
Non-Controlling Interests		(169)	(812.313)	0	0

Earnings per Share for Profits Attributable to the Owners of the Parent					
Basics	7.27	**0,1763**	**0,0736**	**0,2288**	**0,2001**
Earnings per Share for Profits from Continuing Operations Attributable to the Owners of the Parent					
Basics		**0,1763**	**0,0736**	**0,2288**	**0,2001**
Proposed Dividend per Share		**0,0700**	**0,0000**	**0,0700**	**0,0000**
Depreciation		4.668.337	4.224.720	4.413.058	4.165.146
Earnings before Interest and Tax		**5.480.248**	**5.072.991**	**5.553.182**	**5.225.359**
Earnings before Interest, Tax, Depreciation and Amortization		**10.148.585**	**9.297.711**	**9.966.240**	**9.390.505**

Since 01.01.2019, the Group and the Company adopted the IFRS 16 by applying the cumulative effect method, according to which the comparative information is not being restated. Analytical information is provided in paragraph 3.7 of Chapter 6 (Change in accounting policies).

3. CHANGES IN EQUITY STATEMENT

3.1 GROUP

(Amounts in €)

	Share Capital	Share Premium	Statutory Reserves	Extraordinary Reserves	Non Taxable Reserves	Reserve for Entity's Own Shares	Reserve from the Revaluation of Assets	Reserve from Foreign Exchange Differences	Other Reserves	Profit/(loss) for the period after taxes	Equity before non-controlling interest	Non-Controlling Interests	Equity after Non-Controlling Interests
Balance at January 1st 2018	**16.093.063**	**33.656.792**	**1.599.076**	**103.990**	**3.258.580**	**0**	**4.159.652**	**3.482.806**	**7.765.140**	**21.616.498**	**91.735.597**	**476.890**	**92.212.487**
Effect from IFRS 9 Application	0	0	0	0	0	0	0	0	0	(1.840.990)	(1.840.990)	(3.810)	**(1.844.800)**
Adapted balance at January 1st, 2018	**16.093.063**	**33.656.792**	**1.599.076**	**103.990**	**3.258.580**	**0**	**4.159.652**	**3.482.806**	**7.765.140**	**19.775.508**	**89.894.607**	**473.080**	**90.367.687**
Profits/(Losses) for the period after Taxes	0	0	0	0	0	0	(363.206)	0	0	1.260.522	897.316	(811.793)	**85.523**
Net Revenue/Expenses directly recognized in Equity	0	0	0	0	0	0	0	0	78.780	100.125	178.905	0	**178.905**
Return of Capital to Shareholders	(1.027.217)	0	0	0	0	0	0	0	0	0	(1.027.217)	0	**(1.027.217)**
Share Capital Increase	1.027.217	0	0	0	0	0	0	0	0	0	1.027.217	0	**1.027.217**
Dividends	0	0	0	0	0	0	0	0	0	(214.797)	(214.797)	0	**(214.797)**
Actuarial Profits/(Losses)	0	0	0	0	0	0	0	0	0	(5.342)	(5.342)	(520)	**(5.862)**
Sales / (Purchases) of Own Shares	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Change in Reserves	0	(1.027.217)	55.121	0	0	0	0	0	0	(55.121)	(1.027.217)	0	**(1.027.217)**
Reserves from Merged Companies	0	0	59.274	0	148.534	0	4.525	0	0	(382.187)	(169.854)	(13.823)	**(183.677)**
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Net Position at December 31st, 2018	**16.093.063**	**32.629.575**	**1.713.471**	**103.990**	**3.407.114**	**0**	**3.800.971**	**3.482.806**	**7.843.920**	**20.478.708**	**89.553.618**	**(353.056)**	**89.200.562**
Balance at January 1st 2019	**16.093.063**	**32.629.575**	**1.713.471**	**103.990**	**3.407.114**	**0**	**3.800.971**	**3.482.806**	**7.843.920**	**20.478.708**	**89.553.618**	**(353.056)**	**89.200.562**
Profits/(Losses) for the Period after Taxes	0	0	0	0	0	0	994.819	0	0	3.017.555	4.012.374	(168)	**4.012.206**
Net Revenue/Expenses directly recognized in Equity	0	0	0	0	0	0	0	0	0	(1.549.462)	(1.549.462)	0	**(1.549.462)**
Return of Capital to Shareholders	(1.027.217)	0	0	0	0	0	0	0	0	0	(1.027.217)	0	**(1.027.217)**
Share Capital Increase	1.027.217	0	0	0	0	0	0	0	0	0	1.027.217	0	**1.027.217**
Dividends	0	0	0	0	0	0	0	0	0	(202.703)	(202.703)	0	**(202.703)**
Actuarial Profits/(Losses)	0	0	0	0	0	0	0	0	0	(72.753)	(72.753)	(1)	**(72.754)**
Sales / (Purchases) of Own Shares	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Change in Reserves	0	(1.027.217)	107.716	0	13.343	0	(1.487.757)	(2.420.917)	(192.141)	4.074.209	(932.764)	(94.453)	**(1.027.217)**
Minorities	0	0	0	0	0	0	0	0	0	0	0	447.848	**447.848**
Net Position at December 31st, 2019	**16.093.063**	**31.602.358**	**1.821.187**	**103.990**	**3.420.457**	**0**	**3.308.033**	**1.061.889**	**7.651.779**	**25.745.554**	**90.808.310**	**170**	**90.808.480**

3.2 COMPANY

(Amounts in €)

	Share Capital	Share Premium	Statutory Reserves	Extraordinary Reserves	Non Taxable Reserves	Reserve for Entity's Own Shares	Reserve from the Revaluation of Assets	Other Reserves	Profit/(loss) for the period after taxes	Total	Total Equity
Balance at January 1st 2018	**16.093.063**	**33.656.792**	**1.586.423**	**103.990**	**3.208.286**	**0**	**4.159.652**	**6.513.936**	**22.801.011**	**88.123.153**	**88.123.153**
Effect from IFRS 9 Application	0	0	0	0	0	0	0	0	(1.832.099)	(1.832.099)	(1.832.099)
Adapted Balance at January 1st, 2018	**16.093.063**	**33.656.792**	**1.586.423**	**103.990**	**3.208.286**	**0**	**4.159.652**	**6.513.936**	**20.968.912**	**86.291.054**	**86.291.054**
Profits/Losses) for the Period after Taxes	0	0	0	0	0	0	0	0	3.425.353	3.425.353	3.425.353
Net Income/Expenses directly recognized in Equity	0	0	0	0	0	0	0	78.780	0	78.780	78.780
Return of Capital to Shareholders	(1.027.217)	0	0	0	0	0	0	0	0	(1.027.217)	(1.027.217)
Share Capital Increase	1.027.217	0	0	0	0	0	0	0	0	1.027.217	1.027.217
Dividends	0	0	0	0	0	0	0	0	(214.797)	(214.797)	(214.797)
Actuarial Profits/(Losses)	0	0	0	0	0	0	0	0	(4.130)	(4.130)	(4.130)
Sales / (Purchases) of Own Shares	0	0	0	0	0	0	0	0	0	0	0
Capital Amount Returned relating to Own Shares	0	0	0	0	0	0	0	0	0	0	0
Change in Reserves	0	(1.027.217)	55.121	0	0	0	0	0	(55.121)	(1.027.217)	(1.027.217)
Profit / (Losses) from Revaluation of Property	0	0	0	0	0	0	(358.681)	0	0	(358.681)	(358.681)
Net Position at December 31st, 2018	**16.093.063**	**32.629.575**	**1.641.544**	**103.990**	**3.208.286**	**0**	**3.800.971**	**6.592.716**	**24.120.217**	**88.190.362**	**88.190.362**
Balance at January 1st 2019	**16.093.063**	**32.629.575**	**1.641.544**	**103.990**	**3.208.286**	**0**	**3.800.971**	**6.592.716**	**24.120.217**	**88.190.362**	**88.190.362**
Profits/(Losses) for the Period after Taxes	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3.917.707**	**3.917.707**	**3.917.707**
Net Income/Expenses directly recognized in Equity	0	0	0	0	0	0	0	0	0	0	0
Return of Capital to Shareholders	(1.027.217)	0	0	0	0	0	0	0	0	(1.027.217)	(1.027.217)
Share Capital Increase	1.027.217	0	0	0	0	0	0	0	0	1.027.217	1.027.217
Dividends	0	0	0	0	0	0	0	0	(202.703)	(202.703)	(202.703)
Actuarial Profits/(Losses)	0	0	0	0	0	0	0	0	(64.365)	(64.365)	(64.365)
Sales / (Purchases) of Own Shares	0	0	0	0	0	0	0	0	0	0	0
Capital Amount Returned relating to Own Shares	0	0	0	0	0	0	0	0	0	0	0
Change in Reserves	0	(1.027.217)	76.900	0	0	0	(1.487.757)	0	1.410.857	(1.027.217)	(1.027.217)
Profit / (Losses) from Revaluation of Property	0	0	0	0	0	0	994.819	0	0	994.819	994.819
Net Position at December 31st, 2019	**16.093.063**	**31.602.358**	**1.718.444**	**103.990**	**3.208.286**	**0**	**3.308.033**	**6.592.716**	**29.181.713**	**91.808.603**	**91.808.603**

Since 01.01.2019, the Group and the Company adopted the IFRS 16 by applying the cumulative effect method, according to which the comparative information is not being restated. Analytical information is provided in paragraph 3.7 of Chapter 6 (Change in accounting policies).

4. CASH FLOW STATEMENT

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash Flow from Operating Activities				
Profit/ (Loss) before Tax	**3.334.528**	**604.769**	**3.824.239**	**3.550.628**
Adjustments for:				
Depreciation	4.668.337	4.224.720	4.413.058	4.165.146
Provisions	1.066.940	2.845.930	1.089.878	36.045
Interest Expenses	2.158.522	2.123.196	1.802.334	1.903.666
Interest Income	(22.505)	(27.089)	(83.094)	(33.935)
Adjustments for change in Working Capital or relating Operating Activities:				
(Increase)/Decrease In Inventories	(357.748)	(1.545.188)	3.141.689	(1.938.846)
(Increase)/Decrease In Receivables	4.872.376	2.452.252	95.717	(583.068)
(Decrease) / Increase In Payables (Excluding Loans)	(5.800.035)	2.427.635	(1.950.445)	3.785.223
Less:				
Interest paid	(2.220.280)	(2.115.856)	(1.864.702)	(1.911.742)
Tax paid	(1.435.984)	(315.950)	(1.430.319)	(314.150)
Net Cash from Operating Activities (a)	**6.264.151**	**10.674.419**	**9.038.355**	**8.658.967**
Cash Flow from Investing Activities				
Acquisition of Associates, Jvs and other Investments	(1.168.907)	(58.823)	(2.948.040)	(58.823)
Payments for the Purchase of Financial Investments	0	0	0	0
Purchase of Tangible and Intangible Assets	(4.740.614)	(7.418.568)	(2.336.292)	(4.373.534)
Proceeds from Disposal of Tangible and Intangible Assets	80.510	24.911	6.252	24.911
Interest Received	27.442	27.089	100.983	16.046
Net Cash from Investing Activities (b)	**(5.801.569)**	**(7.425.391)**	**(5.177.097)**	**(4.391.400)**
Cash Flow from Financing Activities				
Proceeds / (Payments) from Increase / Decrease of the Share Capital	(1.027.217)	(1.027.217)	(1.027.217)	(1.027.217)
Disposal / (Purchase) of Own Shares	0	0	0	0
Proceeds from Bank Borrowings	16.333.791	4.053.980	12.857.888	2.734.883
Payment of Bank Borrowings	(11.657.112)	(5.127.500)	(11.600.000)	(5.100.000)
Dividends/Fees paid to the members of the BoD	(200.703)	(214.797)	(200.703)	(214.797)
Net Cash used in Financing Activities (c)	**3.448.759**	**(2.315.534)**	**29.968**	**(3.607.131)**
Net Increase / (Decrease) in the Cash and Cash Equivalents (a + b + c))	**3.911.341**	**933.494**	**3.891.226**	**660.436**
Cash and Cash Equivalents at beginning of the year	**5.250.717**	**4.284.542**	**4.269.437**	**3.609.001**
Cash and Cash Equivalents from merged companies	**0**	**32.681**	**0**	**0**
Cash and Cash Equivalents at the end of the year	**9.162.058**	**5.250.717**	**8.160.663**	**4.269.437**

Since 01.01.2019, the Group and the Company adopted the IFRS 16 by applying the cumulative effect method, according to which the comparative information is not being restated. Analytical information is provided in paragraph 3.7 of Chapter 6 (Change in accounting policies).

5. SEGMENT REPORTING

1. Geographic Segments

The following table presents revenues and results for the Group's geographic segments for the year ended 31 December 2019 and 31 December 2018.

	GREECE		CYPRUS		BULGARIA		Consolidation deletions		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	109.400.453	99.563.424	0	0	967.053	1.246.747	(2.635.840)	(2.083.269)	107.731.666	98.726.902
Gross Profit	22.400.882	20.039.793	0	0	8.984	232.433	(47.250)	(44.130)	22.362.616	20.228.096
Earnings before Interest, Tax, Depreciation and Amortization	10.695.865	9.545.516	(48.973)	(7.645)	(580.667)	(240.160)	82.360	0	10.148.585	9.297.711
Profits before Tax	4.086.443	860.854	(49.550)	(8.317)	(784.725)	(247.768)	82.360	0	3.334.528	604.769
							0	0		
Fixed Assets	97.327.137	98.009.643	0	0	7.331.258	5.149.255	(3.950.268)	(1.000.000)	100.708.127	102.158.898
Other Assets	73.477.762	70.282.246	0	56.250	4.711.098	1.424.912	(4.369.793)	(3.667.210)	73.819.067	68.096.198
TOTAL ASSETS	**170.804.899**	**168.291.889**	**0**	**56.250**	**12.042.356**	**6.574.167**	**(8.320.061)**	**(4.667.210)**	**174.527.194**	**170.255.096**
Equity	92.339.732	87.051.403	0	51.216	3.127.871	3.912.596	(4.659.123)	(1.814.653)	90.808.480	89.200.562
Liabilities & Other Liabilities	78.465.167	81.240.486	0	5.034	8.914.485	2.661.571	(3.660.938)	(2.852.557)	83.718.714	81.054.534
TOTAL EQUITY & LIABILITIES	**170.804.899**	**168.291.889**	**0**	**56.250**	**12.042.356**	**6.574.167**	**(8.320.061)**	**(4.667.210)**	**174.527.194**	**170.255.096**

2. Product segments

The Group divides its operations into four main segments based on product category: a) Consumer products, b) Professional products and c) Mixtures & Raw Material for Bakery & Pastry and d) Training services.

a) Consumer products are available through the parent company LOULIS MILLS SA, in packs of 1kg, 0,5kg, 0,4Kg, 0,3Kg and 5 kg for retail, such as super markets and mini-markets, and are addressed to consumers for domestic use.

b) Professional products are available through Loulis Group exclusively in bulk form, in packs of 50 kg and 25 kg, for the industries of food, bakery, biscuit and pasta making, food and pastry crafts and bakers, secondary processors for whom the flour is the basic raw material for the production of bread, bread products, croissants, biscuits, pasta and other pastry making products.

c) Mixtures & Raw Material for Bakery & Pastry available through its subsidiary KENFOOD SA in various professional packages for bakers, crafts and food industries for the making of bakery products and other pastry products.

d) The educational services are provided through the subsidiary company Greek Baking School SA. These services include integrated and accelerated seminars on Bakery, Confectionery Bakery, Food Technology, Marketing and Financial Management of Bakery in order to provide that technical and theoretical knowledge that will help professionals to respond to modern challenges and stand out.

Management monitors all sales, operating results and profit / (loss) before tax separately in respect of of making decisions regarding allocation of resources and performance assessment of each segment.

The information regarding segments of operation is as follows:

Group

	01.01 - 31.12.2019					**01.01.- 31.12.2018**				
	Consumer Products	**Professional Products**	**Mixtures and Raw Materials of Bakery and Pastry**	**Training Services**	**Total**	**Consumer Products**	**Professional Products**	**Mixtures and Raw Materials of Bakery and Pastry**	**Training Services**	**Total**
Total Revenue From Gross Sales Per Segment	11.296.708	90.254.754	8.740.111	75.933	110.367.506	12.018.973	81.113.034	7.554.165	123.999	100.810.171
Revenue from Intra-Company Sales	0	(1.409.679)	(1.178.911)	(47.250)	(2.635.840)	0	(1.156.359)	(882.780)	(44.130)	(2.083.269)
Revenue from Sales (Net)	**11.296.708**	**88.845.075**	**7.561.200**	**28.683**	**107.731.666**	**12.018.973**	**79.956.675**	**6.671.385**	**79.869**	**98.726.902**
Profit/ (Loss) before Interest and Tax	480.173	4.448.773	599.679	(48.377)	**5.480.248**	262.712	4.703.909	121.351	(14.981)	**5.072.991**
Profit/(Loss) before Tax	244.323	2.824.357	314.566	(48.718)	**3.334.528**	7.789	3.283.052	(2.670.474)	(15.598)	**604.769**

Company

	01.01 - 31.12.2019			01.01.- 31.12.2018		
	Consumer Products	**Professional Products**	**Total**	**Consumer Products**	**Professional products**	**Total**
Total Revenue From Gross Sales Per Segment	11.296.708	89.287.701	100.584.409	12.018.973	79.866.287	91.885.260
Revenue from Sales (Net)	**11.296.708**	**89.287.701**	**100.584.409**	**12.018.973**	**79.866.287**	**91.885.260**
Profit/ (Loss) before Interest and Tax	476.862	5.076.320	**5.553.182**	264.176	4.961.183	**5.225.359**
Profit/(Loss) before Tax	241.078	3.583.161	**3.824.239**	9.340	3.541.288	**3.550.628**

6. NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1. General Information

1.1 Country of Incorporation

The Company LOULIS MILLS SA (hereinafter referred to as "Company" or "Parent") is a Greek Societe Anonyme listed in the Athens Stock Exchange and is subject to the Codified Law 2190/1920. Founded on February 22, 1927 and is registered in the General Registry of Commerce No. 50675444000 (ex RN 10344/06 / B / 86/131). The Company's head office is located at Municipality of Almiros, Municipal District Sourpi, Magnesia (Loulis Port), and the web address is: www.loulismills.gr where the Company's and the Group's interim and annual financial statements are published as well as the annual financial statements of its non-listed subsidiaries are available.

1.2 Main Activities

The Company's objectives are to:

a) operate a Flour Mill and generally to carry out industrial and commercial business regarding the flour industry, cereals, the production of animal feed, agricultural products and food products in general, as well as agricultural supplies, fertilisers, etc.

b) produce, purchase and resale, import, export and general handling and trade cereal products or other land products, agricultural products in general, and food and agricultural supplies, fertilizers, etc.

2. Group's Structure

The Group's companies, their addresses and participation percentages as included in the consolidated financial statements, are the following:

Name	Head Office	% participation of the parent	Basis for the consolidation	Consolidation Method	Tax un-audited fiscal years
LOULIS MILLS SA	Sourpi, Magnisia	-	Parent	-	1
KENFOOD SA	Keratsini, Attica	99,99%	Direct	Full	1
GREEK BAKING SCHOOL S.A.	Keratsini, Attica	99,70%	Direct	Full	5
LOULIS LOGISTICS SERVICES SA	Sourpi, Magnisia	99,67%	Direct	Full	4
LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD	Nicosia, Cyprus	100,00%	Direct	Full	12
LOULIS MEL- BULGARIA EAD	Sofia, Bulgaria	100,00%	Indirect	Full	4

GREEK BAKING SCHOOL S.A.

On June 27, 2019 the Ordinary general Meeting of the company "GREEK BAKING SCHOOL" decided the share capital increase by € 2.500,00 by issuing 500 new common registered shares of value of € 5,00 per each and of selling value of € 104,97 per each. The funds raised through the share capital increase amounted to € 52.485,00 and allocated as follows: € 2.500,00 (i.e 500 shares x € 5,00 each) for the share capital increase and € 49.985,00 (i.e 500 shares x € 99,97 each) credited the "Share Premium Reserve" account.

On July 1st 2019 Loulis Mills participated in the share capital increase through cash payment representing 100% of the aforementioned share capital increase. Following the above share capital increase the Company now possesses 99,70% of the share capital of "GREEK BAKING SCHOOL SA" instead of 99,67% previously possessed.

On 31 December 2019, Loulis Mills' participation in the company "GREEK BAKING SCHOOL SA" has been tested for impairment since indications emerged that the book value of the investment exceeded the book value of the net assets of the investing entity. Based on the impairment test's results, the book value of LOULIS MILLS's participation in "GREEK BAKING SCHOOL S.A." has been adjusted and impairment loss has been recognized of an amount of € 82.360 in the Company's "Statement of Comprehensive Income" and in particular is included in the item "Other expenses".

KENFOOD SA

On June 28, 2019 the Ordinary general Meeting of the company "KENFOOD SA" decided the share capital increase by € 670.090,00 by issuing 67.009 new common registered shares of value of € 10,00 per each and of selling value of € 26,48 per each. The funds raised through the share capital increase amounted to € 1.774.398,32 and allocated as follows: € 670.090,00 (i.e 67.009 shares x € 10,00 each) for the share capital increase and € 1.104.308,32 (i.e 67.009 shares x € 16,48 each) credited the "Share Premium Reserve" account. On July 1st, 2019 "Loulis Mills SA" participated in the share capital increase through cash payment representing 100% of the aforementioned share capital increase. Following the above share capital increase of "KENFOOD SA" the Company possesses now 85,00% of the share capital of "KENFOOD SA" instead of 70,00% previously possessed.

On August 13 2019, "Loulis Mills SA" purchased 20.092 common registered shares i.e. 14,99% of the total shaes of its subsidiary "KENFOOD SA" for € 1.168.906,35. In the light of the above the Company now possesses 99,99% of the share capital of "KENFOOD SA" instead of 85,00% previously possessed.

GRINCO HOLDINGS LTD

On October 31, 2019 the final Financial Statements of the company «GRINCO HOLDINGS LTD» have been submitted to the Department of the Registrar of Companies and Official Receiver (D.R.C.O.R.) of the Ministry of Energy, Commerce and Industry of the Republic of Cyprus, in order to begin the liquidation and dissolution of the company through «Strike Off». The company «GRINCO HOLDINGS LTD» performed no activities during the current year 2019 and the relevant announcement of the deletion of the company is expected to be published in the Government Gazette of the Republic of Cyprus within 2020. The company's liquidation resulted in loss of an amount of € 21.210 in the Company's "Statement of Comprehensive Income" and in particular is included in the item "Other expenses".

3. Basis for the preparation of the Financial Statements.

3.1 Compliance with International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS)

The financial statements of "LOULIS MILLS SA" are in accordance with the International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and have been adopted by the European Union.

3.2 Basis for the preparation of the Financial Statements.

The Company's Financial Statements have been prepared on the basis of going concern and in accordance with the 'historic cost' principle except of some assets and liabilities which, according to the requirements of IFRS, are valuated at fair value.

3.3 Reporting Period

The current consolidated financial statements include the financial statements of LOULIS MILLS SA and the Company's subsidiaries (Group) and refer to the period from January 1st, 2019 to December 31st, 2019.

3.4 Presentation of Financial Statements

The financial statements of the Group and the Company are presented in euro which is the operating currency of both the Group and the Company.

3.5 Significant Accounting Policies

The significant accounting policies applied in the preparation of the Financial Statements of the Group and the Company are referred to note 4 of Chapter 6. The policies are applied with consistency for all the periods except of some cases for which a relative disclosure is made.

3.6 Significant Accounting Estimations

The preparation of the Financial Statements involves the adoption of significant assumptions and estimations as well as the Management's judgment in the course of the application of the accounting policies. The areas which required significant assumptions and estimations are referred to note 5 of Chapter 6.

3.7 Change in Accounting Policies

a) New standards, interpretations and amendments of the existing standards applied in the Financial Statements

IAS/IFRS	**Effective Date**
IFRS 16 Leases	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019
IFRS 9 (2014) *Financial Instruments* (Amendment – Prepayment Features with Negative Compensation and Modification of Financial Liabilities)	1 January 2019
IAS 28 *Investments in Associates and Joint Ventures* (Amendment – Long-term Interests in Associates and Joint Ventures)	1 January 2019
Annual Improvements to IFRSs 2015 – 2017 Cycle (IFRS 3 Business Combinations and IFRS 11 Joint Arrangements, IAS 12 Income Taxes, and IAS 23 Borrowing Costs)	1 January 2019
IAS 19 Employee Benefits (Amendment – Plan Amendment, Curtailment or Settlement)	1 January 2019

From the amendments referred above, only the application of IFRS 16 resulted in significant change in the applied accounting policies.

The impact from the application of the new standard (IFRS 16) on the recognition and measurement of items is shown in the followings notes:

Effect from adoption of the new standard IFRS 16)

IFRS 16 replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement Contains a Lease".

The standard introduces the principles for the recognition, measurement, presentation and disclosure of leases and requires from the lessee to recognize all leases with a single model in the financial statements, providing at the same time the right to exclude short-term leases and low value leases. The accounting treatment of leases for the lessor remains the same with the one of IAS 17. The lessor will continue to classify the leases into operating ones or financial ones by using similar principles with the ones of IAS 17. The Group and the Company were not affected by the adoption of IFRS 16 in cases where the Group or the Company was lessor.

Transition method and practical facilitations applied

The Group and the Company applied IFRS 16 by utilizing the simplified transition approach. According to this method the standard is applied retrospectively and the cumulative effect arising from its adoption is recognized on 1st January 2019 without restating the comparative items.

The Group selected to use of the previous evaluations, performed at the adoption of IAS 17 and of IFRIC 4, for determining whether a contract contains a lease. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019

During the first adoption of IFRS 16, the Group used the following practical options provided by the standard:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application.
- Reliance on previous assessments on whether leases are onerous.
- Use of the accounting treatment of operating leases for leases which have a term of less than 12 months from the 1st January 2019.

Furthermore, the Group selected to use the recognition exceptions of the standard concerning the lease contracts which at their opening date had a term of 12 months or lower and did not include a redemption right (short-term leases), as well as for the leasing of fixed assets with insignificant value (fixed assets of insignificant value) such as for example office equipment or hardware.

The Group recognized lease contracts in relation to leases of buildings, machinery and vehicles, which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as at 1 January 2019. The incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 4%.

The Group and the Company at the date of application of IFRS 16 reallocated the lease contracts which previously were recognised as "Property, Plant and Equipment" to "Right of Use Assets".

The change in the accounting policy affected the following items of the "Statement Of Financial Position" of the Group and the Company on 1st January 2019:

	Group			
	31.12.2018	**IFRS 16 Transition Adjustments**	**IFRS 16 Reallocations**	**01.01.2019 Restated**
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	101.817.782	0	(2.216.860)	99.600.922
Right of Use	0	976.406	2.216.860	3.193.266
Total	**101.817.782**	**976.406**	**0**	**102.794.188**
LIABILITIES				
Non - Current Liabilities				
Non-Current Lease Liabilities	0	616.282	0	616.282
Total	**0**	**616.282**	**0**	**616.282**
Current Liabilities				
Current Lease Liabilities	0	360.124	0	360.124
Total	**0**	**360.124**	**0**	**360.124**

	Company			
	31.12.2018	IFRS 16 Transition adjustments	IFRS 16 Reallocations	01.01.2019 Restated
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	94.745.096	0	(1.061.860)	93.683.236
Right of Use	0	809.818	1.061.860	1.871.678
Total	**94.745.096**	**809.818**	**0**	**95.554.914**
LIABILITIES				
Non - Current Liabilities				
Non-Current Lease Liabilities	0	523.339	0	523.339
Total	**0**	**523.339**	**0**	**523.339**
Current Liabilities				
Current Lease Liabilities	0	286.479	0	286.479
Total	**0**	**286.479**	**0**	**286.479**

The reconciliation between the commitments from operating leases as at 31st December 2018 and the liabilities from leases that were recognized as at 1st January 2019, is as following:

	Group	Company
Obligations arising from Operating Leases as of 31.12.2018	1.072.849	897.833
Discounting	96.443	88.015
Lease Liabilities as of 01.01.2019	**976.406**	**809.818**

	Group	Company
Non-Current Lease Liabilities	616.282	523.339
Current Lease Liabilities	360.124	286.479
Lease Liabilities as of 01.01.2019	**976.406**	**809.818**

From the application of IFRS 16 in the “Statement Of Changes In Equity” the Group and the Company had no impact.

The recognized right-of-use assets relate to the following types of assets:

	Group		Company	
	31.12.2019	01.01.2019	31.12.2019	01.01.2019
Right of use assets - Buildings	1.120.403	1.155.000	0	0
Right of use assets - Machinery	1.028.477	1.061.860	1.028.477	1.061.860
Right of use assets - Vehicles	801.388	976.406	637.635	809.818
Total:	**2.950.268**	**3.193.266**	**1.666.112**	**1.871.678**

Amortisation of right-of-use assets included in the "Statement of Comprehensive Income" for the year 2019 for the Group and the Company amounts to € 452.025 and € 337.154 respectively and finance expense on lease liabilities is € 123.247 and € 40.407 respectively. Short-term leases and leasing of fixed assets with insignificant value amount to € 197.842 for the Group and € 128.736 for the Company.

Accounting policy of Leases after 1st January 2019

Since 1st January 2019, the leases are being recognized in the statement of financial position as a utilization right of the assets and as a leasing liability at the date when the leased fixed asset becomes available for use except for:

- Short-Term Leases and
- Leases of Fixed Assets with insignificant value

The lease liabilities are initially measured at the present value of leases which were not paid at the commencement of lease. They are discounted with the implied lease rate or, if this particular rate cannot be determined from the agreement, via the interbank rate (IBR). The latter is defined as the cost which the lessor would have to pay in order to borrow the necessary capital and then purchase an asset of similar value with the leased asset in a similar financial environment and with similar terms and conditions.

The Lease Liabilities include the net present value of the following:

- Fixed Leases (including the ones that are essentially fixed leases)
- Variable Leases which are dependent on any indicator
- Residual Value which is expected to be paid
- Exercise Price of a buy option if the lessor is almost certain regarding the exercise of the option
- Charges relating to the Termination of a Lease if the lessor selects the particular option

The utilization rights relating to assets are initially being measured at cost and then are reduced by the amount of the cumulative amortization and impairment. Finally, they are adjusted after certain re-measurements of the respective lease liability take place.

The initial measurement of the utilization rights for assets consists of the following:

- The amount of the initial measurement of the lease liability
- The payment of leases that occurred at the opening date or prior to this, reduced by the amount of the offered discounts or other incentives
- The initial expenses which are directly linked to the lease payment
- The recovery costs.

Each lease payment is allocated between the lease liability and the interest expense, which is charged against results throughout the entire leasing period, so that a fixed interest rate is achieved with regard to the balance of the financial liability in each period. The utilization right relating to an asset is amortized at the shortest period between the economic life of the asset and the term of its leasing, based on the straight line method.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease.

b) New Accounting Standards, amendments of standards and Interpretations that are mandatorily applied in subsequent periods

Title	Applied in annual accounting periods beginning on
Amendments to References to the Conceptual Framework of the Preparation of Financial Statements (release on 29 March 2018)	1 January 2020
Amendments to IFRS 3 Business Combinations (release on 22 October 2018)	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of "Material" (release on 31 October 2018)	1 January 2020
IFRS 9, IAS 39 and IFRS17 (Amendments - Interest Rate Benchmark Reform) (issued on 26 September 2019)	January 2020
IFRS 17 «Insurance Contracts»	1 January 2021
IAS 1 Presentation of Financial Statements (Amendments -Classification of Liabilities as Current or Non-current) (issued on 23 January 2020)	January 2022

The amendments applied mandatorily in the subsequent periods are not expected to have any material impact on the Financial Statements of the Company and the Group.

3.8 Significant assumptions and estimations

No Significant change in the nature and amount of the estimates and judgements required in previous periods has been occurred except for the implementation of IFRS 16. The main sources of uncertainties relate to estimates regarding the following:

- The determination of whether an arrangement contains a lease;
- The determination of the lease contracts' renewal options;
- The determination of the incremental borrowing rate used to measure lease liabilities.

4. Accounting Principles Applied

The Group consistently applies the following accounting principles in the preparation of the attached Financial Statements:

4.1 Subsidiaries

The Group's subsidiaries are legal entities on which the Group has the ability to set the operational and financial policies, by participating directly or indirectly in their share capital with a voting right over 50%.

Subsidiaries are fully consolidated from the date that control is transferred to the Group and cease to be consolidated from the date that this control no longer exists. The accounting method of the acquisition is used for the accounting entries of the subsidiaries' acquisition by the Group. The acquisition cost is calculated as the sum of the present value of the acquired assets, the issued shares and the existing or undertaken liabilities plus any costs that are directly related to the acquisition, during the transaction date.

The acquired assets, liabilities and contingent liabilities are initially measured at their present value upon the cost acquisition date and the present value of the acquired subsidiary's equity is recorded as goodwill.

The intragroup transactions, the account balances and the profits realised that arose from transactions between the companies of the Group are deleted. The losses realised are deleted but are considered as an impairment indicator for the transferred asset.

4.2 Foreign Currency Translation

Operating Currency and Reporting Currency

The Financial Statements of the Group’s subsidiaries are presented in the local currency of the country where they operate. The consolidated Financial Statements are presented in euro, which is the operating currency and reference currency for the Company and the Group.

Transactions and balances

Transactions in foreign currency are translated to the operating currency using exchange rates in effect during the date of the transactions. Profit and losses from foreign exchange difference, which arise from the settlement of such transactions during the period and from the conversion of monetary items expressed in foreign currency are registered in the results.

Companies of the Group

The operating results and the equity of all the companies of the Group (excluding those companies operating in hyper inflationary economies) of which operating currency is different than the reference currency of the Group, are translated into the reference currency of the Group as follows:

- The assets and liabilities are translated to euro according to the closing exchange rate during the balance sheet date.
- Income and expenses of P&L of each company are translated into the Group’s reference currency at average exchange rates of each reported period.
- Any differences that arise from this procedure have been transferred to a separate equity reserve account.

4.3 Goodwill

Goodwill arisen from merge/acquisition of companies initially is recognized at cost which is the excess amount of the merge cost, over the Group’s proportion in the fair value of the acquired net assets.

Following the initial recognition, goodwill is measured at cost less any accumulated impairment loss. The Group conducts impairment tests annually. Impairment loss recorded for goodwill is not reversible in subsequent periods.

4.4 Other Intagible Assets

Intangible assets acquired separately are presented at historical cost. Intangible assets acquired as part of business combinations are recognized at their fair value at the acquisition date.
After initial recognition, intangible assets are measured at historical cost less accumulated depreciation and accumulated impairment losses. Internally generated intangible assets, other than capitalized development costs, are not capitalized and expenses are recognized in the income statement in the period in which they are incurred.
Software programs and the relative licenses that are separately acquired are capitalized on the basis of the costs incurred for the acquisition and installation of that software when they are expected to generate financial benefits for the Group beyond an economic year. Expenditure incurred for the maintenance of software programs is recognized as an expense when incurred.

4.5 Property, Plant and Equipment

Land-plots and buildings that mainly consist of industrial sites are presented in the financial statements at fair value, based on the evaluation of external independent expert, minus the subsequent accumulated depreciation amount.

Depreciation of tangible fixed assets is calculated on a straight-line basis in order to allocate the cost or the fair value of the asset onto their estimated useful lives.

The useful economic lives are as follows:

	years
Buildings	25-40
Facilities and machinery	20-35
Vehicles	5–9
Other equipment	1-10

The residual values and useful lives are subject to reassessment at each Balance Sheet date, if necessary.

Expenses for repairs and maintenance for the fixed assets are charged to the income account statement within the period incurred. The cost of significant renovations and other subsequent expenses is included in the value of the fixed asset if the possible future financial benefits that shall arise for the Group are higher than those originally expected regarding the initial performance of that fixed asset. Significant renovations are depreciated during the remaining useful life of the relevant fixed asset.

Profit and loss from fixed assets disposals are determined by comparing the cash collections with the book value and is charged in the P&L account.

4.6 Investment Property

Investment Property is held to generate rental income or profit from their resale. Property used for the operating activities of the Group is not considered to be investment property but operating property. This is also the criteria that differentiates investment property from operating property.

Investment Property as non-current assets is presented at fair value which is determined in-house annually, based upon similar transactions that have taken place close to the Balance Sheet date. Any change in fair value which represents the free market value is charged in the other operating income account of the income statement.

Following their initial recording, the investments in property is recorded at fair value.

4.7 Impairment of Assets

Non-current and current assets and intangible assets are assessed for impairment if facts and change in the conditions indicate that the book value may not be recoverable. Loss from impairment is recognized for the amount that the asset’s book value exceeds the recoverable amount. The recoverable amount is the highest amount between the fair value minus the asset’s cost of sale and the value due to use.

4.8 Inventory

Inventories are valuated at the lowest price between acquisition cost and net realizable value. The cost of inventories is defined using the weighted average method. The cost price of finished products and semi-finished inventories includes raw materials, direct labour costs, as well as direct expenses and other general expenses related to the production excluding the borrowing cost. Net realizable value is the estimated sale price, during the normal course of the company’s activities, minus the estimated cost necessary for the sale.

4.9 Financial Instruments

Financial assets are classified at initial recognition and subsequently measured at amortized cost, at fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the contractual characteristics of the cash flows of the financial asset and the business model of the Group for their management. With the exception of trade receivables that do not contain a significant financial component, the Group initially measure financial assets at their fair value plus, in the case of a financial asset not valued through profit or loss, transaction costs. Receivables from customers that do not have a significant financial component are valued at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through total income, cash flows that are "exclusive capital and interest payments (SPPIs)" of the original capital must be obtained.

The Group's business model for managing financial assets refers to the way in which it manages its financial capabilities to generate cash flows. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets, or both.

The purchase or sale of financial assets that require the delivery of assets within a timeframe specified by a regulation or a contract on the market is recognized on the trade date meaning on the date on which the Group commits to purchase or sell the asset.

The financial assets of the Group are classified in the following categories according to the contractual characteristics and the purpose of their purchase.

<u>Financial assets/liabilities that are measured at fair value through profit or loss</u>. Include financial assets/liabilities that meet any of the following requirements:

- Financial assets / liabilities held for trading (including derivatives, except those that are defined and effective hedging instruments, those acquired or created for sale or repurchase, and those that are part of a portfolio of recognized financial instruments).
- At the initial recognition, the entity is designated as an asset measured at fair value, with recognition of changes in the Income Statement.
- Realized and unrealized gains or losses arising from changes in the fair value of financial assets measured at fair value through changes in profit or loss are recognized in the income statement for the period.

<u>Loans and Receivables</u>. Include non-derivative financial assets with fixed or defined payments that are not traded in active markets. Within this category (Loans and Receivables) the following are not included:

- receivables from advances for the purchase of goods or services,
- receivables that have to do with tax transactions, which have been legally imposed by the state and
- anything not covered by a contract to give the Company the right to receive cash for other financial assets.

Loans and receivables are initially recognized at fair value and then measured at amortized cost using the effective interest method.

4.10 Trade Receivables

Receivables from customers are recognized when there is an unconditional right to receive the consideration for the client's contractual obligations to the entity. A contract asset is recognized when the Group has satisfied its obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Group's right to issue an invoice. Receivables from customers on credit are initially recognized at their fair value, which corresponds to the nominal value, net of impairment losses.

Regarding non-doubtful trade receivables, the Group applies the simplified approach of IFRS 9 and calculates the expected credit losses over the life of the receivables. For this purpose, the Group uses a maturity forecast table based on the historical data for credit losses, adjusted for future factors in relation to borrowers and the economic environment. The bad debts are evaluated one by one for the calculation of the relevant provision. The amount of the provision is recognized in the statement of comprehensive income.

4.11 Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and deposits in the bank net of bank overdrafts. In the balance sheet, bank overdrafts are included in the borrowings and in particular within the short-term liabilities.

4.12 Share Capital

Expenses incurred for the issuance of shares are presented after the deduction of the relevant income tax decreasing the product of the issuance. Expenses related to the issuance of shares for the acquisition of companies are included in the cost of acquisition of the acquired entities.

4.13 Loans

Loans are recognized at the initial granted amount net of any financial cost. Any difference arisen between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the borrowing term according to the actual interest rate method.

4.14 Leases

Leases (operating and financial) are recognized in the Statement of Financial Position as a right to use an asset and a lease obligation on the date that the leased asset becomes available for use except for:

- Short-term leases and /
- Leasing of fixed assets with insignificant value

The lease liabilities are initially measured at the present value of leases which were not paid at the commencement of lease. They are discounted with the implied lease rate or, if this particular rate cannot be determined from the agreement, via the interbank rate (IBR). The latter is defined as the cost which the lessor would have to pay in order to borrow the necessary capital and then purchase an asset of similar value with the leased asset in a similar financial environment and with similar terms and conditions.

The lease liabilities include the net present value of the following:

- Fixed leases (including the ones that are essentially fixed leases)
- Variable leases which are dependent on any indicator
- Residual value which is expected to be paid
- Exercise price of a buy option if the lessor is almost certain regarding the exercise of the option
- Charges relating to the termination of a lease if the lessor selects the particular option

The utilization rights relating to assets are initially being measured at cost and then are reduced by the amount of the cumulative amortization and impairment. Finally, they are adjusted after certain re-measurements of the respective lease liability take place.

The initial measurement of the utilization rights for assets consists of the following:

- The amount of the initial measurement of the lease liability
- The payment of leases that occurred at the opening date or prior to this, reduced by the amount of the offered discounts or other incentives
- The initial expenses which are directly linked to the lease payment
- The recovery costs.

Each lease payment is allocated between the lease liability and the interest expense, which is charged against results throughout the entire leasing period, so that a fixed interest rate is achieved with regard to the balance of the financial liability in each period. The utilization right relating to an asset is amortized at the shortest period between the economic life of the asset and the term of its leasing, based on the straight line method.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease.

4.15 Personnel's Benefits

Short-term benefits: Short-term employee benefits (other than termination benefits) in cash and in kind are recognized as an expense when they accrue. Any unpaid amount is recognized as a liability, and if the amount already paid exceeds the amount of benefits, the enterprise recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction in future payments or on return.

Post-employment benefits: Post-employment benefits include a defined contribution scheme as well as a defined benefit plan.

- Defined Contribution Scheme: Based on the defined contribution plan, the enterprise's (legal) liability is limited to the amount agreed to contribute to the body (fund) managing the contributions and providing the benefits (pensions, health care, etc.). The accrued cost of defined contribution plans is recognized as an expense in the period in question.
- Defined Benefit Scheme: The company's liability (legal) relates to termination benefits which are payable as a result of a company's decision to terminate the services of an employee before the normal retirement date, as well as benefits payable on retirement (Retirement benefits created by legislation). For the purpose of calculating the present value of the defined benefit obligation, the current service cost, the cost of previous services, the Projected Unit Credit Method is the accrual service accrual service method, in accordance with Which benefits are attributable to periods in which the obligation to pay benefits after retirement arises. The obligation is created as the employee provides his / her services and gives him / her right to benefits during retirement. Therefore, the Unit Credit Projection Method requires that benefits be provided both in the current period (to calculate current service cost) and in the current and prior periods (to calculate the present value of the defined benefit obligation).

Although the benefits are conditional on future employment (i.e. non-vesting), the liability based on actuarial assumptions is calculated as follows: Demographic Assumptions: "Personnel Movement" (Employee Discontinuation / Dismissal of Personnel) and Financial Assumptions: Discount, future salary levels (Government bond yield factors with a similar maturity) and estimated future changes at the level of any government benefits that affect the benefits to be paid.

4.16 Grants

The Group recognizes state grants that cumulatively meet the following criteria: (a) there is presumed certainty that the company has complied or will comply with the grant terms and (b) it is probable that the amount of the grant will be recovered. They are recorded at fair value and are recognized in a systematic way in the revenue, based on the principle of the correlation of the grants with the corresponding costs they are subsidizing. Grants relating to assets are included in long-term liabilities as deferred income (deferred income) and are recognized as revenue over the useful life of the fixed asset.

4.17 Revenue Recognition

IFRS 15 supersedes IAS 11 "Construction Contracts", IAS 18 "Revenue" and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers.

The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard also defines the accounting for the additional costs of taking out a contract and the direct costs required to complete the contract.

Revenue should be recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to the customers, except for amounts collected on behalf of third parties (value added tax, other sales tax). Variable amounts are included in the consideration and are estimated using either the expected value method, or the "most likely amount" method.

An entity recognizes revenue when (or as) meets the obligation to execute a contract by transferring the goods or services promised to the customer. The customer acquires control of the good or service if he is able to direct the use and derive virtually all the economic benefits from that good or service. Control is passed over a period or at a specific time.

Revenue from the sale of goods is recognized when the control of the good is transferred to the customer, usually upon delivery, and there is no unfulfilled obligation that could affect the acceptance of the good by the customer.

The customer requirement is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the customer. A conventional asset is recognized when the Group and the Company have satisfied its obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Group's right to invoicing.

The contractual obligation is recognized when the Group receives a consideration from the customer (prepayment) or when it retains the right to a price that is unconditional (deferred income) before the performance of the contract's obligations and the transfer of the goods or services. The contractual obligation is de-recognized when the contractual obligations are executed and the income is recorded in the income statement.

The Company's revenue per catergory is recognized as follows:

- Sales of goods. Sales of goods are recognized when the Group delivers the property and risks associated with the ownership of the goods to the customers, the goods are accepted by them and the collection of the receivable is reasonably assured.
- Interest Income. Interest income is recognized on a time proportion basis using the effective interest rate.
- Rental income. Receivables from rentals are recognized in the income statement according to the rental amount corresponding to the period under review.
- Income from dividends. Dividends are recognized as income when the right to receive the dividend is established.

4.18 Income Tax and Deferred Tax

The income tax of the Group's subsidiaries and associates is calculated in accordance with the relevant legislation applied at the Balance Sheet date within the countries they operate and the taxable income arises. The Management periodically examines the tax calculations and, in cases where the relevant tax legislation is subject to different interpretations, forms a relevant provision for the additional amount expected to be paid to the local tax authorities.

Deferred income tax is determined using the liability method that results from the temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred income tax is not calculated if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or tax profit or loss.

Deferred tax is determined using the tax rates that are expected to apply during the period in which the receivable or liability will be settled, taking into account the tax rates (and tax laws) that have been applied at the balance sheet date Deferred tax assets are recognized to the extent that a future taxable profit is to arise for the use of the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences arising from investments in subsidiaries and associates, unless the reversal of temporary differences is controlled by the Group and it is probable that temporary differences will not reverse in the near future.

4.19 Contingent Liabilities and Provisions

Provisions are booked when the Group has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured.

Contingent liabilities are not recorded in the financial statements but are disclosed.

4.20 Dividend Distribution

Dividend distribution to shareholders of the parent from the period's profit, are recognized as a liability in the consolidated Financial Statements on the date when the distribution is approved by the General Shareholders' Meeting.

4.21 Related Parties Disclosures

Related party disclosures are covered by IAS 24 which refers to transactions of an entity that prepares Financial Statements with its related parties. Its primary element is the economic substance and not the legal type of the transactions.

5. Significant Accounting Estimates And Judgments

The preparation of the financial statements requires estimates and assumptions made by Management that affect the disclosures in the Financial Statements. Management continuously assesses these estimates and assumptions. Estimates and judgments are continuously evaluated and are based on empirical data and other factors, including expectations for future events that are expected under reasonable conditions. Estimates and assumptions are the basis for making decisions about the carrying amounts of assets and liabilities that are not readily available from other sources. The resulting accounting estimates, by definition, will rarely match exactly with the corresponding actual results. Estimates and assumptions that entail a material risk of causing material changes in the amounts of receivables and payables in the following year are set out below.

5.1 Impairment of Goodwill

The Group assesses whether there is impairment of goodwill at least on an annual basis. Therefore, it is necessary to estimate the value in use of each cash-generating unit to which goodwill has been allocated. Estimated value in use requires the Group to estimate the future cash flows of the cash-generating units and to select the appropriate discount rate, based on which the present value of the future cash flows will be determined.

5.2 Estimation of the Useful Life of Assets and Residual Values

Tangible assets are depreciated over their estimated useful lives. The actual useful life of fixed assets is valued on an annual basis and may vary due to various factors.

5.3 Assets with Rights of Use

The Group's most significant estimates regarding right of use assets relate to the determination of the existence of leases in specific transactions, the terms of renewal of leases and the determination of the discount rate.

5.4 Provision of the Net Realizable Value of Inventories

The management makes the necessary estimates for the calculation of the net realizable value including the maturity of inventories, their movement through use as well as future selling plans.
The management makes estimates for the calculation of any provision for impairment of inventories at each reporting date.

5.5 Provisions for Expected Credit Losses from Customer Receivables

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured at the amount of the expected credit losses over the life of the receivables from customers. At each balance sheet date, the historical percentages used and the estimates of the future financial situation are updated. The correlation between the historical data, the future financial situation and the expected credit losses includes significant estimates. The amount of expected credit losses depends to a large extent on the changes in the conditions and forecasts of the future financial situation.

5.6 Measurement of Fair Value

Some of the assets and liabilities included in the Group's Financial Statements require fair value measurement and/or the disclosure of that fair value. The Group measures tangible assets and investment assets at fair value. The measurement of fair value is conducted by qualified valuators. The estimations are being regularly reassessed.

5.7 Valuation of Financial Instruments

The valuation of derivative financial instruments is based on market positions at the balance sheet date. The value of the derivatives changes on a daily basis and the actuarial amounts may differ significantly from their value at the balance sheet date.

5.8 Provision for Staff Compensation

Liabilities for employees’ compensation are calculated using actuarial methods that require Management to assess specific criteria such as future employee salary increases, the discount rate for these liabilities, employee retirement rates, etc. Management tries at each reporting date when this provision is revised, to assess the criteria as effectively as possible.

5.9 Deffered Tax Liabilities

Management's significant estimates are required to determine the amount of deferred tax liability that may be recognized based on the probable period and amount of future taxable profits combined with the entity's tax planning.

5.10 Income Tax

Group’s companies are subject to different income tax laws. In determining the Group's income tax estimation, a significant subjective judgment is required. During the normal course of business, many transactions and calculations are made for which the exact tax calculation is uncertain. In the case that the final taxes arising after the tax audits are different from the amounts initially recorded, such differences will affect income tax and deferred tax provisions in the period that the determination of tax differences has occurred.

5.11 Contingent Liabilities

The existence of contingent liabilities requires the Management to continuously make assumptions and judgments regarding the probability that future events will occur or not, and the effect that these events may have on the Group's operation.

5.12 Weighted average number of shares

The use of the weighted average number of shares represents the likelihood of changing the amount of the share capital during the year due to the larger or smaller number of shares that remain in circulation at each time. Judgment is required to determine the number of shares and the time of their issuance. The calculation of the weighted average number of shares affects the calculation of basic and adjusted earnings per share.

5.13 Business Combinations

Obtaining a company requires the determination of the fair value and useful life of the obtained tangible and intangible assets something that involves the use of estimations. Future events could change the estimations used by the Group which could affect the results and the financial position of the Group.

7. ANALYSIS OF THE FINANCIAL STATEMENTS

1. Property, Plant, Equipment & Investment Property

The change in the tangible assets of the Group and the Company is presented to the table below:

Group

	Land	Buildings	Investment Property	Machinery	Vehicles	Furniture & Fittings	Assets Under Construction	Total
Purchase Cost 31.12.2018	14.449.665	79.339.345	341.116	48.966.332	1.532.879	4.917.072	4.575.708	154.122.117
Accumulated Depreciation 31.12.2018	0	(26.314.277)	0	(20.587.198)	(1.270.480)	(3.791.264)	0	(51.963.219)
Net Book Value 31.12.2018	**14.449.665**	**53.025.068**	**341.116**	**28.379.134**	**262.399**	**1.125.808**	**4.575.708**	**102.158.898**
Acquisitions	331.526	2.196.015	0	4.092.619	417.835	375.967	(3.394.855)	4.019.107
Disposals & Transfers -Purchase Cost	0	(1.432.573)	0	(2.084.468)	(85.343)	(1.105.894)	0	(4.708.278)
Disposals & Transfers- Accumulated Depreciation	0	277.572	0	618.126	73.508	1.095.965	0	2.065.171
Revaluations	(30.940)	1.339.912	0	0	0	0	0	1.308.972
Depreciation	0	(2.234.426)	0	(1.630.936)	(62.720)	(207.661)	0	(4.135.743)
Net Book Value 31.12.2019	**14.750.251**	**53.171.568**	**341.116**	**29.374.475**	**605.679**	**1.284.185**	**1.180.853**	**100.708.127**

Company

	Land	Buildings	Investment Property	Machinery	Vehicles	Furniture & Fittings	Assets Under Construction	Total
Purchase Cost 31.12.2018	13.598.940	77.836.687	341.116	47.836.641	1.453.998	4.526.669	199.900	145.793.951
Accumulated Depreciation 31.12.2018	0	(26.059.573)	0	(19.941.263)	(1.220.673)	(3.486.230)	0	(50.707.739)
Net Book Value 31.12.2018	**13.598.940**	**51.777.114**	**341.116**	**27.895.378**	**233.325**	**1.040.439**	**199.900**	**95.086.212**
Acquisitions	50.000	466.089	0	591.441	78.050	275.525	157.763	1.618.868
Disposals & Transfers -Purchase Cost	0	(36.670)	0	(1.805.521)	(99.221)	(1.057.569)	0	(2.998.981)
Disposals & Transfers- Accumulated Depreciation	0	36.669	0	421.837	80.591	1.045.505	0	1.584.602
Revaluations	(30.940)	1.339.912	0	0	0	0	0	1.308.972
Depreciation	0	(2.218.884)	0	(1.560.528)	(46.751)	(183.966)	0	(4.010.129)
Net Book Value 31.12.2019	**13.618.000**	**51.364.230**	**341.116**	**25.542.607**	**245.994**	**1.119.934**	**357.663**	**92.589.544**

It is noted that the latest valuation of the Company's and the Group's main land, buildings and investment property at fair value has been conducted on December 31st, 2019. The valuation has been conducted by a qualified valuator based on the institutional rules. The method used for the measurement of the fair value of those assets is presented in the 2nd level (Note 8.1).

2. Right of Use Assets/Leases

Right of use assets are analyzed in the followings:

Group

	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Total
Purchase Cost at 01.01.2019	0	1.319.310	1.168.430	976.406	0	3.464.146
Accumulated Depreciation at 01.01.2019	0	(164.310)	(106.570)	0	0	(270.880)
Net Book Value at 01.01.2019	**0**	**1.155.000**	**1.061.860**	**976.406**	**0**	**3.193.266**
Acquisitions	0	0	0	209.027	0	209.027
Disposals & Transfers - Purchase Cost	0	0	1	(28.365)	0	(28.364)
Disposals & Transfers - Accumulated Depreciation	0	0	0	28.364	0	28.364
Revaluations	0	0	0	0	0	0
Depreciation	0	(34.597)	(33.384)	(384.044)	0	(452.025)
Net Book Value at 31.12.2019	**0**	**1.120.403**	**1.028.477**	**801.388**	**0**	**2.950.268**

Company

	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Total
Purchase Cost at 01.01.2019	0	0	1.168.430	809.818	0	1.978.248
Accumulated Depreciation at 01.01.2019	0	0	(106.570)	0	0	(106.570)
Net Book Value at 01.01.2019	**0**	**0**	**1.061.860**	**809.818**	**0**	**1.871.678**
Acquisitions	0	0	0	131.587	0	131.587
Disposals & Transfers - Purchase Cost	0	0	1	(18.344)	0	(18.343)
Disposals & Transfers - Accumulated Depreciation	0	0	0	18.344	0	18.344
Revaluations	0	0	0	0	0	0
Depreciation	0	0	(33.384)	(303.770)	0	(337.154)
Net Book Value at 31.12.2019	**0**	**0**	**1.028.477**	**637.635**	**0**	**1.666.112**

The following amounts relating to lease liabilities are included in the "Statement Of Financial Position":

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Non-Current Lease Liabilities	458.673	0	365.940	0
Current Lease Liabilities	356.084	0	282.904	0
Total:	**814.757**	**0**	**648.844**	**0**

3. Other Intangible Assets

The change in other intangible assets of the Group and the Company is presented to the table below:

Group

	Software	Trademarks	Total
Purchase Cost at 31.12.2018	1.039.800	717.206	1.757.006
Accumulated Depreciation at 31.12.2018	(850.568)	(13.281)	(863.849)
Net Book Value at 31.12.2018	**189.232**	**703.925**	**893.157**
Acquisitions & Transfers	721.507	0	721.507
Disposals & Transfers - Purchase cost	(493.436)	0	(493.436)
Disposals & Transfers - Accumulated Depreciation	493.432	0	493.432
Impairment	0	0	0
Depreciation	(79.996)	(573)	(80.569)
Net Book Value at 31.12.2019	**830.739**	**703.352**	**1.534.091**

Company

	Software	Trademarks	Total
Purchase Cost at 31.12.2018	941.311	17.206	958.517
Accumulated Depreciation at 31.12.2018	(805.054)	(13.281)	(818.335)
Net Book Value at 31.12.2018	**136.257**	**3.925**	**140.182**
Acquisitions & Transfers	717.424	0	717.424
Disposals & Transfers - Purchase cost	(468.048)	0	(468.048)
Disposals & Transfers - Accumulated Depreciation	468.044	0	468.044
Impairment	0	0	0
Depreciation	(65.202)	(573)	(65.775)
Net Book Value at 31.12.2019	**788.475**	**3.352**	**791.827**

4. Goodwill

Companies' goodwill of the Group is presented in the followings:

	31.12.2019	31.12.2018
Opening Balance	1.000.000	0
Acquisitions /(Disposals)	0	0
Acquisitions from Acquired Companies	0	3.567.116
Impairment	0	(2.567.116)
Ending Balance	**1.000.000**	**1.000.000**

Goodwill refers to the subsidiary "KENFOOD SA" and annual impairment test is being conducted. The recoverable amount of the goodwill at 31.12.2019 amounts to € 1.000.000 and it has been determined according to the net discounted cash flow expected to arise from the operation of the company (value in use).

The main assumptions used to determine the goodwill are as follows:

- **WACC/Weighted Average Cost Of Capital**: WACC used amounted to 6,3 %.
- **EBITDA:** the budgetary amounts of EBITDA have been determined according to previous experience and comply with assumptions according to "value in use" approach. The main assumptions reflect previous experience of the Management and other available information from internal sources regarding the course of the industry.
- **Growth rate:** the growth rate used for the impairment test is based on rational and valid assumptions, which reflect the best possible estimation of the Management. The growth rate beyond 5 years is 0,25% according to a conservative estimation for the course of the industry and the Greek economy.

5. Investments in Subsidiaries

The following table presents the LOULIS MILLS SA investments in subsidiaries:

	Direct participation rate % of the parent	Country of Incorporation	31.12.2019	31.12.2018
Kenfood SA	99,99%	Greece	4.322.826	1.379.521
Greek Baking School S.A.	99,70%	Greece	74.775	104.650
Loulis Logistics Services SA	99,67%	Greece	29.900	29.900
LIFE Bulgaria Ltd	100,00%	Cyprus	231.622	231.622
Grinco Holdings Ltd	100,00%	Cyprus	0	68.960
Total:			**4.659.123**	**1.814.653**

6. Other Non-Current Receivables

The analysis of other non-current receivables is as follows:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Given Guarantees	17.377	16.131	15.317	14.071
Other Non-Current Receivables	35.357	60.000	0	0
Total:	**52.734**	**76.131**	**15.317**	**14.071**

7. Inventory

The table below presents the analysis of inventory:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Merchandise	363.687	852.018	279.485	275.388
Finished & Semi-Finished Products	3.756.657	4.420.709	3.193.629	4.113.199
Raw and Packing Materials	17.595.824	16.645.694	12.827.898	15.454.115
Advances for Stock Purchase	0	0	0	0
Total:	**21.716.168**	**21.918.421**	**16.301.012**	**19.842.702**

8. Trade Receivables

The analysis of trade receivables is as follows:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade receivables/Other Trade Receivables	28.665.766	30.068.138	26.697.534	26.163.214
Notes Receivable	22.121	96.551	17.350	89.551
Notes Overdue	436.278	432.678	434.478	430.878
Cheques Receivable	7.623.064	7.820.543	7.444.353	7.429.270
Cheques Receivable Overdue	3.933.309	3.740.327	3.354.545	3.210.148
Receivables from Related Companies	0	0	336.613	0
Receivables from Associates	0	0	0	0
Minus: Provisions	(7.669.019)	(8.861.749)	(6.232.201)	(5.855.499)
Total:	**33.011.519**	**33.296.488**	**32.052.672**	**31.467.562**

At 31.12.2019 and 2018 the ageing analysis of the current and overdue trade receivables is as follows:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade Receivables not in arrears	28.347.586	29.129.039	27.852.990	27.810.839
Trade Receivables overdue 1-60 days	2.492.292	2.147.058	2.350.992	1.844.933
Trade Receivables overdue 61-180 days	1.309.204	1.735.438	1.205.400	1.160.411
Trade Receivables overdue >181 days	8.531.456	9.146.702	6.875.491	6.506.878
Total:	**40.680.538**	**42.158.237**	**38.284.873**	**37.323.061**

From 01.01.2018 the Group and the Company adopted the simplified approach of IFRS 9 and calculates the expected credit loss over the life of the receivables.

The following tables present the Group's and the Company's exposure to credit risk:

	Group- 31.12.2019				
	Not in arrears	**Overdue 1-60 days**	**Overdue 61-180 days**	**Overdue > 181 days**	**Total**
Total of Trade Receivables	28.347.586	2.492.292	1.309.204	8.531.456	**40.680.538**
Expected Credit Loss	0	(74.806)	(272.079)	(7.322.134)	**(7.669.019)**
Expected % of Credit Loss	0,00%	-3,00%	-20,78%	-85,83%	**-18,85%**

	Company - 31.12.2019				
	Not in arrears	**Overdue 1-60 days**	**Overdue 61-180 days**	**Overdue > 181 days**	**Total**
Total of Trade Receivables	27.852.990	2.350.992	1.205.400	6.875.491	**38.284.873**
Expected Credit Loss	0	(71.579)	(247.700)	(5.912.922)	**(6.232.201)**
Expected % of Credit Loss	0,00%	-3,04%	-20,55%	-86,00%	**-16,28%**

9. Derivative Financial Assets/Liabilities

The Derivative Financial Assets/Liabilities are presented in the following table:

	Group/ Company	
	31.12.2019	**31.12.2018**
Receivables from Financial Derivatives	177.240	127.800
Total:	**177.240**	**127.800**

	Group/ Company	
	31.12.2019	**31.12.2018**
Liabilities from Financial Derivatives	48.780	51.750
Total:	**48.780**	**51.750**

10. Cash and Cash Equivalent

The following table presents the cash and cash equivalent of the Group and the Company:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash in Hand	47.968	27.648	40.763	19.827
Cash at Bank	9.114.090	5.223.069	8.119.900	4.249.610
Total:	**9.162.058**	**5.250.717**	**8.160.663**	**4.269.437**

11. Other Current Assets

The table below presents the analysis of other current assets:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Sundry Debtors	4.775.362	6.443.567	3.918.100	5.332.680
Receivables from the Greek State	175.232	44.870	0	0
Advances and Credits Suspense Accounts	6.179	8.369	5.964	5.066
Prepaid Expenses	108.035	194.370	105.648	184.136
Accrued Income Receivable	3.500	3.500	0	0
Short-term Receivables from Related Parties	0	0	3.246.284	2.812.889
Minus: Provisions	(853.319)	(1.161.192)	(843.956)	(897.862)
Total:	**4.214.989**	**5.533.484**	**6.432.040**	**7.436.909**

12. Other Reserves

The analysis of other reserves is as follows:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Asset Revaluation Reserves	3.308.033	3.800.971	3.308.033	3.800.971
Statutory Reserves	1.821.187	1.713.471	1.718.444	1.641.544
Extraordinary Reserves	103.990	103.990	103.990	103.990
Non Taxable Reserves	3.420.457	3.407.114	3.208.286	3.208.286
Reserve from Foreign Exchange Differences	1.061.889	3.482.805	0	0
Other Reserves	7.651.779	7.843.920	6.592.716	6.592.716
Profit/ (Loss) after Tax	25.745.554	20.478.709	29.181.713	24.120.217
Total:	**43.112.889**	**40.830.980**	**44.113.182**	**39.467.724**

13. Long-Term and Short-Term Borrowings

The analysis of the long-term and short-term borrowings for the Group and the Company is presented in the table below:

	Group		Company	
Short -Term Borrowings	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Borrowings	3.740.332	5.905.028	61.680	1.503.935
Bond Loans	6.055.000	5.157.111	6.000.000	5.100.000
Leasing Liabilities	229.640	296.366	129.200	199.858
Total:	**10.024.972**	**11.358.505**	**6.190.880**	**6.803.793**

	Group		Company	
Long – Term Borrowings	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Bond Loans	36.204.852	29.965.000	31.750.000	29.750.000
Leasing Liabilities	1.758.910	1.988.550	13.322	142.522
Total:	**37.963.762**	**31.953.550**	**31.763.322**	**29.892.522**
Total Borrowing:	**47.988.734**	**43.312.055**	**37.954.202**	**36.696.315**

The change in the total borrowing for the Group and the Company is presented in the table below:

	Group		
	Short -Term Borrowings	**Long – Term Borrowings**	**Total**
Balance at 01.01.2018	11.064.319	30.693.617	41.757.936
Cash Flow:			
- Proceeds from Bank Borrowings	(446.020)	4.500.000	4.053.980
- Repayment of Bank Borrowings	(5.127.500)	0	(5.127.500)
Non-Cash Flow:			
- Additions from Companies Acquisition	412.991	2.214.648	2.627.639
- Reclassification from Long-term to Short-term Borrowing	5.454.715	(5.454.715)	0
Balance at 31.12.2018	**11.358.505**	**31.953.550**	**43.312.055**

Balance at 01.01.2019	**11.358.505**	**31.953.550**	**43.312.055**
Cash Flow:			
- Proceeds from Bank Borrowings	(1.561.061)	17.894.852	16.333.791
- Repayment of Bank Borrowings	(5.157.112)	(6.500.000)	(11.657.112)
Non-Cash Flow:			
- Reclassification from Long-Term to Short-Term Borrowing	5.384.640	(5.384.640)	0
Balance at 31.12.2019	**10.024.972**	**37.963.762**	**47.988.734**

	Company		
	Short -Term Borrowings	**Long – Term Borrowings**	**Total**
Balance at 01.01.2018	8.367.815	30.693.617	39.061.432
Cash Flow:			
- Proceeds from Bank Borrowings	(1.765.117)	4.500.000	2.734.883
- Repayment of Bank Borrowings	(5.100.000)	0	(5.100.000)
Non-Cash Flow:			
- Reclassification from Long-Term to Short-Term Borrowing	5.301.095	(5.301.095)	0
Balance at 31.12.2018	**6.803.793**	**29.892.522**	**36.696.315**
Balance at 01.01.2019	**6.803.793**	**29.892.522**	**36.696.315**
Cash Flow:			
- Proceeds from Bank Borrowings	(742.113)	13.600.000	12.857.887
- Repayment of Bank Borrowings	(5.100.000)	(6.500.000)	(11.600.000)
Non-Cash Flow:			
- Reclassification from Long-Term to Short-Term Borrowing	5.229.200	(5.229.200)	0
Balance at 31.12.2019	**6.190.880**	**31.763.322**	**37.954.202**

The maturity periods of the long-term borrowing for the Group and the Company is presented in the table below:

	Group	
	Repayment of Bond Loans	**Repayment of Financial Lease**
Within 2020	6.055.000	229.640
Within 2021	11.725.686	117.854
Within 2022	20.032.058	108.791
Within 2023	1.354.559	113.223
Within 2024	1.315.809	117.836
Within 2025	715.809	122.637
Within 2026	715.809	127.633
Within 2027	345.122	132.833
Within 2028 – 2033	0	918.103
Total:	**42.259.852**	**1.988.550**

	Company	
	Repayment of Bond Loans	Repayment of Financial Lease
Within 2020	6.000.000	129.200
Within 2021	11.300.000	13.322
Within 2022	19.250.000	0
Within 2023	600.000	0
Within 2024	600.000	0
Total:	**37.750.000**	**142.522**

14. Deferred tax Liabilities

The following table presents the deferred tax analysis in accordance with the International Accounting Standards:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Deferred Tax Asset	1.536.322	1.800.302	1.052.671	904.092
Deferred Tax Liability	(12.713.727)	(13.580.842)	(12.256.903)	(13.122.069)
Total:	**(11.177.405)**	**(11.780.540)**	**(11.204.232)**	**(12.217.977)**

	Group	Company
Opening Balance of Deferred Tax Income 2018	**(14.275.353)**	**(14.225.638)**
Deferred Tax Asset due to Provision for Inventory Obsolescence	(11.250)	(11.250)
Deferred Tax Asset due to Provisions for Receivables	399.642	590.284
Deferred Tax Asset due to Provision for Employee Compensation	(14.469)	(20.404)
Deferred Tax Asset due to Tax Loss Carry-Forwards	(381.732)	0
Deferred Tax Asset due to Other Liabilities	514.772	0
Deferred Tax Asset due to Acquisition of Companies	940.078	0
Deferred Tax Liability due to Fixed Assets	1.551.673	1.450.812
Deferred Tax Liability due to Other Intangible Assets	(72.900)	(1.781)
Deferred Tax Liability due to Acquisition of Companies	(431.001)	0
Closing Balance of Deferred Tax Income 2018	**(11.780.540)**	**(12.217.977)**
Opening Balance of Deferred Tax Income 2019	**(11.780.540)**	**(12.217.977)**
Deferred Tax Asset due to Provision for Inventory Obsolescence	123.150	84.750
Deferred Tax Asset due to Provisions for Receivables	(597.083)	(86.355)
Deferred Tax Asset due to Provision for Employee Compensation	(4.192)	(5.539)
Deferred Tax Asset due to Tax Loss Carry-Forwards	96.039	0
Deferred Tax Asset due to Other Liabilities	118.106	155.723
Deferred Tax Liability due to Fixed Assets	1.556.207	1.241.665
Deferred Tax Liability due to Other Intangible Assets	(11.576)	(1.489)
Deferred Tax Liability due to Right of Use Assets	(702.373)	(399.867)
Deferred Tax Liability due to Participation in Associates	24.857	24.857
Closing Balance of Deferred Tax Income 2019	**(11.177.405)**	**(11.204.232)**

Deferred tax assets and deferred tax liabilities are included offset in the item "Deferred Tax Liabilities" of the Statement Of Financial Position.

15. Liabilities for Retirement Benefits

The liability for retirement benefits is included in the Financial Statements according to IFRS 19 and it is based on an actuarial study with date December 31, 2019.
For the calculations of the study the following actuarial assumptions have been used:

	2019	2018
Fiancial Assumptions		
Discount Rate	1,60%	1,60%
Expected Salary Increase	2,00%	2,00%
Inflation	2,00%	2,00%
Demographic Assumptions		
Mortality Table	EVK2000	EVK2000
Impotency	50% EVK2000	EVK2000
Retirement Exit Dates	as specified from the primal public social security body of each employee	
Turnover:		
- from 0 years to 20 years	3,00%	3,00%
- from 20 years to 40 years	1,00%	1,00%
- over 40 years	0,00%	0,00%

The amounts recognized in the Statement of Comprehensive Income concern defined benefit plans at retirement, as follows:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Current Cost Service	27.661	27.561	22.924	24.241
Interest Cost	12.514	13.424	11.720	12.644
Settlement/Curtailment Impact	84.172	57.312	81.583	57.312
Past Service Cost	0	0	0	0
Staff Transfer Cost	(5.351)	0	(1.677)	2.513
Amounts charged in Profit & Loss Statement:	**118.996**	**98.297**	**114.550**	**96.710**
Actuarial (Profit)/Loss for the period	72.754	5.862	64.365	4.130
Total amounts charged in the Statement of Comprehensive Income:	**191.750**	**104.159**	**178.915**	**100.840**

The change in the present value of the defined benefit obligations at retirement, recognized in the Statement of Financial Position is presented in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Present Value of the Liability-Opening Balance:	**787.461**	**768.141**	**734.182**	**741.249**
Total Expense	118.996	98.297	114.550	96.710
Actuarial (Profit)/Loss for the Period	72.754	5.862	64.365	4.130
Benefits Paid	(128.795)	(107.907)	(125.517)	(107.907)
Additions from Acquisitions of Companies	0	23.068	0	0
Present Value of Defined Benefit Obligations at the End of the Year:	**850.416**	**787.461**	**787.580**	**734.182**
Fair Value of Plans' Assets	0	0	0	0
Net Liability in Balance Sheet at the End of the Year:	**850.416**	**787.461**	**787.580**	**734.182**

16. Other Non-Current Liabilities

The analysis of Other Non-Current Liabilities for the Group and the Company for the current year 2019 and the previous year 2018 is presented in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Other Provisions	0	0	0	0
Long-Term Tax Liabilities	0	0	0	0
Subsidies for Fixed Assets	3.141.491	3.346.119	3.141.491	3.346.119
Long-Term Liabilities to Associated Companies	0	0	0	0
Total:	**3.141.491**	**3.346.119**	**3.141.491**	**3.346.119**

17. Trade Payables

The analysis of Trade Payables for the Group and the Company for the current year 2019 and the previous year 2018 is presented in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Suppliers (Third Parties)	11.835.393	9.880.196	10.461.079	8.486.793
Intra-Group Suppliers	0	0	51.214	28.753
Cheques Payable (Post-Dated)	906.718	1.130.096	0	0
Advances from Customers	881.323	773.597	847.393	747.315
Total:	**13.623.434**	**11.783.889**	**11.359.686**	**9.262.861**

Ageing Analysis of Suppliers

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
0 - 180 days	13.615.752	11.723.590	11.352.993	9.204.992
> 181 days	7.682	60.299	6.693	57.869
Total:	**13.623.434**	**11.783.889**	**11.359.686**	**9.262.861**

18. Tax Liabilities

The analysis of the tax liabilities for the Group and the Company for the current year 2019 and the previous year 2018 is presented in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Tax & Duties Payable (Not Including Income Tax)	263.381	303.865	227.813	163.321
Income Tax on Profits	1.187.914	1.177.579	1.187.914	1.177.579
Total:	**1.451.295**	**1.481.444**	**1.415.727**	**1.340.900**

19. Accrued & Other Current Liabilities

The analysis of Accrued & Other Current Liabilities for the Group and the Company for the current year 2019 and the previous year 2018 is presented in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Insurance and Pension Fund Dues	461.375	440.611	374.127	341.513
Dividends Payable	0	0	0	0
Sundry Creditors	3.225.162	6.980.666	3.200.013	6.958.963
Unearned and Deferred Income	1.205	60.288	1.106	33.548
Accrued Expenses	934.660	1.029.711	901.159	1.025.038
Total:	**4.622.402**	**8.511.276**	**4.476.405**	**8.359.062**

20. Revenue

Revenue analysis of the Group and the Company is presented in the following table:

	Group		Company	
	2019	2018	2019	2018
Professional Products	88.845.075	79.956.675	89.287.701	79.866.287
Consumer Products	11.296.708	12.018.973	11.296.708	12.018.973
Mixtures & Raw Material for Bakery & Pastry	7.561.200	6.671.385	0	0
Training Services	28.683	79.869	0	0
Total	**107.731.666**	**98.726.902**	**100.584.409**	**91.885.260**

21. Other Income

Other Income of the Group and the Company is presented in the following table:

	Group		Company	
	2019	2018	2019	2018
Other Operating Income	2.756.731	2.917.701	2.773.430	2.813.897
Extraordinary and Non-Operating Income	553.642	295.722	526.237	294.805
Extraordinary Profit	37.791	10.862	37.790	10.862
Prior Period Income	85.858	373.353	61.181	288.996
Income from Prior Period Provisions	220.614	2.698	0	0
Other Non-Operating Income	0	0	0	0
Total	**3.654.636**	**3.600.336**	**3.398.638**	**3.408.560**

22. Other Expenses

Other Expenses of the Group and the Company is presented in the following table:

	Group		Company	
	2019	2018	2019	2018
Extraordinary and Non-Operating Expenses	(72.027)	(2.719.133)	(135.878)	(128.853)
Extraordinary Losses	(219.377)	(96.808)	(146.808)	(96.808)
Prior Period Expenses	(35.472)	(341.804)	(22.593)	(287.365)
Provisions for Extraordinary Contingencies	(1.398.342)	(126.376)	(1.141.812)	(53.086)
Total:	**(1.725.218)**	**(3.284.121)**	**(1.447.091)**	**(566.112)**

23. Distribution Expenses

Distribution Expenses of the Group and the Company is presented in the following table:

	Group		Company	
	2019	2018	2019	2018
Materials	(37.330)	(40.493)	(36.133)	(40.493)
Salaries and Staff Cost	(3.681.300)	(3.456.694)	(3.155.197)	(3.031.165)
Third Party Fees	(853.826)	(858.647)	(700.767)	(737.001)
Charges for Outside Services	(624.437)	(1.037.729)	(537.514)	(858.721)
Taxes - Fees	(231.615)	(245.447)	(186.674)	(212.475)
Other Expenses	(7.871.643)	(7.791.959)	(7.267.152)	(7.110.583)
Depreciation	(950.557)	(614.788)	(865.204)	(604.281)
Total:	**(14.250.708)**	**(14.045.757)**	**(12.748.641)**	**(12.594.719)**

24. Administration Expenses

Administration Expenses of the Group and the Company is presented in the following table:

	Group		Company	
	2019	2018	2019	2018
Materials	(8.558)	(16.371)	(8.558)	(16.371)
Salaries and Staff Cost	(1.707.549)	(1.608.659)	(1.630.535)	(1.529.049)
Third Party Fees	(986.061)	(675.790)	(683.003)	(395.687)
Charges for Outside Services	(555.858)	(533.226)	(512.228)	(490.051)
Taxes - Fees	(135.210)	(134.477)	(97.954)	(111.343)
Other Expenses	(630.966)	(479.435)	(428.833)	(385.049)
Depreciation	(536.876)	(544.721)	(478.682)	(519.345)
Total:	**(4.561.078)**	**(3.992.679)**	**(3.839.793)**	**(3.446.895)**

25. Financial Expenses/Income

Financial Expenses/Income of the Group and the Company is presented in the following table:

	Group		Company	
	2019	2018	2019	2018
Interest Charges and Relevant Expenses	(2.146.008)	(2.109.771)	(1.790.614)	(1.891.022)
Other Financial Expenses	(12.514)	(13.424)	(11.720)	(12.644)
Interest Income and Relevant Income	22.505	27.089	83.094	33.935
Total:	**(2.136.017)**	**(2.096.106)**	**(1.719.240)**	**(1.869.731)**

26. Tax Expense

Tax Expense of the Group and the Company is presented in the following table:

	Group		Company	
	2019	**2018**	**2019**	**2018**
Property Tax	(46.516)	(45.474)	(46.516)	(45.474)
Tax Auditing Differences	0	(80.872)	0	(80.872)
Provision for Income Tax	(1.187.914)	(1.177.579)	(1.187.914)	(1.177.579)
Provisions & Other Tax Liabilities	0	0	0	0
Deferred Income Tax	917.289	1.149.824	1.327.898	1.178.650
Total:	**(317.141)**	**(154.101)**	**93.468**	**(125.275)**

According to Law 4646/2019 the Corporate Income Tax Rate Of Legal Entities in Greece decreased to 24% for 2019 and onwards.
Due to that decrease the Deferred Tax Income is presented reduced, as included in the Statement of Comprehensive Income of the year, by € 931 thousand for the Group and € 934 thousand for the Company.

27. Earnings per Share (Basic & Diluted)

Earnings per Share (basic & diluted) of the Group and the Company is presented in the following table:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Net Pprofit/(Loss) attributable to the owners of the parent	3.017.555	1.260.522	3.917.707	3.425.353
Weighted average of shares outstanding (after the deduction of the weighted average of own shares)	17.120.280	17.120.280	17.120.280	17.120.280
Basic Profit/(Loss) per Share	**0,1763**	**0,0736**	**0,2288**	**0,2001**

28. Profit/(Loss) from Revaluation of Asset

Profit/(Loss) from Revaluation of Asset of the Group and the Company is presented in the following table:

	Group		Company	
	2019	**2018**	**2019**	**2018**
Asset Revaluation Profit/(Loss)	1.308.972	(496.179)	1.308.972	(488.002)
Respective Income Tax On Other Comprehensive Income	(314.153)	131.034	(314.153)	129.321
Total:	**994.819**	**(365.145)**	**994.819**	**(358.681)**

8. FINANCIAL RISK MANAGEMENT- OBJECTIVES & PERSPECTIVES

1 Financial Instruments

The Company's Financial Instruments consist of Receivables from Customers and Short-term Liabilities with annual maturity and therefore their book value can be considered as reasonable. Regarding the Long-Term Loans, the Company's weighted average cost of capital is very close to the borrowing rate and thus the book value of the item is very close to the fair value. Financial Receivables and Liabilities are warrants against future execution of contracts of French common wheat traded on the NYSE Liffe Paris market. These Financial Instruments are used to hedge the fair value of its inventories. The fair value of the rest Financial Assets and Liabilities is close to their book value.

Regarding the receivables, the Company does not have significant credit risk concentration. A Credit Control system is in place to manage this risk more efficiently and to assess and classify customers according to the level of risk and, where appropriate provisions have been made for impaired receivables. The maximum exposure to credit risk on the Balance Sheet date is the fair value of each class of financial instrument, as shown in the table below:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Non-Current Assets				
Other Long-Term Receivables	52.734	76.131	15.317	14.071
Total	**52.734**	**76.131**	**15.317**	**14.071**
Current Assets				
Trade Receivables	33.011.519	33.296.488	32.052.672	31.467.562
Cash and Cash Equivalents	9.162.058	5.250.717	8.160.663	4.269.437
Financial Receivables	177.240	127.800	177.240	127.800
Other Current Assets	4.214.989	5.533.484	6.432.040	7.436.909
Total	**46.565.806**	**44.208.489**	**46.822.615**	**43.301.708**
Long-Term Liabilities				
Long-Term Borrowings	37.963.762	31.953.550	31.763.322	29.892.522
Long-Term Lease Liabilities	458.673	0	365.940	0
Total	**38.422.435**	**31.953.550**	**32.129.262**	**29.892.522**
Short-Term Liabilities				
Trade Liabilities	13.623.434	11.783.889	11.359.686	9.262.861
Short-Term Borrowings	10.024.972	11.358.505	6.190.880	6.803.793
Short-Term Lease Liabilities	356.084	0	282.904	0
Financial Liabilities	48.780	51.750	48.780	51.750
Other Liabilities	6.073.697	9.992.720	5.892.132	9.699.962
Total	**30.126.967**	**33.186.864**	**23.774.382**	**25.818.366**

Fair Value Hierarchy

The Group and the Company use the following allocation to determine and disclose the fair value of receivables and liabilities per valuation method:

Level 1: based on the negotiable (unadjusted) prices in active markets for similar assets or liabilities.

Level 2: based on the valuation methods, in which all data with a significant effect on fair value are either directly or indirectly observable and includes valuation methods with negotiable prices in less active markets for similar or less similar assets or liabilities.

Level 3: based on valuation methods using data that have a significant effect on fair value and are not based on apparent market data.

The table below shows the allocation of the fair value of the assets and liabilities of the Group and the Company.

Assets	**Group**		**Company**		
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**	**Fair Value Hierarchy**
Land	14.750.251	14.449.665	13.618.000	13.598.940	Level 2
Buildings	53.171.568	53.025.068	51.364.230	51.777.114	Level 2
Investment Property	341.116	341.116	341.116	341.116	Level 2
Financial Receivables	177.240	127.800	177.240	127.800	Level 2

Liabilities	**Group**		**Company**		
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**	**Fair Value Hierarchy**
Financial Liabilities	48.780	51.750	48.780	51.750	Level 2

During the year there were no transfers between the allocation levels.

The following methods and assumptions were used to estimate fair values:

The fair value of the Level 2 Land, Buildings and Investment Properties is valued for the Group and the Company by independent external expert using a combination of a) Comparative Method, b) Residual Approach and c) Depreciated Replacement Cost.

In Level 2, financial receivables are rights over futures contracts for French common wheat traded on the NYSE Liffe Paris market. These Financial Instruments are used to hedge the fair value of the Company's inventories.

The Group and the Company use various methods and assumptions based on market conditions prevailing at each reporting date.

2 Financial Risk Factors

The Company is exposed to financial risks such as exchange risk, interest rates risk, credit risk and liquidity risk arising from its activities and operation. The Company's policy aims to minimize the impact of those risks when they may arise. The Company uses financial instruments such as long-term and short-term loans, foreign currency transactions, trade receivables accounts, accounts payable, liabilities arising from financial leasing agreements, dividends payable, bank deposits and investments in securities.
Risk management is performed by the Financial Department whereas the BoD of the Company is fully responsible for setting the strategy, performing the overall planning and determining the risk management policies.

a) Credit Risk

The Group does not have a significant concentration of credit risk in any of its contracting parties, mainly due to the large number of customers and the great dispersion of the Group's customer base. The Management of the Group has adopted and applies credit control procedures to minimize its doubtful receivables through the evaluation of the credit ability of its customers and the effective management of the receivables before they become overdue. For the monitoring of credit risk, customers are classified according to their credit profile, the maturity of their receivables and the historical background of their collection.

Additionally, the Group's companies have an insurance contract that covers most of their claims. This contract cannot be sold or transferred. Customers considered to be unreliable are reevaluated at every reporting date and when a likelihood of non-recovery of these receivables occurs, a provision for doubtful debts is formed.

b) Liquidity Risk

The Group keeps its liquidity risk at low levels through the availability of adequate cash or/and approved bank credit limits ensuring the fulfillment of the Group's short-term financial liabilities. The Group's liquidity ratio (current assets to current liabilities) amounted to 2,27 at December 31, 2019 towards 1,99 for the previous year. For the monitoring and management of liquidity risk the Group forms cash flow projections on a regular basis.

c) Risk of Price Increase of Raw Materials

The Group is exposed to risk derived from the variation in prices of the used raw materials for its products. The fluctuation in prices of the raw materials during the recent years as well as the general economic crisis lead us to the conclusion that this fluctuation will continue to exist. Therefore, exposure to that risk is considered high and for that reason the Group's Management takes all the necessary measures in order, firstly, to eliminate the Group's exposure to that risk through achieving specific agreements with its suppliers and using derivative financial instruments and secondly, to quickly adjust its pricing and commercial policy.

d) Interest Rate Risk

The Group's exposure to the risk of changes in the interest rates relates to its short-term and long-term loans. The Group manages Interest Rate Risk through keeping the total of its loans at variable interest rates. Since the Company's loans are linked with the Euribor index, the maintenance of the latter at low levels has a direct positive impact on the financial cost of the Group.

The table below presents the sensitivity of the Earnings Before Tax of the Group and the Company if the interest rates change by a percentage point:

Sensitivity Analysis on Interest Rate changes

	Interest Rate Volatility	**Impact on Company's EBT**	**Impact on Group's EBT**
01.01.2019 31.12.2019	1,00%	-379.542	-479.887
	-1,00%	379.542	479.887
01.01.2018 31.12.2018	1,00%	-366.963	-433.121
	-1,00%	366.963	433.121

e) Exchange Rate Risk

The Group operates in Southeast Europe and as a result any change in the operating currencies of those countries towards other currencies exposes the Group to risk of exchange rate. The main currencies involved in the Group's transactions are Euro and Bulgarian Lev.

The Group's Management continuously monitors the foreign exchange risks that may arise and assesses the need for action, yet at the moment there is no such risk since the exchange rate between the two currencies is stable from 1 January 1999 (BGN 1.95583 = EUR 1).

f) Other Operating Risks

The Management of the Company has adopted a reliable internal control system for the detection of dysfunctions and exceptions within its business activities. The insurance coverage of the property and of other risks is adequate.

9. OTHER INFORMATION

1. LOULIS MILLS SA Shares

The Company's shares are common and listed on the Athens Stock Exchange's market bearing the symbol LOULI.

The Extraordinary General Meeting the Company's Shareholders of 16/12/2004 decided, inter alia, the reduction of the Company's share capital by € 64.896 through reducing its stock from 16.724.232 to 16.622.832 common registered shares, due to cancellation of own shares, in accordance with article 16 of Corporate Law 2190/1920.The above mentioned 101.400 shares were purchased during the period 17/12/2001 to 28/1/2002 in implementing the decision as of 23.7.2001 of the Extraordinary Shareholders Meeting and the resolution of the Board of Directors dated 7/11/2001. After the aforementioned reduction, the share capital of the Company amounted to € 10.638.612,48 divided into 16.622.832 common registered shares of a par value of € 0,64 each.

The Extraordinary General Meeting the Company's Shareholders of 2/1/2009 decided the share capital increase by € 8.311.416 through the capitalization of the "share premium" account reserve. The share capital increase completed through the increase of the par value of each share by € 0,50, namely from € 0,64 to € 1,14 followed by an equal decrease of the share capital of the Company by € 8.311.416 (eight million three hundred and eleven thousand four hundred and sixteen Euros) through the reduction of the par value of each share by € 0,50, namely from € 1,14 to € 0,64 per each share and simultaneous equal cash payment to the shareholders of amount of € 8.311.416 (eight million three hundred and eleven thousand four hundred and sixteen Euros) i.e. € 0,50 per share. Following the above decisions of the General Meeting, the Company's share capital amounted to € 10.638.612 divided into 16.622.832 registered shares of a nominal value of € 0,64 each.

The Ordinary General Meeting the Company's Shareholders of 25/5/2010 decided, inter alia, the payment of dividend for 2009 having been increased with the dividend corresponding to the own shares of the Company, that is € 0,070046 per share, which, pursuant to Law 3697/2008, subject to 10% withholding tax and therefore the net final amount payable per share amounted to € 0,063041. Eligible to receive dividends are the Shareholders registered in the records of the intangible Securities System of the Company on Thursday, June 3, 2010 (record day). Cut-off date was defined as the June 1, 2010. The payment of the dividend for 2009 began on Thursday, June 9, 2010 through ALPHA BANK.

The Annual Ordinary General Meeting the Company's Shareholders of 25/5/2010 approved unanimously the share capital increase by € 1.994.739,84 (one million nine hundred and ninety four thousand seven hundred and thirty nine Euros and eighty four cents) by increasing the nominal value of the share by € 0,12 through capitalization part of the reserve Difference From Share Issue Premium and equal decreasing of the share capital of the Company by € 1.994.739,84 (one million nine hundred and ninety four thousand seven hundred and thirty nine Euros and eighty four cents) reducing the par value of each share by € 0,12 leading to the return of capital through cash payments to the Shareholders. Following the above decisions of the General Meeting, the Company's share capital amounted to € 10.638.612 divided into 16.622.832 registered shares of a nominal value of € 0,64 each.

The Ordinary General Meeting the Company's Shareholders of 20/6/2011 approved unanimously by 11.830.895 vote, i.e. 77%, the share capital increase by € 3.324.566,40 by increasing the nominal value of each share by € 0,20 through capitalization of the reserve Difference From Share Issue Premium and equal decreasing of the share capital of the Company by € 3.324.566,40 reducing the par value of each share by € 0,20 resulting to return of capital through cash payments to the Shareholders. Furthermore, it was decided, the cancellation of 1.400.556 registered own shares of value € 896.355,84, according to art.16 par.6 of the Corporate Law 2190/1920 and the equal decrease of the share capital of the Company. The above mentioned shares were purchased during the period 18/9/2008 to 30/9/2010 in implementing the decision as of 18/9/2008 of the Extraordinary Shareholders General Meeting. Following the aforementioned share capital decrease, the share capital of the Company amounted to € 9.742.256,64 divided into 15.222.276 common registered shares of a par value of € 0,64 each.

The Ordinary General Meeting the Company's Shareholders of 28/6/2013 approved the share capital increase by € 1.217.783,04 through cash payments, issuance of 1.902.786 new ordinary dematerialized registered shares with voting rights and of a nominal value of € 0,64 each, cancellation of the preemptive right of existing shareholders in favor of the new shareholder/strategic investor Al Dahra Agriculture Spain S.L. Sociedad Unipersonal. The offer price of the new shares amounted to € 4,0875753 per share. Following the above increase, the Company's share capital came to € 10.960.039,68 and is divided into 17.125.062 ordinary dematerialized registered shares with voting rights and a nominal value of € 0,64 each. Total revenues from the issue stood at € 7.777.781,05. The difference between the issue price and the nominal value of each share, which totals € 6.559.998,01, was credited to the "Share premium" account, according to the law and the Articles of Association.

The Extraordinary General Meeting the Company's Shareholders of 1/12/2014 decided the share capital increase by € 5.137.518,60 through the capitalization of a) of the untaxed reserves formed based on Law 2238/1994, in accordance with article 72 of the Law 4172/2013 of amount of € 4.678.218,10 and b) part of the reserve "Difference From Share Issue Premium" of amount of € 459.300,50 by increasing the par value of each share by € 0,30, namely from € 0,64 to € 0,94. The Ordinary General Meeting on June 23, 2015, amended the decision for the increase of the Company's share capital by € 5.137.518.60, decided by the Extraordinary General Meeting of the Company's shareholders on 1/12/2014, regarding the individual amounts (A) the tax-free reserves formed pursuant to Law 2238/1994 according to article 72 of law 4172/2013 amount to € 3.789.356,66 (instead of the amount of € 4.678.218,10) and (b) part of the reserve "share premium" amounts to € 1.348.161,94 (instead of the amount of € 459.300,50). Following the above decisions of the General Meeting, the Company's share capital amounted to € 16.097.558,28 divided into 17.125.062 registered shares of a nominal value of € 0,94 each.

The Extraordinary General Meeting the Company's Shareholders of 8/1/2015 decided the share capital increase by € 1.541.255,58 by increasing the par value of each share by € 0,09, i.e. from € 0,94 to € 1,03 through the capitalization of the reserve "Difference From Share Issue Premium" and a simultaneous equal decrease of the share capital of the Company by € 1.541.255,58 reducing the par value of each share by € 0,09 namely from € 1,03 to € 0,94 resulting in the return of capital through cash payments to the Shareholders and the relevant amendment of article 5 in the Company's Articles of Association. Following the above decisions of the General Meeting, the Company's share capital amounted to € 16.097.558,28 divided into 17.125.062 registered shares of a nominal value of € 0,94 each.

The Ordinary General Meeting dated 23.06.2016 decided the increase of the share capital of the Company by the amount of €1.027.503,72 with an increase of the nominal value of each share by € 0.06 (from €0.94 to € 1, 00) through the capitalization of reserves "share premium" and the simultaneous equal reduction of the Company's share capital by € 1.027.503,72 with a reduction of the nominal value of each share by € 0,06 (from € 1,00 to € 0,94) for the purpose of returning capital in cash to the shareholders of € 1.027.503,72, € 0,06 per share. Following the increase and the simultaneous decrease mentioned above, the share capital remains at the amount of € 16.097.558,28, divided into 17.125.062 common registered shares, of a nominal value of € 0,94 per share.

The Annual General Meeting the Company's Shareholders of June 13, 2017 decided the increase of the share capital of the Company by € 941.878,41 by increasing the nominal value of each share by € 0,055 (from € 0,94 to € 0,995) with capitalization of the reserves "difference from the issue of shares above par" and the simultaneous decrease of the share capital of the Company by the same amount (€ 941.878,41) by decreasing the nominal value of each share by € 0,055 (from € 0,995 to € 0,94), in order to return capital in cash to shareholders of an amount of € 941.878,41 i.e. € 0,055 per share. Following the increase and the simultaneous decrease mentioned above, the share capital remains at the amount of € 16.097.558,28, divided into 17.125.062 common registered shares, of a nominal value of € 0,94 per share. Furthermore, the Annual General Meeting the Company's Shareholders , decided the share capital decrease by € 4.495,08 through the reduction of its stock from 17.125.062 to 17.120.280 common registered shares, due to cancellation of 4.782 own shares, in accordance with article 16 of Corporate Law 2190/1920.The own shares mentioned above were purchased during the period 08.01.2015 to 07.01.2017 in accordance with the decision of the Extraordinary General Meeting the Company's Shareholders of January 8, 2015.

Following the aforementioned reduction, the share capital of the Company amounts now to € 16.093.063,20 divided into 17.120.280 common registered shares of a par value of € 0,94 each.

The Ordinary General Meeting dated 14.06.2018 decided the increase of the share capital of the Company by the amount of € 1.027.216,80 with an increase of the nominal value of each share by € 0,06 (from €0.94 to € 1,00) through the capitalization of reserves "share premium" and the simultaneous equal reduction of the Company's share capital by € 1.027.216,80 with a reduction of the nominal value of each share by € 0,06 (from € 1,00 to € 0,94) for the purpose of returning capital in cash to the shareholders of € 1.027.216,80, i.e. € 0,06 per share. Following the increase and the simultaneous decrease mentioned above, the share capital remains at the amount of € 16.093.063,20, divided into 17.120.280 common registered shares, of a nominal value of € 0,94 per share.

The Annual General Meeting of July 08, 2019 decided the increase of the share capital of the Company by € 1.027.216,80 by increasing the nominal value of each share by € 0,06 (from € 0,94 to € 1,00) with capitalization of the reserves "difference from the issue of shares above par" and the simultaneous decrease of the share capital of the Company by the same amount (€ 1.027.216,80) by decreasing the nominal value of each share by € 0,06 (from € 1,00 to € 0,94) , in order to return capital in cash to shareholders € 1.027.216,80 i.e. € 0,06 per share.

Following the increase and the simultaneous decrease mentioned above, the share capital remains at the amount of € 16.093.063,20, divided into 17.120.280 nominal shares, of an amount of € 0,94 per share.

2. Main Exchange Rates for the Balance Sheet and Profit & Loss Account Results

Balance Sheet	**31/12/2019**	**31/12/2018**	**31/12/2019 vs 31/12/2018**
1 euro = Leva	1,9558	1,9558	0,00%

P&L	**average 2019**	**average 2018**	**average 2019 vs average 2018**
1 euro = Leva	1,9558	1,9558	0,00%

3. Comparative Information

If necessary, the comparative amounts have been adjusted to comply with the current period's presentation. Differences in totals are due to rounding.

4. Existing encumbrances

On the fixed assets of the parent Company, mortgages and footnotes have been subscribed for a total amount of € 48 million at 31.12.2019 to secure bond loans of an amount of € 20,75 million.

5. Litigation and Arbitration Cases

No litigation and arbitration cases of management bodies exist that may have significant impact on the Company's financial position. Pending litigation cases exist, the final outcome of which will not affect significantly the Company's financial position.

6. Number of Employed Personnel

Number of staff employed at the end of current year 31.12.2019: Group 320, Company 255, compared with 281 for the Group and 237 for the Company in the previous year.

7. Transactions with Related Parties

The cumulative sales and purchases from the beginning of the year and the balances of the Company's receivables and payables at the closing of the current year arising from transactions with related parties within the meaning of IAS. 24 are as follows:

Significant Transaction with related parties

	Group - 2019			
	Sales of Good and Services	**Purchases of Goods and Services**	**Receivables**	**Liabilities**
Associates	0	0	0	0
Executives and Members of the Management	0	0	395.361	5.340
Total:	**0**	**0**	**395.361**	**5.340**

	Company - 2019			
	Sales of Good and Services	**Purchases of Goods and Services**	**Receivables**	**Liabilities**
Kenfood SA	494.538	1.187.211	0	51.214
Greek Baking School S.A.	8.400	47.250	0	0
Loulis Logistics Services SA	480	0	0	0
Loulis International Foods Enterprises Bulgaria Ltd	0	0	0	0
Loulis Mel-Bulgaria EAD	80.873	927.527	3.582.897	0
Associates	0	0	0	0
Executives and Members of the Management	0	0	500	320
Total:	**584.291**	**2.161.988**	**3.583.397**	**51.534**

	Group - 2018			
	Sales of Good and Services	**Purchases of Goods and Services**	**Receivables**	**Liabilities**
Associates	0	0	0	0
Executives and Members of the Management	0	0	145.372	26
Total:	**0**	**0**	**145.372**	**26**

	Company - 2018			
	Sales of Good and Services	**Purchases of Goods and Services**	**Receivables**	**Liabilities**
Kenfood SA	144.487	885.688	200.000	28.753
Greek Baking School S.A.	8.400	43.050	0	0
Loulis Logistics Services SA	480	0	0	0
Grinco Holdings Ltd	0	0	0	0
Loulis International Foods Enterprises Bulgaria Ltd	0	0	0	0
Loulis Mel-Bulgaria EAD	18.689	1.034.792	2.612.889	0
Associates	0	0	0	0
Executives and Members of the Management	0	0	464	26
Total:	**172.056**	**1.963.530**	**2.813.353**	**28.779**

Fees of Executives and Members of the Management

	Group		Company	
	2019	**2018**	**2019**	**2018**
Salaries and Other Fees	900.080	909.432	664.451	629.664
Total:	**900.080**	**909.432**	**664.451**	**629.664**

8. Income tax

The Corporate Income Tax Rate Of Legal Entities in Greece has been set to 29% for 2018, but according to Law 4646/2019 the Corporate Income Tax Rate Of Legal Entities in Greece decreased to 24% for 2019 and onwards.

9. Capital Expenditure

Investments in fixed assets for 2019 amount to € 4.741 thousand for the Group and € 2.336 thousand for the Company.

10. Contingent Liabilities/ Receivables

The Group's contingent liabilities relate to the Banks, other guarantees and other issues arising from the Group's usual operations and they are not expected to have significant additional burden to the Group. In addition, the Company has provided guarantees for the loans of its subsidiaries.

In September 2011, the Ministry of Competitiveness and Shipping issued a decision to submit a series of investments to Sourpi Industrial Unit in Development Law 3299/2004. The Company has already completed the investment, but due to the pending completion of the final audit by the Operator, a liability may arise towards the State in the future.

Unaudited Tax Years

For the fiscal years 2011 up to 2015 the Greek Public Limited companies (SA) whose Financial Statements were mandatorily audited by a Certified Auditor, were subject to tax audit by the same Auditor or audit firm who audited their annual Financial Statements and received "Tax Compliance Certification" according to par.5, art.82 of L.2238/1994 and art.65A of L.4174/2013. For the fiscal years 2016 and onwards the tax audit and the provision of the "Tax Compliance Certification" is optional. The Group has chosen to continue being tax audited by the Auditors, which is now optional for the Group's most significant subsidiaries.   It is noted that according to the tax legislation up to 2019, the fiscal years up to 2013 are considered to be written off.
The parent Company and its subsidiary KENFOOD SA have been subjected to tax auditing from Certified Auditor and have received "Tax Compliance Certification" for the years until 31.12.2018.
For the fiscal year 2019, the parent Company and its subsidiary KENFOOD SA have been subjected to tax auditing from an auditor in accordance with Law 4174/2013 article 65A as currently in effect. That audit for 2019 is in progress and the related tax certificate is expected to be provided after the publication of financial statements of 31.12.2019. If upon completion of the tax audit additional tax liabilities occur, we consider that they will not have substantial impact on the Financial Statements.

11. Remuneration of BoD Members

The total remuneration paid to the members of the Board of Directors of LOULI MILLS SA within 2019 amounts to: € 200.703.

12. Dividend per Share

The BoD of the Company after taking into account the financial results of the year 2019, the financial position of the Company, the prospects as well as the conditions prevailing in the wider financial environment shall propose in the following Annual General Meeting of the Shareholders dividend distribution of a total amount of € 1.198.419,60 corresponding to gross dividend of € 0,07 per share.

13. Approval of Financial Statements

The date of the approval of the Financial Statements by the Board of Directors is 14.05.2020.

14. Notes on Future Events

The Financial Statements, as well as the accompanying notes and disclosures, may contain particular assumptions and calculations concerning future events in relation to the operations, development and the financial performance of the Company and the Group.

The most significant events after December 31st, 2019 are:

Significant information regarding the impact of «Covid-19» Pandemic

The spreading of the new coronavirus «Covid-19» and its declaration by WHO from March 2020 as a pandemic as well as the imposition of emergency measures for its tackling by each government have affected negatively the global economy.

The Group, with a sense of responsibility, monitors the developments in order to respond adequately at all levels in respect of ensuring its smooth business operation and the safety of its employees. In order to face effectively the impact of the pandemic and to ensure its proper-functioning the Group: a) offered remote working (teleconferencing), b) suspended the business meetings in person and other business events c) restricted commuting and travelling and d) disinfected the working areas. Furthermore, the Group ensured the daily support and guidance of the employees in respect of their most effective adjustment to the new conditions.

For the time being, it is estimated that the impact of the pandemic shall not affect significantly the corporate operations, the performance and the financial position of the Group and the Company. In particular, it is noted that the Group's companies neither fall within the type of companies for which mandatory suspension of operations has been imposed nor are entitled to State financial support for addressing the impact of the pandemic. Furthermore, regarding the Group's activities, there was no decrease in sales for the first four-month period of 2020 compared to the corresponding period of the previous year as a result of the fact that the Group and the Company do not depend on customers or suppliers, local or abroad, that have mandatorily suspended their operations and did not contracted with customers or suppliers that the relevant contracts cannot be fulfilled. Regarding the collection of receivables it is noted that there are no significant late payments and no liquidity issues are expected to arise. The borrowing liabilities are being repaid smoothly without delay and the terms of the loan contracts are met. In respect of the Group's inventories, they are considered adequate and no supply shortfalls have occurred.

Finally, management monitors closely the developments, assess the risks involved and takes all the necessary action in order to minimize the effect of the pandemic in the financial results of the Group, to continue the smooth implementation of its strategic plan 2019-2021 and to ensure the business viability of the Group. Management considers that, in any case, the pandemic shall not have any impact on the going concern of the Group and the Company.

Participation in the share capital increase of the subsidiary «LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD»

In May 2020 the Company decided to participate in the share capital increase of its 100,00% subsidiary under the name «LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD» through the full payment of the total amount of the share capital increase of € 2.000.000,00 for the capital support of its 100% indirectly subsidiary under the name «LOULIS MEL-BULGARIA EAD», in order the increased liquidity needs of the latter to be met.

There are no events that have occurred after December 31st, 2019 that shall have a material impact on the Group's and Company's Financial Statements.

Sourpi, May 14, 2020

The Chairman of the Board of Directors	The Vice-Chairman of the Board of Directors & CEO	The Chief Accountant
Nikolaos K. Loulis	Nikolaos S. Fotopoulos	Georgios K. Karpouzas