LOULIS MEL BULGARIA EAD

AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

December 31, 2016

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LOULIS MEL BULGARIA EAD

STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2016
All amounts are in EUR, except otherwise stated

	Notes	**22.02.2016-31.12.2016**
Assets		
Non-current assets		
Property, plant and equipment	5	197,706
Total Non-current assets		**197,706**
Current assets		
Inventory	6	467,628
Trade and other receivables	7	49,198
Cash and cash equivalents	8	68,659
Total Current assets		**585,485**
TOTAL ASSETS		**783,191**
EQUITY AND LIABILITIES		
Equity		
Share capital	9	25,565
Retained earnings		-
Net loss for the year		(73,372)
Total Equity		**(47,807)**
Non-Current liabilities		
Trade payables to related parties	15	102,253
Total Non-Current liabilities		**102,253**
Current liabilities		
Trade and other payables	10	35,584
Trade payables to related parties	15	693,161
Total Current liabilities		**728,745**
TOTAL EQUITY AND LIABILITIES		**783,191**

These financial statements have been approved by the management on 09 March 2017:

Baker Tilly Klitou and Partners BS
Accountant
Maria Karagyozova

Nikolaos Loulis
Executive Director

Certified in accordance with the auditor's report:
BDO Bulgaria OOD

Stoyanka Apostolova,
Managing Partner
CPA, Registered Auditor

Nedyalko Apostolov,
Manager

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

LOULIS MEL BULGARIA EAD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016
All amounts are in EUR, except otherwise stated

	Notes	**22.02.2016-31.12.2016**
Net Sales	11	907,722
Cost of goods sold		(750,494)
Gross Profit		**157 228**
Selling and distribution costs	12	(181,798)
Administration expenses	13	(35,381)
Operating profit		**(59,951)**
Finance income		17
Finance costs	14	(13,438)
Finance income/(costs), net		**(13,421)**
Profit before income tax		**(73,372)**
Income tax expense		-
Profit for the period		**(73,372)**
Other comprehensive income for the period		-
Total comprehensive income for the period		**(73,372)**

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LOULIS MEL BULGARIA EAD

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2016
All amounts are in EUR, except otherwise stated

	22.02.2016-31.12.2016
Cash flows from operating activities	
Profit before tax	(73,372)
Adjustments for:	
Depreciation and amortization	408
Interest expenses & FX losses	13,438
Interest income & FX gains	(17)
Impairment of inventory	-
Cash flows from operating activities before changes in working capital	**(59,543)**
(Increase)/decrease in inventory	(467,628)
(Increase)/decrease in trade and other receivables	(49,198)
Increase/(decrease) in trade and other payables	222,956
Cash flows from operating activities	**(353,413)**
Interest received/(paid)	(5,396)
Income tax paid	-
Net cash flows from operating activities	**(358,809)**
Cash Flows from investing activities	
Purchase of property, plant and equipment	(198,114)
Interest received	17
Net Cash Flow used in investing activities	**(198,097)**
Cash Flows from financing activities	
Issued Share Capital	25,565
Proceeds from loans	600,000
Net Cash Flow (used in)/ from financing activities	**625,565**
Increase/(decrease) in cash and cash equivalents	**68,659**
Cash and cash equivalents as of February 22	-
Cash and cash equivalents as of December 31	**68,659**

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Maria Karagyozova

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CPA, Registered Auditor

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Manager

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016
All amounts are in EUR, except otherwise stated

	Share capital	Retained earnings/ (loss)	Net profit (loss) for the year	Total
BALANCE AT FEBRUARY 22, 2016	-	-	-	-
Issued Share Capital	25,565	-	-	25,565
Total comprehensive income for the period ended 31.12.2016	-	-	(73,372)	(73,372)
BALANCE AT 31 DECEMBER 2016	25,565	-	(73,372)	(47,807)

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1 Legal status

“Loulis Mel Bulgaria” EAD (the “Company”) is a share stock company, registered on 22 February 2016 and existing under the law of Republic of Bulgaria. The shares of the Company are not publicly traded.

As of 31 December2015, the sole owner of the Company is Loulis International Foods Enterprises (Bulgaria) Limited, company registered and existing under the law of Republic of Cyprus, registration No. 110334

The Company operates in the Republic of Bulgaria and has the following headquarters:
104, “Akad. Ivan E. Geshov” blvd., fl.7, office 12
Sofia, Bulgaria

Managing Director of the Company is Nikolaos Loulis.

The company has the following **Scope of activity:**

a) Holding of roller mill and in general of industrial and commercial undertakings reducible to flour industry, cereals, mixtures, raw materials and chemicals for the manufacture of bakery and confectionery, manufacture of animal feed, agricultural products in general, and foodstuffs and agricultural supplies, fertilizers etc.

b) Production, purchase and resale, import, export and generally the distribution and marketing of cereal products or other land products, agricultural products and foodstuffs in general and agricultural supplies, fertilizers, mixtures, raw materials and chemicals for the manufacture of bakery and confectionery etc.

c) Manufacture or purchase and holding by any way of facilities and means of storage, packaging and distribution of the aforesaid products and the operation of transport means of such products owned by the company or third parties.

d) Provision of all types of services, intermediary or other, in the course of trade and generally the movement of the aforesaid products.

e) Production, marketing, processing, holding, working, preservation, handling of all foodstuffs, raw materials of which are such products are manufactured, or of derived products thereof and the pursuit of any relevant activity.

f) Manufacture and trading of machinery for production and processing of kataifi pastry sheet, bakery wares, confectionary and food, mixtures, raw materials and chemicals for the manufacture of bakery and confectionery and all kinds of machinery and equipment.

g) Transaction of imports and exports with regard to the above or related items, raw materials and derivatives or by-products or packaging, maintenance or handling movement materials thereof.

h) Provision of know-how and consultancy services in the field of food and food technology applications

2 Basic for preparation of the financial statements

2.1 General financial reporting framework

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, investment property, available for sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

2.2 Accounting principles and going concern assumption

The financial statements are prepared for general purposes on accrual basis and under the going concern assumption and the historical cost convention, and provide information about the Company's financial position, operations and cash flows for the year ended December 31, 2016

2.3 Functional and presentation currency

In accordance with the Bulgarian accounting legislation, the Company keeps its records and prepares its financial statements in the national currency of the Republic of Bulgaria – Bulgarian lev (BGN), which was pegged to the Euro at BGN 1.95583 = EUR 1 on January 1, 1999.

These financial statements are in thousand Bulgarian Leva, unless otherwise stated.

2.4 Foreign currency

All transactions in foreign currency are initially recorded by applying the central exchange rate of the National Bank of Bulgaria (BNB) on the day of the transaction to the amount in foreign currency. The exchange rate differences, arising from the settlement of receivables and liabilities in foreign currency or from revaluation at exchange rates that are different from those at which they were initially recorded, are reported as finance income or finance costs for the period in which they arise. Cash, receivables and liabilities in foreign currency are calculated at the BNB closing exchange rate at December 31, 2015.

2.5 Accounting assumptions and accounting estimates

The preparation of financial statements in compliance with the IFRS requires the Company's management to apply certain accounting assumptions and accounting estimates that affect the reported amount of assets and liabilities and the disclosures of contingent assets and liabilities as at the date of the statement of financial position, as well as the reported amount of revenues and expenses for the reporting period. They are based on the best estimate of the management as at the date of preparation of the financial statements. The actual results could differ from those specified in the present financial statements.

3 Significant Accounting Policies

3.1 Property, plant and equipment

The properties plant and equipment are presented at acquisition cost. The acquisition cost includes the purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs for bringing the asset to working condition for its intended use. The value of the assets constructed by the company includes the cost of materials, direct labor and the appropriate proportional share of production overheads, plus the costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software without which the functioning of the purchased equipment is impossible, is capitalized as part of such equipment.

When the property, plant and equipment contain elements of different duration of economic useful life, they are reported separately.

Gains and losses on disposal of property, plant and equipment are determined by comparing eventual proceeds from them with their balance value and are recognized at net value under "Other income" or "Other expenses" in the statement of comprehensive income.

After the initial recognition the property, plant and equipment is presented at cost less any accumulated depreciation and any accumulated impairment losses.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Derecognition of property, plant and equipment from the balance sheet is carried out when selling the asset or when the asset is completely out of use and no other economic benefit is expected to flow. Gains or losses arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is included in comprehensive income.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are as follows:

Computers	2 years
Furniture and fixtures	6.7 years
Vehicles	4 years

The accrual of the accounting depreciation starts from the beginning of the month following the month when the depreciable asset was put into operation.

The accrual of the tax depreciation starts from the beginning of the month following the month when the depreciable asset was put into operation.
When the residual value of the depreciable asset is an insignificant amount or as a percentage compared to its book value, it can be ignored. In these cases the depreciable cost of the asset is equal to its book value.

The carrying values of fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may differ from their recoverable amount. If such indications exist that the estimated recoverable amount is lower than its carrying amount, the latter is adjusted to the recoverable amount of the assets. The recoverable amount of fixed assets is the higher of the fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions and assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statement of comprehensive income.

3.2 Intangible assets

Intangible assets are initially presented at acquisition cost, which includes the purchase price (including duties and taxes recovered) and all direct costs. The materiality threshold is BGN 200, under which the non-current assets are recognised in profit or loss for the period.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

Estimated useful life of software is 2 years. Intangible assets with indefinite useful lives are not amortized.

The carrying value of intangible assets is subject to review for impairment when events or changes in circumstances indicate that the carrying amount may exceed their recoverable amount. Impairment losses are then included as an expense in profit or loss.

Costs related to the maintenance of intangible assets are capitalized only when it increases the future economic benefits embodied in the asset. All other costs are recognized as an expense in profit or loss as incurred.

3.3 Short-term receivables

Short-term receivables are stated at their nominal value less allowance for impairment, based on a review of the receivables made at the year end and an estimate of losses resulting from impairment and uncollectability.

3.4 Trade liabilities

Trade liabilities are current payables and are measured at the amount at which they are expected to be settled in the future.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash held at banks, as well as cash in transit, respectively in Bulgarian leva and in foreign currency.

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and cash at banks, as well as cash in transit and short-term, easily convertible and highly liquid investments with maturity below three months, which are exposed to an insignificant risk of changes in their value.

3.6 Deferred expenses

Deferred expenses represent prepaid expenses which are deferred for recognition as current, for the period, to which they refer.

3.7 Loans received

Loans are initially recognized at fair value. After initial recognition, interest-bearing loans are measured at amortised cost determined by using the effective interest method. The amortized cost is calculated by taking into account all fees, commissions and other expenses including discount or premium, associated with the loans.

The effective interest method is a method for calculating the amortised cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset/liability or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.8 Equity

Equity comprises share capital, carried at historical cost and fully paid-in, in accordance with court registration, and retained earnings/accumulated losses.

3.9 Income and expense recognition

Income is measured at fair value of the consideration received or receivable in the form of cash or cash equivalents, net of value-added tax and discounts granted. Income from services provided is recognized in the reporting period in which the services are performed on the basis of the stage of completion, determined as a percentage share of the services already delivered of the total amount of services to be provided. Expenses are recognized on accrual basis in the period to which they relate. Interest income and expense are recognized by using the effective interest method.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the asset’s cost. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale.

The amount of the borrowing costs eligible for capitalization in the cost of a qualifying asset is determined by applying a capitalization rate. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period other than borrowings made specifically for the purpose of obtaining a qualifying asset.

The capitalization of borrowing costs as part of the cost of a qualifying asset begins when the following conditions are met:

- Expenditures for the asset are incurred;
- Borrowing costs are incurred; and
- Activities that are necessary to prepare the asset for its intended use or sale are undertaken.

Expenditures on a qualifying asset include only those expenditures that have resulted in payments of cash, transfers of other assets or the assumption of interest-bearing liabilities. Borrowing costs are reduced by any investment income from temporary investment of the borrowed funds.

3.11 Taxation

Income tax expense comprises the amount of current and deferred taxes. The current taxes due are calculated on the basis of the annual taxable profit. The taxable annual profit is different from the profit reported in the financial statements since some revenue and expenditure items, taxable or deductible in other periods, as well as some items that are not taxable or deductible, are excluded from its amount. The Company's current tax liability is determined on the basis of the tax rate effective at the date of the statement of financial position.

Deferred taxes arise from differences between the tax base of assets and liabilities, used to calculate the taxable profit, and their carrying amount specified in the financial statements by applying the balance sheet liability method. Deferred tax liabilities are recognized in respect to all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available, against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are calculated at the tax rates that are expected to be applicable for the accounting period in which the tax assets are realized or the tax liabilities paid. Deferred taxes are included in the profit or loss except when the taxes arise from transactions or events which are credited or charged directly to equity. In such cases deferred taxes are recognized directly in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

3.12 Financial risk management

The financial assets and liabilities stated in the statement of financial position include cash and cash equivalents, loans granted, trade and other receivables, trade and other payables and loans received.

In the normal course of its economic activity the Company may be exposed to various financial risks, the most important of which are the interest rate risk, credit risk, liquidity risk and currency risk. The financial risks are identified, measured and monitored on a regular basis using various controls to determine their effect on the Company's assets and liabilities and to assess the forms in which the free liquid resources are maintained without allowing unnecessary concentration of a given risk.

Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of the financial instruments may fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. Loans received bear fixed and variable interest rates. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from available financial assets. The Company has no significant concentration of credit risk. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any counterparty.

Liquidity risk

Liquidity risk is the risk that arises when the maturities of assets and liabilities do not match. A mismatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures for minimizing such losses by maintaining sufficient cash and other highly liquid current assets.

The maturity of the loans received is presented in note 8.

The Company relies on the support of its owners if additional financing is necessary.

The table below presents an analysis of the assets and liabilities by maturity periods based on the remaining period from the balance sheet date to the date of the realization of the asset or liability:

31.12.2016

In thousands of BGN	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**No maturity**	**Total**
Assets							
Cash and cash equivalents	68,659						68,659
Trade and other receivables		49,198					49,198
Property, plant and equipment						197,706	197,706
Inventory			467,628				467,628
Total Assets	68,659	49,198	467,628	-	-	197,706	783,191
LIABILITIES							
Trade payables to related parties			693,161	102,253			795,414
Trade and other payables		35,584					35,584
Total liabilities	-	35,584	693,161	102,253	-	-	830,998
Net	68,659	13614	-225,533	-102,253	-	197,706	-47,807
Cumulative difference	68,659	82273	-143,260	-245,513	-245,513	-47,807	

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in currency different than the Company's functional currency. The Company is not exposed to foreign exchange risk arising from various currency exposures as its assets and liabilities are denominated in EUR or BGN which is pegged to the EUR. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Fair value

Fair value is generally the amount for which an asset could be exchanged, or a liability settled in an arm's length transaction between independent, willing and knowledgeable parties.

With regard to trade receivables and payables, the Company expects to realise these financial assets and liabilities through their repayment in full. The Company’s management considers that the fair value of financial instruments approximates their carrying amount.

The table below analyzes the fair values of financial instruments measured at fair value through a fair value hierarchy where the fair value is categorized.

31.12.2016 *In thousands of BGN*	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	**Total book value**
Assets					
Cash and cash equivalents	68,659			68,659	68,659
Trade and other receivables			68,659	49,198	49,198
Total Assets	**68,659**	**-**	**68,659**	**117,857**	**117,857**
LIABILITIES					
Trade payables to related parties			795,414	795,414	795,414
Trade and other payables			35,584	35,584	35,584
Total liabilities	**-**	**-**	**830,998**	**830,998**	**830,998**

4 New standards, amendments and interpretations effective as of 1 January 2016

The following amendments to the existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current period:

- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions (issued on 21 November 2013), effective 1 July 2014, endorsed by the EU on 17 December 2014, published in the Official Journal on 9 January 2015, EU effective date 1 February 2015
- Annual Improvements 2010 - 2012 of (issued on 12 December 2013), effective 1 July 2014, endorsed by the EU on 17 December 2014, published in the Official Journal on 9 January 2015; EU effective date 1 February 2015
- Amendments to IAS 16 and IAS 41: Bearer Plants (issued on 30 June 2014), effective 1 January 2016, endorsed by the EU on 23 November 2015, published in the Official Journal on 24 November 2015
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014), effective 1 January 2016, endorsed by the EU on 24 November 2015, published in the Official Journal on 25 November 2015
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014)), effective 1 January 2016, endorsed by the EU on 2 December 2015, published in the Official Journal on 3 December 2015
- Annual improvements to IFRSs 2012-2014 (issued on 25 September 2014), effective 1 January 2016, endorsed by the EU on 15 December 2015, published in the Official Journal on 16 December 2015
- Amendments to IAS 1: Disclosure Initiative (issued on 18 December 2014), effective 1 January 2016, endorsed by the EU on 18 December 2015, published in the Official Journal on 19 December 2015
- Amendments to IAS 27: Equity Method in Separate Financial Statements (issued on 12 August 2014), effective 1 January 2016, endorsed by the EU on 18 December 2015, published in the Official Journal on 23 December 2015
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities: Applying the Consolidation Exception (issued on 18 December 2014), effective 1 January 2016

The adoption of these amendments to the existing standards has not led to any changes in the Company’s accounting policies. *(In case of change in the accounting policies, the text as per IAS 8.28 to be added to the respective standard or interpretation).*

Standards, interpretations and amendments in standards that are issued by IASB and endorsed by EU but not yet effective

- IFRS 9 Financial Instruments (issued on 24 July 2014), effective 1 January 2018, endorsed by the EU on 22 November 2016, published in the Official Journal on 29 November 2016
- IFRS 15 Revenue from Contracts with Customers (issued on 28 May 2014) including amendments to IFRS 15: Effective date of IFRS 15 (issued on 11 September 2015), effective 1 January 2018, endorsed by the EU on 22 September 2016, published in the Official Journal on 29 October 2016

Documents issued by the IASB / IFRIC not yet endorsed by the EU

These new or revised standards, new interpretations and amendments to existing standards that at the reporting date are already issued by the International Accounting Standards Board have not yet been endorsed by the EU and therefore are not taken into account by the Company in preparing these financial statements:

- IFRS 16 Leases (issued on 13 January 2016), effective 1 January 2019
- IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014), effective 1 January 2016
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014), IASB Effective Date has been deferred indefinitely
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses (issued on 19 January 2016), effective 1 January 2017
- Amendments to IAS 7: Disclosure Initiative (issued on 29 January 2016), effective 1 January 2017
- Clarifications to IFRS 15: Revenue from Contracts with Customers (issued on 12 April 2016), effective 1 January 2018
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (issued on 20 June 2016), effective 1 January 2018
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (issued on 12 September 2016), effective 1 January 2018
- Amendments to IAS 40: Transfers of Investment Property (issued on 8 December 2016), effective 1 January 2018
- Annual improvements to IFRS Standards 2014-2016 Cycle (issued on 8 December 2016), effective 1 January 2018/1 January 2017
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration (issued on 8 December 2016), effective 1 January 2018

5 Property, plant and equipment

Movement of property, plant and equipment in 2016 is, as follows:

	Furniture & Fittings	**Machinery & Equipment**	**Fixed assets in progress**	**Total**
Balance at 22 February 2016	-	-	-	-
Additions for the period	1,193	30,300	166,621	198,114
Disposals for the period	-	-	-	-
Balance at 31 December 2016	1,193	30,300	166,621	198,114
			-	
Accumulated depreciation as of 22 February 2016	-	-	-	-
Accumulated depreciation during the period	(348)	(60)	-	(408)
Disposals for the period	-	-	-	-
Accumulated depreciation as of 31 December 2016	(348)	(60)	-	(408)
BALANCE AS OF 31 DECEMBER 2016	**845**	**30,240**	**166,621**	**197,706**

6 Inventory

	22.02.2016-31.12.2016
Wheat	467,628
TOTAL	467,628

7 Trade and other receivables

	22.02.2016-31.12.2016
Trade receivables	15,638
VAT receivables	32,074
Other receivables	1,486
TOTAL	49,198

8 Cash and cash equivalents

	22.02.2016-31.12.2016
Cash at bank in BGN	17,825
Cash at bank in Foreign currencies	50,834
TOTAL	68,659

9 Share capital

	Number of shares	Value of shares in EUR
Share capital as at 22 February 2016	50 000	25,565
Share capital as at 31 December 2016	50 000	25,565

10 Trade and other liabilities

	22.02.2016-31.12.2016
Liabilities to suppliers	35,584
Wages and salaries	-
Advances to personnel	-
Social securities	-
TOTAL	35,584

11 Net Sales

	22.02.2016-31.12.2016
Income from sale of wheat	907,722
Incl. Intercompany sales (Note 13)	*907,722*
TOTAL	907,722

12 Selling and distribution costs

	22.02.2016-31.12.2016
Grain warehouse rent and related costs	44,760
Transportation costs	129,045
Salaries and wages	7,993
TOTAL	181,798

13 Administration expenses

	22.02.2016-31.12.2016
Fuel	1,458
Office and other materials	637
Consulting services	10,524
State fees	429
Insurances	596
Office rent	1,341
Salaries and wages	18,572
Depreciation	209
Other expenses	1,615
TOTAL	35,381

14 Finance costs, net

	22.02.2016-31.12.2016
Interest income	17
FX gains	-
Total finance income	17
Interest expenses	(8,042)
Including intercompany	*(8,042)*
FX losses and bank charges	(5,396)
Total finance costs	(13,438)
Finance costs, net	(13,438)

15 Related parties transactions

The company has balances and transactions with the following related parties:

Company /commercial name/	Type of relation	Relation since
Loulis International Foods Enterprises (Bulgaria) Limited	Parent company	2016
Loulis Mills S.A.	Sister company	2016

Balances with related parties

Long term loan payable to related parties

	22.02.2016-31.12.2016
Loulis International Foods Enterprises (Bulgaria) Limited - principle	100,000
Loulis International Foods Enterprises (Bulgaria) Limited - interest	2,253
TOTAL	102,253

Trade payable to related parties

	22.02.2016-31.12.2016
Loulis Mills S.A.	187,372
TOTAL	187,372

Short term loan payable to related parties

	22.02.2016-31.12.2016
Loulis International Foods Enterprises (Bulgaria) Limited - principle	500,000
Loulis International Foods Enterprises (Bulgaria) Limited - interest	5,789
TOTAL	505,789

The borrowings from related parties are denominated in euro and are not secured.
The Company has signed two loan agreements as follows:

Contract date	Lander	principle	Annual interest rate	Maturity
01.06.2016	L.I.F.E. (Bulgaria)	EUR 100,000	4%	31.12.2018
07.09.2016	L.I.F.E. (Bulgaria)	EUR 500,000	4%	30.06.2017

Transactions

	As of 31.12.2016
Loulis International Foods Enterprises (Bulgaria) Limited – loan received	600,000
Loulis Mills S.A. - Goods sold	907,722
	1,507,722

Management remuneration

In the period ended 31 December 2016 the managing directors of the Company have not received remuneration.

16 Events after balance sheet date

There are no events subsequent to the reporting date which may require adjustments in the financial statements.