LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LIMITED

FINANCIAL STATEMENTS
31 December 2018

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	A.T.S. Directors Limited A.T.S. Managers Limited Constantinos Loulis Nikolaos Fotopoulos Dimitrios Foutsis (appointed on 15 March 2018) L.M.N.T. Directors Limited (resigned on 15 March 2018) L.M.N.T. Managers Limited (resigned on 15 March 2018)
Company Secretary:	A.T.S. Services Limited
Registered office:	1 Agapinoros & Arch. Makariou JNT Business Center, Flat 204 1076, Nicosia Cyprus
Bankers:	Hellenic Bank Public Company Ltd Piraeus Bank S.A. Bulgarian Postbank

Independent Auditor's Report

To the Members of Loulis International Foods Enterprises (Bulgaria) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Loulis International Foods Enterprises (Bulgaria) Limited (the "Company"), which are presented in pages 4 to 23 and comprise the statement of financial position as at 31 December 2018, and the statements of , changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Loulis International Foods Enterprises (Bulgaria) Limited as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report (continued)

To the Members of Loulis International Foods Enterprises (Bulgaria) Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors 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.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Andreas Pittakas
Certified Public Accountant and Registered Auditor
for and on behalf of

Baker Tilly Klitou and Partners Ltd
Certified Public Accountants and Registered Auditors

Corner C Hatzopoulou & 30 Griva Digheni Avenue
1066 Nicosia
Cyprus

Nicosia, 22 April 2019

STATEMENT OF COMPREHENSIVE INCOME
31 December 2018

	Note	2018 €	2017 €
Other operating income	8	**122.698**	120.000
Administration expenses	9	**(174.844)**	(170.869)
Net impairment (loss) on financial and contract assets		**(4.759)**	-
Other expenses	10	**(5.626)**	-
Operating loss		**(62.531)**	(50.869)
Finance income		**24.862**	67.682
Finance costs		**(1.673)**	(2.245)
Net finance income	12	**23.189**	65.437
(Loss)/profit before tax		**(39.342)**	14.568
Tax	13	**-**	50.269
Net (loss)/profit for the year		**(39.342)**	64.837
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(39.342)**	64.837

The notes on pages 8 to 23 form an integral part of these financial statements.

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LIMITED

STATEMENT OF FINANCIAL POSITION
31 December 2018

	Note	2018 €	2017 €
ASSETS			
Non-current assets			
Property, plant and equipment	14	**407**	-
Investment in subsidiary	15	**3.561.774**	3.566.533
Loans receivable	16	**60.000**	-
		3.622.181	3.566.533
Current assets			
Receivables	17	**700.661**	775.404
Cash and cash equivalents	18	**86.454**	242.128
		787.115	1.017.532
Total assets		**4.409.296**	4.584.065
EQUITY AND LIABILITIES			
Equity			
Share capital	19	**1.637.539**	1.637.539
Share premium		**1.850.971**	1.850.971
Translation reserve		**(3.546.389)**	(3.546.389)
Retained earnings		**4.451.970**	4.512.452
Total equity		**4.394.091**	4.454.573
Current liabilities			
Other payables	20	**2.485**	116.772
Current tax liabilities	21	**12.720**	12.720
Total liabilities		**15.205**	129.492
Total equity and liabilities		**4.409.296**	4.584.065

On 22 April 2019 the Board of Directors of Loulis International Foods Enterprises (Bulgaria) Limited authorised these financial statements for issue.

....	....
A.T.S. Directors Limited	A.T.S. Managers Limited
Director	Director

STATEMENT OF CHANGES IN EQUITY
31 December 2018

	Share capital €	Share premium €	Translation reserve €	Retained earnings €	Total €
Balance at 1 January 2017	**1.637.539**	**1.850.971**	**(3.546.389)**	**4.447.615**	**4.389.736**
Total comprehensive income for the year	-	-	-	64.837	64.837
Balance at 1 January 2018 as previously reported	**1.637.539**	**1.850.971**	**(3.546.389)**	**4.512.452**	**4.454.573**
Effect of initial application of IFRS 9	-	-	-	(21.140)	(21.140)
Balance at 1 January 2018	**1.637.539**	**1.850.971**	**(3.546.389)**	**4.491.312**	**4.433.433**
Total comprehensive income for the year	-	-	-	(39.342)	(39.342)
Balance at 31 December 2018	**1.637.539**	**1.850.971**	**(3.546.389)**	**4.451.970**	**4.394.091**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LIMITED

STATEMENT OF CASH FLOWS
31 December 2018

	Note	**2018**	2017
		€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(39.342)**	14.568
Adjustments for:			
Depreciation of property, plant and equipment	14	**92**	-
Impairment charge - investment in subsidiary	15	**4.759**	-
Interest income	12	**(24.862)**	(67.682)
		(59.353)	(53.114)
Changes in working capital:			
Decrease in receivables		**53.603**	1.254.076
Decrease in other payables		**(114.287)**	(56.789)
Cash (used in)/generated from operations		**(120.037)**	1.144.173
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	14	**(499)**	-
Additional contribution in investment in subsidiary	15	**-**	(3.540.853)
Loans granted		**(60.000)**	-
Loans repayments received		**-**	1.683.000
Interest received		**24.862**	67.682
Net cash used in investing activities		**(35.637)**	(1.790.171)
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
Net decrease in cash and cash equivalents		**(155.674)**	(645.998)
Cash and cash equivalents at beginning of the year		**242.128**	888.126
Cash and cash equivalents at end of the year	18	**86.454**	242.128

The notes on pages 8 to 23 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company Loulis International Foods Enterprises (Bulgaria) Limited (the "Company") was incorporated in Cyprus on 1st April 2000 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 1 Agapinoros & Arch. Makariou, JNT Business Center, Flat 204, 1076, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the provision of financing and holding of investments in companies operating in the production and marketing of flour and related products.

2. Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113.

The Company is not obliged by the Companies Law, Cap. 113, to prepare consolidated financial statements because the ultimate parent publishes consolidated financial statements according to IFRSs and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2018. The consolidated financial statements can be obtained from Loulis Port, Sourpi Magnesia, 37008, Greece.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

As from 1 January 2018, the Company adopted all the IFRSs and International Accounting Standards (IAS), which are relevant to its operations.

The adoption of these Standards had a material effect on the financial statements as follows:
- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from contracts with customers"

As explained below, in accordance with the transition provisions of IFRS 9 and IFRS 15, the Company has elected the simplified approach for adoption of the standards. Accordingly, IFRS 9 and IFRS 15 were adopted without restating the comparative information. The comparative information is prepared in accordance with IAS 39 and IAS 18 and IAS 11, and the impact of adoption has been recognised in the opening retained earnings.

The following table summarized the impact of adoption of the new standard each individual line item of statement of financial position. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

3. Adoption of new or revised standards and interpretations (continued)

(a) Impact on the statement of financial position

	Balance at 31 December 2017 as previously presented	Reclassi- fications	31 December 2017 under IAS 18 and IAS 39	Effect of adoption of IFRS 15	Effect of adoption of IFRS 9	1 January 2018 under IFRS 15 and IFRS 9
	€	€	€	€	€	€
Receivables	700.661	-	700.661	-	(21.140)	679.521
Retained earnings	4.512.452	-	4.512.452	-	(21.140)	4.491.312

(i) IFRS 9 ''Financial instruments''

IFRS 9 ''Financial instruments'' replaces the provisions of IAS 39 that relate to recognition and derecognition of financial instruments and classification and measurement of financial assets and financial liabilities. IFRS 9 further introduces new principles for hedge accounting and a new forward-looking impairment model for financial assets.

The new standard requires debt financial assets to be classified into two measurement categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (either FVTPL or FVPL) and those to be measured at amortized cost. The determination is made at initial recognition. For debt financial assets the classification depends on the entity's business model for managing its financial instruments and the contractual cash flows characteristics of the instruments. For equity financial assets it depends on the entity's intentions and designation.

In particular, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Lastly, assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

For investments in equity instruments that are not held for trading, the classification depends on whether the entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. If no such election has been made or the investments in equity instruments are held for trading they are required to be classified at fair value through profit or loss.

IFRS 9 also introduces a single impairment model applicable for debt instruments at amortised cost and fair value through other comprehensive income and removes the need for a triggering event to be necessary for recognition of impairment losses. The new impairment model under IFRS 9 requires the recognition of allowances for doubtful debts based on expected credit losses (ECL), rather than incurred credit losses as under IAS 39. The standard further introduces a simplified approach for calculating impairment on trade receivables as well as for calculating impairment on contract assets and lease receivables; which also fall within the scope of the impairment requirements of IFRS 9.

For financial liabilities, the standard retains most of the requirements of IAS 39. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to the entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

With the introduction of IFRS 9 ''Financial Instruments'', the IASB confirmed that gains or losses that result from modification of financial liabilities that do not result in derecognition shall be recognized in profit or loss.

3. Adoption of new or revised standards and interpretations (continued)

(i) IFRS 9 ''Financial instruments'' (continued)

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ''hedge ratio'' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The Company has adopted IFRS 9 with a date of transition of 1 January 2018, which resulted in changes in accounting policies for recognition, classification and measurement of financial assets and liabilities and impairment of financial assets.

The Company's new accounting policies following adoption of IFRS 9 at 1 January 2018 are set out in note 4.

Impact of adoption

In accordance with the transition provisions in IFRS 9, the Company has elected the simplified transition method for adopting the new standard. Accordingly, the effect of transition to IFRS 9 was recognised as at 1 January 2018 as an adjustment to the opening retained earnings (or other components of equity, as appropriate). In accordance with the transition method elected by the Company for implementation of IFRS 9 the comparatives have not been restated but are stated based on the previous policies which comply with IAS 39. Consequently, the revised requirements of IFRS 7 ''Financial Instruments: Disclosures'' have only been applied to the current period. The comparative period disclosures repeat those disclosures made in the prior year.

On 1 January 2018 for debt instruments held by the Company, management has assessed which business models apply to the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI test). In addition separate assessment for equity instruments held by the Company was performed, in respect of whether they are held for trading or not. As a result of both assessments Management has classified its debt and equity instruments into the appropriate IFRS 9 categories.

As a result of the adoption of IFRS 9 the Company revised its impairment methodology for each class of assets subject to the new impairment requirements. From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI, cash and cash equivalents and bank deposits with original maturity over 3 months and loan commitments and financial guarantees. The impairment methodology applied depends on whether there has been a significant increase in credit risk and whether the debt instruments qualify as low credit risk and whether the debt investments qualify as low credit risk.

The Company has the following types of assets that are subject to IFRS 9's new expected credit loss model: receivables, financial assets at amortised cost and cash and cash equivalents. Not all assets were affected by the adoption.

The Company has adopted the simplified expected credit loss model for its receivables, as required by IFRS 9, paragraph 5.5.15.

3. Adoption of new or revised standards and interpretations (continued)

(i) IFRS 9 "Financial instruments" (continued)

The following table reconciles the carrying amounts of financial instruments, from their previous measurement categories in accordance with IAS 39 into their new measurement categories upon transition to IFRS 9 on 1 January 2018:

	Measurement category			Effect of IFRS 9				
	IAS 39	IFRS 9	Carrying value per IAS 39 (closing balance at 31 December 2017)	Re-measurement ECL	Re-measurement Other	Reclassification Mandatory	Reclassification Voluntary	Carrying value per IFRS 9 (opening balance at 1 January 2018)
			€	€	€	€	€	€
Receivables	L&R	AC	700.661	(21.140)	-	-	-	679.521

3. Adoption of new or revised standards and interpretations (continued)

(ii) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from contracts with customers" and related amendments superseded IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations. The new standard replaces the separate models for recognition of revenue for the sale of goods, services and construction contracts under previous IFRS and establishes uniform requirements regarding the nature, amount and timing of revenue recognition. IFRS 15 introduces the core principle that revenue must be recognised in such a way to depict the transfer of goods or services to customers and reflect the consideration that the entity expects to be entitled to in exchange for transferring those goods or services to the customer; the transaction price.

The new standard provides a principle-based five-step model that must be applied to all categories of contracts with customers. Any bundled goods or services must be assessed as to whether they contain one or more performance obligations (that is, distinct promises to provide a good or service). Individual performance obligations must be recognised and accounted for separately and any discounts or rebates in the contract price must generally be allocated to each of them.

The amendments to IFRS 15 clarify how to identify a performance obligation in a contract, how to determine whether a Company is a principal (that is, the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided) and how to determine whether the revenue from granting a license should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a Company when it first applies the new standard.

The Company's new accounting policies following adoption of IFRS 15 at 1 January 2018 are set out below in note 4.

Impact of adoption

In accordance with the transition provisions of IFRS 15, the Company has elected the simplified transition method for adopting the new standard. There was no effect of transition to IFRS 15.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

4. Significant accounting policies (continued)

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the results in the period in which the circumstances that give rise to the revision become known by management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

- **Financing component**

  The Company does not have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

4. Significant accounting policies (continued)

Revenue recognition (continued)

- **Contract assets and contract liabilities**

  In case the services rendered by the Company as of the reporting date exceed the payments made by the customer as of that date and the Company does not have the unconditional right to charge the client for the services rendered, a contract asset is recognised. The Company assesses a contract asset for impairment in accordance with IFRS 9 using the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the contract asset. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9. If the payments made by a customer exceed the services rendered under the relevant contract, a contract liability is recognised. The Company recognises any unconditional rights to consideration separately from contract assets as a trade receivable because only the passage of time is required before the payment is due.

  Contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

- **Costs to obtain or fulfil contracts with customers**

  The Company recognizes the incremental costs incurred by the Company to obtain contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset if those costs are expected to be recoverable, and record the in "Other assets" in statement of financial position. Incremental costs of obtaining contracts are those costs that the Company incurs to obtain a contract with customer that would not have been incurred if the contract had not been obtained. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue and recognised in "cost of sales" in . Additionally the asset is assessed for impairment and any impairment loss is recognized in "cost of sales" in .

  The Company recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

4. Significant accounting policies (continued)

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

4. Significant accounting policies (continued)

Financial assets - Classification (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - impairment - credit loss allowance for ECL

For receivables including receivables with a significant financing component the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

4. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company 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 a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

6. Financial risk management

Financial risk factors
The Company is exposed to interest rate risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will 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. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

6.2 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

6.3 Capital risk management
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

7. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Impairment of investments in subsidiaries**

  The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

8. Other operating income

	2018	2017
	€	€
Expected credit loss reversal (Note 16)	**2.698**	-
Consultancy fees	**120.000**	120.000
	122.698	120.000

9. Administration expenses

	2018	2017
	€	€
Staff costs	**127.288**	142.214
Right of use of space	**6.750**	275
Municipality taxes	**200**	-
Registrar of Companies annual levy	**350**	350
Telephone and postage	**25**	-
Stationery and printing	**259**	92
Auditors' remuneration	**8.150**	3.825
Legal fees	**4.500**	-
Other professional fees	**16.554**	3.843
Overseas travelling	**10.676**	20.270
Depreciation	**92**	-
	174.844	170.869

10. Other expenses

	2018	2017
	€	€
Prior years' expenses	**5.626**	-
	5.626	-

11. Staff costs

	2018	2017
	€	€
Director's salaries	**120.000**	141.943
Staff salaries	**6.508**	271
Social security costs	**780**	-
	127.288	142.214
Average number of employees (including Directors in their executive capacity)	**1**	1

12. Finance income/(costs)

	2018	2017
	€	€
Loan interest income	**24.862**	67.682
Finance income	**24.862**	67.682
Sundry finance expenses	**(1.673)**	(2.245)
Finance costs	**(1.673)**	(2.245)
Net finance income	**23.189**	65.437

13. Tax

	2018	2017
	€	€
Overprovision of tax liability of previous years	**-**	(50.269)
Credit for the year	**-**	(50.269)

13. Tax (continued)

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2018 €	2017 €
(Loss)/profit before tax	**(39.342)**	14.568
Tax calculated at the applicable tax rates	**(4.918)**	1.821
Tax effect of expenses not deductible for tax purposes	**2.015**	-
Tax effect of allowances and income not subject to tax	**(13)**	(1.821)
Tax effect of tax loss for the year	**2.916**	-
Prior year tax	**-**	(50.269)
Tax charge	**-**	(50.269)

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

The Company's chargeable income for the year amounted to €60.997 which has been set off against tax losses brought forward. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

14. Property, plant and equipment

	Furniture, fixtures and office equipment €
Cost	
Additions	499
Balance at 31 December 2018	**499**
Depreciation	
Charge for the year	92
Balance at 31 December 2018	**92**
Net book amount	
Balance at 31 December 2018	**407**
Balance at 31 December 2017	**-**

15. Investment in subsidiary

	2018	2017
	€	€
Balance at 1 January	**3.566.533**	25.680
Additions (1)	**-**	3.540.853
Impairment charge	**(4.759)**	-
Balance at 31 December	**3.561.774**	3.566.533

The details of the subsidiary are as follows:

Name	Country of incorporation	Principal activities	Holding %	2018 €	2017 €
Loulis Mel Bulgaria EAD	Bulgaria	Trade	100	**3.561.774**	3.566.533
				3.561.774	3.566.533

(1) During 2017, the Company contributed the amount of €3.540.853 as a consideration of the 532.000 shares of the new shares issued by Loulis Mel Bulgaria EAD. The Company holds 100% of Loulis Mel Bulgaria EAD.

16. Loans receivable

	2018	2017
	€	€
Loans to related parties (Note 22.3)	**60.000**	-
	60.000	-

The fair values of loans receivable approximate to their carrying amounts as presented above.

17. Receivables

	2018	2017
	€	€
Receivable from subsidiary (Note 22.2)	**120.305**	305
Receivables from related parties (Note 22.2)	**505.992**	710.476
Deposits and prepayments	**3.500**	3.500
Other receivables (1)	**44.966**	43.196
Refundable VAT	**25.898**	17.927
	700.661	775.404

(1) The balance of other receivables for the amount of €44.966 represents the net balance after the provision for expected credit losses under IFRS9 for the amount of €18.442.

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

18. Cash and cash equivalents

Cash balances are analysed as follows:

	2018	2017
	€	€
Cash in hand	**209**	890
Cash at bank	**86.245**	241.238
	86.454	242.128

19. Share capital

	2018 Number of shares	2018 €	2017 Number of shares	2017 €
Authorised				
Ordinary shares of €1,71 each	**1.167.625**	**1.996.639**	1.167.625	1.996.639
		€		€
Issued and fully paid				
Balance at 1 January	**957.625**	**1.637.539**	957.625	1.637.539
Balance at 31 December	**957.625**	**1.637.539**	957.625	1.637.539

20. Other payables

	2018 €	2017 €
Social insurance and other taxes	**105**	-
Accruals	**-**	4.840
Other creditors	**2.380**	989
Payables to related parties (Note 22.4)	**-**	110.943
	2.485	116.772

The fair values of other payables due within one year approximate to their carrying amounts as presented above.

21. Current tax liabilities

	2018 €	2017 €
Special contribution for defence	**12.720**	12.720
	12.720	12.720

22. Related party transactions

The Company is controlled by Myloi Louli S.A., incorporated in Greece, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

22.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2018 €	2017 €
Directors' remuneration	**120.000**	141.943
	120.000	141.943

22. Related party transactions (continued)

22.2 Receivables from related parties (Note 17)

Name	Nature of transactions	2018 €	2017 €
Marry Lane Ltd (1)	Consulting fees	**9.057**	120.000
Bikecor Services Ltd	Trade and finance	**495.298**	588.879
Loulis Mel Bulgaria EAD (2)	Consulting fees	**120.305**	-
Nikolaos Fotopoulos	Finance	**1.637**	1.597
		626.297	710.476

(1) On 14th September 2018 the Company entered into an agreement with Marry Lane Ltd, to off set a liability of €110.943 that Marry Lane Ltd has to Loulis International Foods Enterprises (Bulgaria) Limited, with a payable of €110.943 that Loulis International Foods Enterprises (Bulgaria) Limited has to Marry Lane Ltd.

(2) On 31st October 2018 the Company entered into an agreement with Loulis Mel Bulgaria EAD for consulting services for the amount of €120.000.

22.3 Loans to related parties (Note 16)

	2018 €	2017 €
Konstantinos Loulis (1)	**60.000**	-
	60.000	-

(1) On 1st October 2018 the Company entered into an agreement with Mr. Konstantinos Loulis, which was amended on 24th October 2018, to provide him with a 4% interest bearing loan facility received by him in drawdowns of a total of €250.000.

22.4 Payables to related parties (Note 20)

Name	Nature of transactions	2018 €	2017 €
Marry Lane Limited (1)	Consulting services	**-**	110.943
		-	110.943

(1) On 14th September 2018 the company entered into an agreement with Marry Lane Ltd, to off set a liability of €110.943 that Marry Lane Ltd has to Loulis International Foods Enterprises (Bulgaria) Limited, with a payable of €110.943 that Loulis International Foods Enterprises (Bulgaria) Limited has to Marry Lane Ltd.

23. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 2 to 3

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LIMITED

COMPUTATION OF WEAR AND TEAR ALLOWANCES
31 December 2018

			COST				ANNUAL ALLOWANCES				
	Year	%	Balance 01/01/2018 €	Additions for the year €	Disposals for the year €	Balance 31/12/2018 €	Balance 01/01/2018 €	Charge for the year €	On disposals €	Balance 31/12/2018 €	Net value 31/12/2018 €
Furniture, fixtures and office equipment											
Computers	2018	20	-	499	-	499	-	100	-	100	399
			-	499	-	499	-	100	-	100	399

COMPUTATION OF CORPORATION TAX
31 December 2018

	Page	€	€
Net loss per income statement	4		(39.342)
Add:			
Depreciation		92	
Impairment charge - investment in subsidiary		4.759	
Registrar of Companies annual levy		350	
Notional interest on receivables		38	
Municipality taxes		200	
Non-allowable travelling expenses		10.676	
			16.115
			(23.227)
Less:			
Annual wear and tear allowances	25	100	
			(100)
Net loss for the year			(23.327)
Loss brought forward			(80.796)
Loss carried forward			(104.123)

CALCULATION OF TAX LOSSES FOR THE FIVE YEAR PERIOD

Tax year	2013	2014	2015	2016	2017	2018
	€	€	€	€	€	€
Profits/(losses) for the tax year	183.780	(51.314)	29.127	(29.482)	34.497	(23.327)
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						

Net loss carried forward (104.123)