



MISSIRIAN S.A.

Amygdaleonas, Kavala

**VAT No: 094045029 – Tax Office: Kavala
Company's Register No. 20508930000
(Prefecture Reg. No. 10723/53/B/86/010)**

**Company's and Consolidated Financial Statements
for the year July 1, 2017 until June 30, 2018
in accordance with International Financial Reporting Standards
as adopted by the European Union**

CONTENTS

A. Independent Auditor's Report	4
B. Company's and Consolidated Financial Statements	
Consolidated Statement of Total Comprehensive Income	7
Company's Statement of Total Comprehensive Income	8
Company's and Consolidated Statement of Financial Position	9
Company's and Consolidated Statement of Cash Flows	10
Company's and Consolidated Statement of Changes in Equity	11
C. Notes to the Company's and Consolidated Financial Statements	
1. General Information	12
2. Basis for the preparation of the financial statements	13
3. Basic Accounting Principles	18
3.1. Basis for consolidation	18
3.2. Foreign currency translation	19
3.3. Tangible Assets	19
3.4. Borrowings costs	20
3.5. Impairment of assets	20
3.6. Intangible Assets	20
3.7. Research and Development Costs	20
3.8. Financial Instruments	21
3.9. Investments in subsidiaries (separate financial statements)	22
3.10. Inventories	22
3.11. Trade and other receivables	23
3.12. Cash and cash equivalents	23
3.13. Share capital	23
3.14. Provisions and contingent liabilities	23
3.15. Provision for staff leaving indemnities	23
3.16. State insurance programs	24
3.17. Government Grants	24
3.18. Bank Borrowings	24
3.19. Trade and other payables	24

3.20. Current and deferred income taxes	24
3.21 Revenue recognition	25
3.22. Expenses	25
3.23. Dividends	25
3.24. Leases	25
4. Revenues and Expenses	26
5. Tangible assets	29
6. Intangible assets	32
7. Investment in subsidiaries	34
8. Long term receivables	35
9. Inventories	36
10. Trade receivables	36
11. Financial assets at fair value through profit or loss	37
12. Other receivables and prepayments	37
13. Cash and cash equivalents	38
14. Share capital and reserves	38
15. Dividends	40
16. Long term borrowings – Short term borrowings	40
17. Provision for staff leaving indemnities	41
18. Government grants	43
19. Trade payables – Other short term payables and accrued expenses	43
20. Income and deferred taxes	44
21. Related party transactions	46
22. Financial risk management objectives and policies	47
23. Financial Instruments – Fair Value	50
24. Commitments and Contingent Liabilities	51
25. Events after the Balance Sheet date	52



ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
4, Polytechniou Street
546 26 Thessaloniki, Greece

Tel: +30 2310 512 515
Fax: +30 2310 512 487
ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Company «MISSIRIAN S.A.»

Report on the Audit of the company's and consolidated Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of MISSIRIAN S.A. (the "Company"), which comprise the statement of financial position as at 30 June 2018, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of the Company MISSIRIAN S.A. as at 30 June 2018, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Qualified Opinion

From our audit it resulted that in the Assets' account «Other receivables and prepayments» are included, in departure of the accounting policies adopted by the International Accounting Standards, previous years' interest expenses from liabilities to banks amounting to Euro 476.464 which are amortized over a 10 year period which is the period of bank borrowings repayment, with which the previous years' results should have been charged. As a result the Net Equity for the Group and the Company as at June 30, 2018, should have been decreased by Euro 476.464 and the current year's profits for the Group and the Company should have been increased by Euro 105.881.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated in Greek Law. 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, as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our ethical responsibilities in accordance with these requirements and the above mentioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other information

Management is responsible for the other information. The other information, include the Board of Directors' Report, for which reference is also made in section «Report on Other Legal and Regulatory Requirements», but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 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 regard.

Responsibilities of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as incorporated in Greek Law, 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 management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - We collect sufficient and appropriate audit evidence about the financial reporting of entities or business activities within the Group to express an opinion on the company's and consolidated financial statements. We are responsible for conducting, supervising and performing the audit of the Company and its subsidiaries. We remain solely responsible for our audit opinion.
-

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

Report on Other Legal and Regulatory Requirements

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

- a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements of article 43a of the Codified Law 2190/1920 and its content is consistent with the accompanying financial statements for the year ended 30/06/2018.
- b) Based on the knowledge obtained in the course of our audit for the Company MISSIRIAN S.A. and its environment, no material inconsistencies in the Directors' report have been identified.

Thessaloniki, 6 December 2018

The Certified Auditor Accountant

KONSTANTINOS KATSAGANNIS
(S.O.E.L. R.N. 25921)
ERNST & YOUNG HELLAS S.A.
CERTIFIED AUDITORS ACCOUNTANTS
CHIMARRAS 8B, 15125 MAROUSSI
(COMPANY S.O.E.L. R.N. 107)

B. COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED

JUNE 30, 2018

(All figures expressed in EURO, unless otherwise stated)

THE GROUP

	Note	01/07/2017 – 30/06/2018	01/07/2016 – 30/06/2017
Sales	4a	66.206.181,80	56.013.563,61
Cost of sales	4c	-56.424.568,38	-46.851.199,60
Gross profit		9.781.613,42	9.162.364,01
Other operating income	4b	771.561,45	441.178,19
Selling and distribution expenses	4d	-1.791.540,62	-1.248.045,89
Administrative expenses	4e	-3.316.759,00	-2.857.653,45
Research and development expenses	4f	-339.534,59	-142.217,32
Net gains from exchange differences		61.671,64	31.256,16
Profits from operating activities		5.167.012,30	5.386.881,70
Financial expenses	4g	-3.668.813,60	-3.778.981,14
Financial income	4g	13.173,90	92.785,55
Profits before taxes		1.511.372,60	1.700.686,11
Income taxes	20	-541.981,09	-33.295,99
Profits after taxes		969.391,51	1.667.390,12
Items that will not be reclassified to profit or loss at a future point in time			
Losses from the remeasurement of defined benefit plans	17	0,00	-10.214,50
Income tax attributable to the actuarial losses	20	0,00	2.962,21
Other comprehensive losses after taxes		0,00	-7.252,29
Total comprehensive income after taxes		969.391,51	1.660.137,83
Gains attributable to:			
Owners of the parent		860.405,12	1.393.432,09
Non-controlling interests	7	108.986,39	273.958,03
		969.391,51	1.667.390,12
Total comprehensive income after taxes attributable to:			
Owners of the parent		860.405,12	1.386.179,80
Non-controlling interests	7	108.986,39	273.958,03
		969.391,51	1.660.137,83
Profits before taxes, interests depreciation and amortization («EBITDA»)	22	5.769.998,99	6.349.860,21

The accompanying notes on pages 12-52 are an integral part of these financial statements.

**STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 IOYNIOY 2018**

(All figures expressed in EURO, unless otherwise stated)

	Note	01/07/2017 – 30/06/2018	01/07/2016 – 30/06/2017
Sales	4a	65.360.415,93	55.271.375,40
Cost of sales	4c	-56.232.917,55	-46.953.471,74
Gross profit		9.127.498,38	8.317.903,66
Other operating income	4b	624.994,31	318.723,47
Selling and distribution expenses	4d	-1.523.769,07	-1.209.260,79
Administrative expenses	4e	-2.953.513,73	-2.740.505,98
Research and development expenses	4f	-339.534,59	-142.217,32
Net gains from exchange differences		61.671,64	33.560,48
Profits from operating activities		4.997.346,94	4.578.203,52
Financial expenses	4g	-3.518.783,48	-3.591.058,79
Financial income	4g	169.167,77	196.615,57
Profits before taxes		1.647.731,23	1.183.760,30
Income taxes	20	-517.259,94	28.835,35
Profits after taxes		1.130.471,29	1.212.595,65
Items that will not be reclassified to profit or loss at a future point in time			
Losses from the remeasurement of defined benefit plans	17	0,00	-10.214,50
Income tax attributable to the actuarial losses	20	0,00	2.962,21
Other comprehensive losses after taxes		0,00	-7.252,29
Total comprehensive income after taxes		1.130.471,29	1.205.343,36
Profits before taxes, interests depreciation and amortization («EBITDA»)	22	5.680.406,44	5.474.274,86

The accompanying notes on pages 12-52 are an integral part of these financial statements.

COMPANY'S AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

(All figures expressed in EURO, unless otherwise stated)

		THE GROUP		THE COMPANY	
	Note	30/06/2018	30/06/2017	30/06/2018	30/06/2017
ASSETS					
Non Current assets:					
Tangible Assets	5	14.835.003,67	15.184.328,15	13.480.589,14	13.904.034,66
Intangible Assets	6	335.286,84	383.638,57	330.970,97	380.373,03
Investments in subsidiaries	7	0,00	0,00	2.089.558,92	1.889.558,92
Long term receivables	9	29.896,51	39.109,56	29.896,51	39.109,56
Total Non Current assets		15.200.187,02	15.607.076,28	15.931.015,54	16.213.076,17
Inventories	10	30.185.619,40	26.696.371,98	30.280.855,80	25.382.865,99
Trade receivables	11	7.727.291,76	37.755.073,79	7.740.244,04	37.518.297,84
Financial assets at fair value through profit or loss	8	3.612.013,34	274.975,61	3.612.013,34	274.975,61
Other receivables and prepayments	12	4.083.765,82	4.553.060,68	4.223.730,32	4.655.280,02
Cash and cash equivalents	13	1.793.513,36	1.442.676,39	1.035.851,85	1.246.137,91
Total current assets		47.402.203,68	70.722.158,45	46.892.695,35	69.077.557,37
TOTAL ASSETS		62.602.390,70	86.329.234,73	62.823.710,89	85.290.633,54
EQYTY AND LIABILITIES					
Share capital	14	9.523.607,54	9.523.607,54	9.523.607,54	9.523.607,54
Reserves	14	2.448.983,86	2.281.796,49	2.221.656,71	2.054.469,34
Retained Earnings/(Losses)		134.255,08	-558.962,67	-1.517.862,58	-2.481.146,50
Total Equity owners of the parent		12.106.846,48	11.246.441,36	10.227.401,67	9.096.930,38
Non controlling interests	7	3.839.341,59	3.880.675,01	0,00	0,00
Total Equity		15.946.188,07	15.127.116,37	10.227.401,67	9.096.930,38
Long term borrowings	16	5.861.975,10	6.881.129,78	5.861.975,10	6.881.129,78
Provision for staff leaving indemnities	17	341.906,38	342.005,71	341.906,38	342.005,71
Government Grants	18	584.969,24	729.943,72	249.660,10	260.392,15
Deferred tax liabilities	20	2.461.995,02	2.507.643,52	2.448.022,20	2.485.310,46
Total non current liabilities		9.250.845,74	10.460.722,73	8.901.563,78	9.968.838,10
Trade Payables	19	4.847.368,20	2.420.378,34	11.408.614,01	10.575.748,86
Other short term liabilities and accrued expenses	19	925.862,69	934.166,46	683.978,65	2.061.027,02
Short term borrowings	16	29.599.320,66	55.662.618,20	29.599.320,66	51.947.618,20
Short term portion of long term borrowings	16	1.536.632,06	1.552.043,23	1.536.632,06	1.552.043,23
Income taxes payable	20	496.173,28	172.189,40	466.200,06	88427,75
Total current liabilities		37.405.356,89	60.741.395,63	43.694.745,44	66.224.865,06
Total Liabilities		46.656.202,63	71.202.118,36	52.596.309,22	76.193.703,16
TOTAL EQUITY AND LIABILITIES		62.602.390,70	86.329.234,73	62.823.710,89	85.290.633,54

The accompanying notes on pages 12-52 are an integral part of these financial statements.

COMPANY'S AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR 01/07/2017 – 30/06/2018
(All figures expressed in EURO, unless otherwise stated)

	THE GROUP		THE COMPANY	
	01/07/2017 –	01/07/2016 –	01/07/2017 –	01/07/2016 –
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Cash Flows from Operating Activities				
Gains before taxes	1.511.372,60	1.700.686,11	1.647.731,23	1.183.760,30
Add/(Less) adjustments for:				
Depreciation of tangible assets	4i 5 696.384,45	1.019.819,46	644.389,49	858.118,70
Amortization of intangible assets	4i, 6 51.576,72	53.784,81	49.402,06	48.684,70
Net (gains)/losses from disposal of assets	4b, 4e -4.046,34	2.714,31	-4.046,34	4.654,87
Income from investments	4g 0,00	0,00	-156.455,32	-104.303,54
Interest and related income	4g -13.173,90	-92.785,55	-12.712,45	-92.312,03
Interest and related expenses	4g 3.668.813,60	3.778.981,14	3.518.783,48	3.591.058,79
Amortization of grants	4b, 18 -144.974,48	-110.625,77	-10.732,05	-10.732,05
Income from unutilized provision	4b, 17 -6.559,80	0,00	-6.559,80	0,00
Provision for staff leaving indemnities	4h, 17 19.900,47	22.857,43	19.900,47	22.857,43
	5.779.293,32	6.375.431,94	5.689.700,77	5.501.787,17
(Increase) /Decrease in:				
Inventories	-3.489.247,42	2.530.199,89	-4.897.989,81	-333.636,61
Trade receivables	30.027.782,03	-25.364.567,57	29.778.053,80	-25.503.667,96
Other receivables and prepayments	380.946,73	291.852,79	499.656,88	144.074,35
Other long term receivables	9.213,05	500,00	9.213,05	500,00
Increase / (Decrease) in:				
Trade payables	2.426.989,86	-77.973,54	832.865,15	2.212.297,25
Other liabilities and accrued expenses	-8.303,78	164.042,71	-1.377.048,37	1.348.692,75
Payments for staff leaving indemnities	17 -13.440,00	-8.960,00	-13.440,00	-8.960,00
Less:				
Income taxes paid	-175.297,57	-11.452,94	-88.427,75	0,00
Interest and related expenses paid	-3.608.496,58	-3.778.981,14	-3.458.466,46	-3.591.058,79
Net cash flows from operating activities	31.329.439,64	-19.879.907,86	26.974.117,26	-20.229.971,84
Cash flows from investing activities				
Purchase of tangible assets	5 -351.020,04	-260.127,25	-224.904,04	-255.321,11
Proceeds from disposal of tangible assets	8.006,41	18.712,29	8.006,41	9.539,55
Purchase of intangible assets	6 -3.224,99	-29.691,45	0,00	-28.346,75
Acquisition of subsidiary	7 0,00	0,00	-200.000,00	0,00
Interests and related income received	13.173,90	5.527,32	12.712,45	5.053,80
Purchase of available for sale assets	11 -3.397.354,75	0,00	-3.397.354,75	0,00
Decrease of available for sale assets	0,00	15,10	0,00	15,10
Net cash flows from investing activities	-3.730.419,47	-265.563,99	-3.801.539,93	-269.059,41
Cash flows from financing activities				
Movement of short term loans	-26.063.297,54	22.711.559,73	-22.348.297,54	22.851.559,73
Long term loan repayments	16 -1.034.565,85	-2.103.578,88	-1.034.565,85	-2.103.578,88
Dividends paid	7 -150.319,81	-100.213,21	0,00	0,00
Net cash flows from financing activities	-27.248.183,20	20.507.767,64	-23.382.863,39	20.747.980,85
Net increase/(decrease) in cash and cash equivalents	350.836,97	362.295,79	-210.286,06	248.949,60
Cash and cash equivalents at the beginning of the year	13 1.442.676,39	1.080.380,60	1.246.137,91	997.188,31
Cash and cash equivalents at the end of the year	13 1.793.513,36	1.442.676,39	1.035.851,85	1.246.137,91

The accompanying notes on pages 12-52 are an integral part of these financial statements.

CONSOLIDATED AND COMPANY'S STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR 01/07/2017 – 30/06/2018
(All figures expressed in EURO, unless otherwise stated)

	Share Capital (note 14)	Reserves (note 14)	Retained Earnings	Total	Non- controlling interests (note 7)	Total
Balance of Equity as at July 1, 2017	9.523.607,54	2.281.796,49	-558.962,67	11.246.441,36	3.880.675,01	15.127.116,37
(Losses)/Profits for the year after taxes	0,00	0,00	860.405,12	860.405,12	108.986,39	969.391,51
Other comprehensive income/(losses) after taxes	0,00	0,00	0,00	0,00	0,00	0,00
Total comprehensive income/(losses) after taxes	0,00	0,00	860.405,12	860.405,12	108.986,39	969.391,51
Transfer to reserves	0,00	156.455,32	-156.455,32	0,00	0,00	0,00
Dividends paid (note 7)	0,00	0,00	0,00	0,00	-150.319,81	-150.319,81
Transfer of amortization of grants Law 3299/04	0,00	10.732,05	-10.732,05	0,00	0,00	0,00
Balance of Equity as at June 30, 2018	9.523.607,54	2.448.983,86	134.255,08	12.106.846,48	3.839.341,59	15.946.188,07
Balance of Equity as at July 1, 2016	9.523.607,54	2.166.760,90	-1.830.106,88	9.860.261,56	3.706.930,19	13.567.191,75
Profits for the year after taxes	0,00	0,00	1.393.432,09	1.393.432,09	273.958,03	1.667.390,12
Other comprehensive income after taxes	0,00	0,00	-7.252,29	-7.252,29	-	-7.252,29
Total comprehensive income after taxes	0,00	0,00	1.386.179,80	1.386.179,80	273.958,03	1.660.137,83
Transfer to reserves	0,00	104.303,54	-104.303,54	0,00	0,00	0,00
Dividends paid (note 7)	0,00	0,00	0,00	0,00	-100.213,21	-100.213,21
Transfer of amortization of grants Law 3299/04	0,00	10.732,05	-10.732,05	0,00	0,00	0,00
Balance of Equity as at June 30, 2017	9.523.607,54	2.281.796,49	-558.962,67	11.246.441,36	3.880.675,01	15.127.116,37

COMPANY'S STATEMENT OF CHANGES IN EQUITY

	Share Capital (note 14)	Reserves (note 14)	Retained Earnings	Total
Balance of Equity as at July 1, 2017	9.523.607,54	2.054.469,34	-2.481.146,50	9.096.930,38
(Losses)/Profits for the year after taxes	0,00	0,00	1.130.471,29	1.130.471,29
Other comprehensive income/(losses) after taxes	0,00	0,00	0,00	0,00
Total comprehensive income/(losses) after taxes	0,00	0,00	1.130.471,29	1.130.471,29
Transfer to reserves	0,00	156.455,32	-156.455,32	0,00
Transfer of amortization of grants Law 3299/04	0,00	10.732,05	-10.732,05	0,00
Balance of Equity as at June 30, 2018	9.523.607,54	2.221.656,71	-1.517.862,58	10.227.401,67
Balance of Equity as at July 1, 2016	9.523.607,54	1.939.433,75	-3.571.454,27	7.891.587,02
Profits for the year after taxes	0,00	0,00	1.212.595,65	1.212.595,65
Other comprehensive income after taxes	0,00	0,00	-7.252,29	-7.252,29
Total comprehensive income after taxes	0,00	0,00	1.205.343,36	1.205.343,36
Transfer to reserves	0,00	104.303,54	-104.303,54	0,00
Transfer of amortization of grants Law 3299/04	0,00	10.732,05	-10.732,05	0,00
Balance of Equity as at June 30, 2017	9.523.607,54	2.054.469,34	-2.481.146,50	9.096.930,38

The accompanying notes on pages 12-52 are an integral part of these financial statements.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

C. NOTES ON THE FINANCIAL STATEMENTS OF GROUP AND COMPANY

1. GENERAL INFORMATION

MISSIRIAN S.A. (hereinafter «the Company») was established in 1972, has its registered office in Amygdaleonas, Kavala and its objective is the processing of oriental leaf tobacco.

The Company has been registered in Prefecture with Reg. No. e Prefecture Reg. No. 10723/53/B/86/10 – Company's Register No. 20508930000.

The company's website address is www.missirian.gr. The Company is not listed in Stock Exchange.

The Consolidated Financial Statements resulted from the consolidation of MISSIRIAN S.A. (Parent Company), its subsidiary in Bulgaria named MISSIRIAN BULGARIA A.D in which the Parent Company participates with a percentage of 51% and its subsidiary in FYROM named MISSIRIAN DOOEL in which the Parent Company participates with a percentage of 100%.

The term of the Board of Directors which has been elected by the Extraordinary General Assembly of 17.03.2016 expires in six years and the current composition has as follows:

Nikolaos Tzoumas	Chairman and Managing Director
Eviripidis Christidis	Vice Chairman
Anna Tzouma	Member of B.O.D.
Gloria Missirian	Member of B.O.D.
Vae Missirian	Member of B.O.D.
Theodoros Kazantzidis	Member of B.O.D.
Despoina Athanasiadou	Member of B.O.D.

The composition of the Company's shareholders as at 30.06.2018 and 30.06.2017 has as follows:

SHAREHOLDER	SHARES	PERCENTAGE %
SOTEMI HOLDINGS LTD	2.860.333	88%
ANNA TZOYMA	390.045	12%
	3.250.378	100%

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis for the preparation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in accordance with the relating interpretations, as issued by the International Financial Reporting Interpretations Committee, as adopted by the European Union and are obligatory applied for the period ended June 30, 2018. There are no standards or interpretations that have been applied before their adoption date.

The accompanied financial statements have been prepared on a historical cost basis except from land and buildings that have been measured at fair value which is considered as deemed cost at the transition date to IFRS and the going concern assumption.

The preparation of the Financial Statements in accordance with International Financial Reporting Standards demands that Management makes significant assumptions and accounting estimates that affect the balances of assets and liabilities. It also demands the disclosure of contingent assets and liabilities on the date of the preparation of the financial statements, as well as the presented income and expenses during the period. Despite that all these calculations and estimations are based on the Management's best knowledge relating to the current conditions the real results may differ from these above mentioned estimations. The estimations and judgments are being continuously valuated and are based on experience and other factors, including expectations for future facts under reasonable conditions. Management considers that there are no estimations and assumptions that include significant possibility to cause material adjustments at the values of the assets and liabilities.

The areas that require a high level of judgment and the estimations and assumptions are significant to the financial statements are analyzed as follows:

Income Tax

The determination of the provision for income tax requires judgment by the Management. According to IAS 12 the provision for income tax is calculated by assessing the taxes to be paid to the tax authorities and includes the current income tax for all fiscal years, the provision for additional taxes that may rise from future tax audits and recognition of future tax benefits. If the final income tax is different from the one that is initially recognized, the difference will affect the income tax occurred during the period that the tax differences will take place. Detailed information presented in the note 20.

Useful lives of tangible fixed assets

Management performs estimates regarding the useful life of depreciable assets. The related residual values are being reassessed in order to assess their adequacy. Detailed information presented in the note 3.3.

Provision for inventories

The Group makes estimates about the valuation of inventory at the lower price between cost and the net realizable value. The realizable value may differ from that estimated at the date of the financial statements.

Provisions for trade and other receivables

Group's Management periodically reassess the adequacy of the provision relating to bad debts according to credit policy and taking into account information of the Legal Department, which arise by processing historical data and recent developments of cases managed.

Defined benefits scheme

The liability that is reported in the Statement of Financial Position with respect to this scheme is calculated annually by independent actuarial valuers using assumptions for discount rate and rate for compensation increase. Due to the long term nature of the scheme, all assumptions are bound to significant uncertainty. Detailed information presented in the note 17.

Contingent Liabilities

The existence of contingent liabilities requires from management making assumptions and estimates continuously related to the possibility that future events may or may not occur as well as the effects that those events may have on the activities of the Group and the Company.

Sources of estimation uncertainty

There are no significant assumptions made concerning the future or other sources of estimation uncertainty that have been identified as giving rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Going concern

Management considers key financial information and, where applicable, compliance in the medium-term budgets, together with the existing term facilities, to conclude that the going-concern assumption used in the compilation of the annual company's and consolidated financial statements is appropriate.

2.2 New Standards, interpretations and modifications

The accounting policies adopted are consistent with those that had been adopted during the previous financial year except for the following upgrades, which the Group and the Company adopted in July 1, 2017:

- **IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)**
The objective of the Amendments is to clarify the requirements of deferred tax assets for unrealized losses in order to address diversity in practice in the application of IAS 12 Income Taxes. The specific issues where diversity in practice existed relate to the existence of a deductible temporary difference upon a decrease in fair value, to recovering an asset for more than its carrying amount, to probable future taxable profit and to combined versus separate assessment. This amendment had no effect on the company's financial statements.
- **IAS 7: Disclosure Initiative (Amendments)**
The objective of the Amendments is to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Amendments specify that one way to fulfil the disclosure requirement is by providing a tabular reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes. This amendment had no effect on the company's financial statements.
- **The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The following annual improvement has not yet been endorsed by the EU. This improvement had no effect on the Company's financial statements.

IFRS 12 Disclosure of Interests in Other Entities: The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.

Standards issued but not yet effective and not early adopted

- **IFRS 9 Financial Instruments: Classification and Measurement**

The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Management assessed the impact of this standard and does not expect that this standard will have an impact on the financial statements.

- **IFRS 15 Revenue from Contracts with Customers**

The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The underlying principle is that an entity recognizes revenue in a manner that reflects the transfer of the goods or services to customers to the amount it expects to be entitled to in exchange for those goods or services. IFRS 15 provides a single model, based on five steps to identify and recognize revenue to be applied to all customer contracts. It requires entities to allocate contract revenue to individual promises, ie execution obligations, at a relative individual selling price, based on the five-step model. The Company's management is in the process of evaluating the impact of the application of the standard on the financial statements, the operating results and the financial position of the Company. Although at this stage the impact of the new standard in the financial statements cannot be accurately estimated, the Company has already carried out an initial diagnostic review in order to identify the main revenue streams affected by the application of the new standard and has already examined a sample of contracts with customers focusing on the execution obligations arising from the contracts in question, the costs of concluding contracts as well as in the case of amendments to the contracts with customers, but without any significant impact on the financial statements. If an effect is recorded on contracts remaining open on 1 July 2018 from previous periods, a cumulative adjustment to the Company's Equity will be made on 1 July 2018.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**

The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 *Revenue from Contracts with Customers*, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. Management is in the process to assess the impact of this standard to the financial statements.

- **IFRS 16: Leases**

The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. Management is in the process to assess the impact of this standard to the financial statements.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. This amendment had no effect on the Company's financial statements

- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. These Amendments have not yet been endorsed by the EU. Management does not expect that this amendment will have an impact on the company's financial statements.

- **IAS 40: Transfers to Investment Property (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These Amendments have not yet been endorsed by the EU. Management does not expect that this amendment will have an impact on the company's financial statements.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**

The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. These Amendments have not yet been endorsed by the EU. Management does not expect that this amendment will have an impact on the company's financial statements.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**

The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU. Management does not expect that this amendment will have an impact on the company's financial statements.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**

The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation

states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU. Management does not expect that this interpretation will have an impact on the company's financial statements.

- The **IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures. These annual improvements have not yet been endorsed by the EU. Management does not expect that these improvements will have an impact on the company's financial statements.
 - **IFRS 1 First-time Adoption of International Financial Reporting Standards:** This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.
 - **IAS 28 Investments in Associates and Joint Ventures:** The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**

The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. Management does not expect that this interpretation will have an impact on the company's financial statements.

The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. Management does not expect that this improvement will have an impact on the company's financial statements.

- **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
 - **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
 - **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.
- **Conceptual Framework in IFRS standards**

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. It's objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU. Management does not expect that these amendments will have an impact on the financial statements.

3. BASIC ACCOUNTING PRINCIPLES

The Basic Accounting Principles adopted by the Group and the Company during the preparation and compilation of the accompanied financial statements are as follows.

(1) *Basis of Consolidation*

The consolidated financial statements comprise the financial statements of the Parent Company MISSIRIAN S.A. and its subsidiaries which have been prepared as of the same reporting date and using the same accounting principles as the parent company.

Subsidiary is the Company in which the parent Company either directly or indirectly holds more than half of the voting rights or has the right to control its business and economic policy through other agreements. Subsidiaries have been consolidated using the full consolidation method. The parent Company is obliged to consolidate all subsidiaries from the date of acquisition of control over them, while the consolidation obligation does not exist as of the date when the control ceases.

The accounting method used for consolidation is the acquisition method. The cost of acquiring a subsidiary is the fair value of the assets given, the shares issued and the liabilities assumed at the date of the exchange, plus the amount of the non-controlling interest measured for each combination, either at fair value or at its fair value non-controlling participation in the fair value of the individual net assets acquired. Costs directly associated with the acquisition are expensed when incurred. The acquisition cost, in addition to the fair value of the individual assets acquired, is recorded as goodwill. If the total cost of the purchase is less than the fair value of the individual net assets acquired, the difference is recognized directly in the income statement.

If the acquired assets are not an enterprise, the transaction or other event is accounted for as an acquisition of an asset and the cost of acquisition is allocated to the assets and liabilities assumed on the basis of their fair values at the acquisition date.

All intragroup transactions and balances as well as unrealized gains on transactions between Group companies are eliminated. Unrealized losses are written off as long as there is no indication of impairment of the transferred asset. Where required, the accounting policies of the subsidiary have been amended to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the percentage of profits or losses and equity that are not part of the Group and are presented separately in the income statement and equity in the consolidated statement of financial position, separate from the shareholders equity of the Company.

Any losses are allocated to non-controlling interests even if the balance becomes negative.

Transactions that result in changes in participation rates in a subsidiary are recognized in equity. The results of the acquired or sold subsidiaries are included in the Consolidated Statement of Comprehensive Income from or until the date of acquisition or disposal, respectively.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

(2) Foreign currency translation

(i) Functional and presentation currency: Company's and Group's financial statements are prepared with the currency of the operating financial environment. Functional and presentation currency for the financial statements is Euro.

(ii) Transactions and open balances: Transactions denominated in currencies other than company's functional currency are recorded at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the Company's functional currency are retranslated at the rate of exchange ruling at the financial statements date. Gains and losses deriving from the translation of monetary transactions denominated in currencies other than the Company's functional currency are translated during the period and as at the financial statements date with the exchange rate at the transaction date, are included in the Statement of Total Comprehensive Income.

(3) Tangible Assets

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Tangible assets are measured at cost of their "deemed cost" at the transition date to IFRS (January 1, 2006). As of January 1, 2006 land and buildings were measured at their fair value based on a valuation study by independent valuers.

Buildings, installations or equipment purchasing cost is comprised of the invoice price, including import duties, non-refundable purchase taxes and all costs related to rendering the asset operational and ready for future use. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company, or when it is probable that the operational cost will be decreased.

Assets under construction include tangible assets, stated at cost. No depreciation is provided on construction in progress, until it is ready for operational use.

Land is not depreciable. Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives as follows:

<u>Category</u>	<u>Useful life</u>
Buildings – Building installations	50-70 years
Machinery	33 years
Technical Installation – Mechanical Equipment	10-33 years
Vehicles	8-10 years
Furniture and Fittings	5-10 years

Management reviews for impairment the net values of property, plant and equipment annually. If indications for impairment exist, the recoverable amount is estimated and where the net book value of assets exceeds the recoverable amount, the assets are written down to their recoverable amount.

Tangible assets are written down from the Statement of Financial Position when disposed, or when no financial benefits are expected from their use. Revaluation reserve, included in shareholders' equity, can be transferred to retained earnings upon the derecognition of the asset.

Gains and losses from withdrawals or disposals of tangible assets are determined by the difference between the estimated net revenue from the disposal and the book value; gains and losses are recognized in the Statement of Total Comprehensive Income.

(4) Borrowing costs

The group capitalizes all borrowing costs that can be directly attributed to acquisition, construction or production of an asset that meets the requirements.

(5) Impairment of Assets

Under IAS 36, land and buildings, installations, equipment and intangibles should be reviewed for impairment annually. If indications for impairment exist, the recoverable amount is estimated and where the net book value of assets exceeds the recoverable amount, the impairment loss is recognized in the Statement of Total Comprehensive Income. The recoverable amount is the higher between the carrying value minus the expenses from the disposal and the "value in use". Carrying value minus the expenses from the disposal is considered the feasible proceeds from the disposal of an asset in an arms' length transaction, after subtracting all additional direct costs of disposal, while, "value in use" is the present value of the estimated future cash flows expected to take place from the continuous use of the asset and its disposal value at the end of its useful life. If there is no ability to estimate the recoverable amount of an asset for which there is an impairment indication, then the recoverable amount of the separate unit of the asset class that generates cash flows is estimated.

An offset of the impairment loss of the assets' value accounted in previous years, can be performed only if there are strong indications that the assumptions used to measure the fair value have changed. In such cases the above mentioned measurement is recognized as income for assets measured at cost.

An offset of the impairment loss of the assets' value accounted in previous years, can be performed only if there are strong indications that the assumptions used to measure the fair value have changed. In such cases the above mentioned measurement is recognized as income for assets measured at cost.

(6) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets include:

- a) Cost of computer software programmes and all the costs incurred in order to be ready for operational use. The amortization of software is accounted on a straight line basis during a period of 5-10 years.
- b) Cost of acquisition of a new patent on fermentation of oriental leaf tobacco which will provide future economic benefits. This asset was acquired in the fiscal year 2010 and expires in 2029.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Cost associated with developing or maintaining computer software programmes are recognized as an expense as incurred.

(7) Research and development costs

Research costs are expensed when they incur. Development costs take place for the development of new products. The costs that incurred for the development of the special programme are recognized as an intangible asset when they fulfil the provisions of the IAS 38 "Intangible Assets". The Group has not capitalized any development costs.

(8) Financial Instruments

A financial instrument is a contract that results in a financial asset of one entity and a financial liability or equity instrument of another entity.

Upon initial recognition, financial assets are classified based on their nature in the four categories:

- Financial assets measured at their fair value through the Profit or Loss,
- Loans and receivables,
- Held-to-maturity investments, and
- Financial assets available for sale.

i. Financial assets measured at their fair value through the Profit or Loss

This involves financial assets that satisfy any of the following conditions:

- Financial assets held for commercial purposes (including derivatives, excluding those that are specified and effective as hedges, those that are acquired or created with the intent of sale or re-purchase and finally those that are part of a portfolio of recognized financial instruments).
- Upon initial recognition, the Company records the item as an account at fair value, transferring the changes in the Statement of Total Comprehensive Income.

Any realized or unrealized profits or losses arising from changes in the fair value of financial assets are recognized in the Statement of Total Comprehensive Income in the period they were incurred.

ii. Loans and receivables

Includes non-derivatives financial assets and liabilities, with fixed or defined payments, non-negotiable to markets with no intention to dispose them.

Loans and receivables included in current assets, except those with maturity longer than 12 months from the financial statements date; the latter included in non-current assets.

Loans and receivables are recognized in non-depreciated cost, using the effective interest rate method.

iii. Held-to-maturity investments

Includes non-derivatives financial assets and liabilities, with fixed or defined payments and maturity, with the intention and the ability to hold up to maturity. Subsequently to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest rate method.

At the financial statements date the Group held no financial instruments classified in this category.

iv. Financial assets available for sale

Includes non-derivative financial assets which, are either determined in this category or they cannot be included in any category of the above.

They are included in non-current assets as long as the management has no intention of converting them into cash within 12 months from the financial statements date.

Initially, the financial assets are measured in their fair value plus any expenses from the transaction. Subsequently, the financial assets available for sale are measured at fair value and the relevant profits or losses are recorded in the equity reserves until these assets are sold or designated as impaired.

During the sale or when designated as impaired, the profits and losses are carried over to the Statement of Total Comprehensive Income. Impairment losses that have been accounted in the Statement of Total Comprehensive Income are not reversed through results.

The purchases and sales of investments are recorded on the date of the transaction, which is the date that the Group commits itself to purchase or sell the asset. The investments are initially accounted for at their fair value plus the

direct expenses ascribed to the transaction, with the exception of direct expenses ascribed to the transaction for those assets that are measured at their fair value with changes in the Statement of Total Comprehensive Income. The investments are written off when the right to the cash flows from investments expires or is transferred and the Group has essentially transferred all of the risks and rewards of ownership.

The realized and unrealized profits or losses arising from the changes in the fair values of the financial assets measured at fair value with changes in the results are recorded in the results during the period that they arise.

The fair values of the financial assets that are traded in active markets are determined by the current demand prices. For the non-traded assets, the fair values are determined using evaluation techniques like the analysis of recent transactions, comparative assets that are traded and discount of cash flows. The equity instruments, non-traded in an active market, that have been classified in the category Financial instruments available for sale and the fair value of which cannot be determined in a reliable way, are evaluated at their acquisition cost.

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

An investment is considered to have suffered an impairment of its value when the carrying value is higher than the fair value and there is strong evidence that the recovery of the invested capital is not possible in the near future.

The amount of loss due to impairment of financial assets measured at depreciable value is the difference between the carrying value and the present value of the future cash flows discounted by the real interest rate of the financial asset.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(9) *Investment in subsidiaries (company's financial statements)*

The investment of the Parent Company to the subsidiaries that are included in the consolidated financial statements is measured at cost less any impairment losses. Impairment losses are recognized in the Statement of Comprehensive Income.

(10) *Inventories*

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary cost of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Purchase cost for raw materials, merchandise and consumables is calculated on a weighted average basis. Cost for final products include direct cost for materials, direct cost for production and the necessary distribution for fixed and variable general costs of production, under the ordinary production capacity conditions. Cost of inventory does not include financial expenses.

Consumables and spare parts for general use are included in inventories and they are expensed during usage.

Provisions are registered for obsolete, worthless and very low turnover inventories. These provisions are valued at the net realizable value and other losses from inventories are registered to the Statement of Total Comprehensive Income in the relative period.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

(11) Trade and other receivables

Receivables which are normally settled until 90 days terms are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Group, while long-term receivables (balances extending beyond the normal credit period) are stated at net cost using the effective interest rate method.

A provision for impairment of trade receivables is recorded when there is evidence that the Group will not be able to collect all of the amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in other expenses in the Statement of Total Comprehensive Income. Group's policy defines that no provision for receivables is recorded until all probable legal procedures are used for the collection of the debt.

Subsequent receipts of amounts for which a provision had been recorded are credited in the "Other operating income", in the Statement of Total Comprehensive Income.

(12) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at banks and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Cash and cash equivalents incorporate non-significant price risk.

(13) Share capital

Share capital includes Company's ordinary shares' value, issued and outstanding. The expenses directly related to the issuance of new shares are presented in Equity reducing the share Capital.

(14) Provision and contingent liabilities

Provisions are recognized when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Provisions are reassessed on every date of the financial statements and adjusted so that they depict the current value of the expense that has to be made in order for the obligation to be settled. Should the effect of the time value of money is significant, provisions are calculated by discounting the expected future cash flows with a pretax rate, which reflects the current estimations of the market for the time value of money, and whenever necessary, the risks specifically related to the obligation. The eventual obligations are not recorded to the financial statements but rather announced, unless the obligation for outflow of resources that embody financial benefits is minimum. The eventual claims are not recorded to the financial statements but rather announced should the inflow of financial benefits is likely.

(15) Provision for staff leaving indemnities

The Company contributes to its employee's post retirement plans as prescribed by Greek social security legislation. The program is considered as a defined benefits scheme. The staff leaving indemnities are calculated as the discounted amount of future benefits accumulated at year end, based on the recognition of the personnel benefit rights and over the expected working life. The above mentioned liabilities are calculated based on financial and actuarial assumptions and are determined using the Projected Unit Method. The net retirement costs of the period are included in the Statement of Total Comprehensive Income and consist of the present value of the benefits accrued during the fiscal year, the interest over the liability, and the actuarial gains or losses that are directly in the

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

statement of other comprehensive income and are not transferred in the Statement of Total Comprehensive Income in the future. For discounting Full Yield curve method is being used.

Short term liabilities to the personnel either in cash or in kind are recognized as expense when accrued.

(16) State insurance programs

Company's employees are covered from the Main State Insurance Fund related to the private sector (IKA), for pension and medical services. Every employee is obliged to contribute a part of the monthly salary to the Fund, while a part of the total contribution is covered by the Company. During retirement, the pension State Fund is responsible for the pension payments. Consequently, the Company has no legal or presumed obligation for the payment of future benefits based on this benefit plan.

(17) Governments Grants

Government grants which relates to the acquisition of non-current assets, are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When government grants relates to the acquisition of non-current assets are recognized as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

The amortization of government grants is included in "Other operating income" in the Statement of Total Comprehensive Income.

(18) Bank borrowings

Borrowings are recognized initially at the fair value, net of transaction costs incurred. In subsequent periods, borrowings are carried at amortised cost using the effective interest method. Any difference between proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group entity has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

(19) Trade and other payables

Trade and other payables are recognized at cost which is similar to the fair value of future payments for the purchases of goods and services incurred. Trade and other payables do not bear any interest and usually are settled in a period until 90 days for the Group and the Company.

(20) Current and Deferred income tax

Current income tax is calculated in accordance with the tax legislation applied in Greece or in other countries where subsidiaries are operated. Final tax on profit, based on the statutory rate applicable to the Company, is payable on taxable profits, which are based on the annual profit, shown in the Statement of Total Comprehensive Income adjusted for tax purposes, adding additional taxes for unaudited years and tax provisions.

Deferred income tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination and at the time of the transaction affects neither accounting nor taxable profit and loss, it is not accounted for.

Deferred income tax assets are recognized only to the extent that it is probable that taxable profits and reversals of deferred tax liabilities will be available against which deductible temporary differences can be utilized.

Deferred income tax assets are reassessed in every financial statements date and they are decreased to the extent that it is probable that taxable profits will be available against which deductible deferred income tax assets can be utilized.

(21) Revenue Recognition

Revenue includes sales of products and services, excluded from value added tax (VAT), credit invoices, discounts and after subtracting all intragroup revenue-related transactions.

Sale of goods is recognized when the significant risks and rewards of ownership of the goods have transferred to the buyer and the amount of revenue can be measured reliably.

Revenue from services is recognized when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably at the financial statements date. Revenue is based on the stage of completion determined by reference to services performed to date, as a percentage of total services to be performed.

Revenue from interests is recognized as the interest accrues.

Revenue from dividends is recognized when the shareholders' right to receive the payment is established.

(22) Expenses

Expenses are recognized in the Statement of Total Comprehensive Income on accrual basis. Payments related on operational leasing are expensed to the Statement Total Comprehensive Income, during the use of the lease.

(23) Dividends

Dividends are recorded in the Financial Statements as a liability, when the Board of Directors' proposed dividend is approved by the Annual General Meeting.

(24) Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lesser retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. In case the operating leasing contract is terminated before the finalization date, the compensation amount deposited to the lessor is expensed during the period of termination.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

4. REVENUES AND EXPENSES**a) Sales**

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Merchandise	-	666.410,39	-	666.410,39
Products	64.420.870,29	53.517.067,42	63.575.104,42	52.774.879,21
Raw materials and other inventories	1.604.229,76	1.763.397,80	1.604.229,76	1.763.397,80
Services provided	181.081,75	66.688,00	181.081,75	66.688,00
Total	66.206.181,80	56.013.563,61	65.360.415,93	55.271.375,40

b) Other operating income

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Amortization of government grants (note 18)	144.974,48	110.625,76	10.732,05	10.732,05
Recoverable transportation expenses	583.119,31	285.363,57	583.119,31	285.363,57
Income from maintenance of third parties' tobacco	12.681,57	16.489,08	12.681,57	16.489,08
Gains from disposals of fixed assets (note 5)	5.381,71	2.077,02	5.381,71	136,46
Income from unutilized provisions (note 17)	6.559,80	-	6.559,80	-
Other income	18.844,58	26.622,76	6.519,87	6.002,31
Total	771.561,45	441.178,19	624.994,31	318.723,47

c) Cost of sales

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Depreciation (note 4i)	587.009,38	821.958,62	542.905,33	657.761,70
Cost of inventories recognized as expense	49.642.668,89	40.729.873,50	49.935.890,78	41.528.266,51
Payroll expenses (note 4h)	3.199.369,21	2.518.788,08	3.003.274,84	2.352.547,39
Third party fees and expenses	519.548,11	573.175,74	416.590,26	407.577,28
Facilities	1.423.950,66	1.313.933,73	1.416.419,30	1.175.570,01
Rents for operating leases (note 24d)	93.170,86	74.533,87	70.814,12	74.533,87
Taxes and duties	44.013,15	42.428,19	44.013,15	42.428,19
Various expenses	914.838,12	776.507,87	803.009,77	714.786,79
Total	56.424.568,38	46.851.199,60	56.232.917,55	46.953.471,74

d) Selling and distribution expenses

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Payroll expenses (note 4h)	320.351,68	222.525,58	320.351,68	222.525,58
Third party fees and expenses	423.580,04	207.785,18	271.488,64	169.482,96
Facilities	253.185,73	267.812,21	253.185,73	269.820,02
Taxes and duties	7.929,26	9.497,40	7.929,26	9.497,40
Various expenses	610.871,24	471.241,63	610.722,87	470.684,74
Depreciation (note 4i)	51.861,62	67.250,09	51.861,62	67.250,09
Consumables	115.531,78	1.933,80	8.229,27	-
Σύνολο	1.791.540,62	1.248.045,89	1.523.769,07	1.209.260,79

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

e) Administrative expenses

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Payroll expenses (note 4h)	1.156.033,87	1.028.919,89	992.390,65	976.272,76
Third party fees and expenses	1.013.517,12	654.792,71	872.251,31	620.807,61
Facilities	396.811,31	436.701,59	396.811,31	436.701,59
Rents for operating leases (note 24d)	50.186,43	37.045,78	44.154,30	37.045,78
Taxes and duties	197.058,76	170.023,02	166.948,06	151.127,35
Various expenses	395.426,59	343.369,28	387.574,29	337.183,42
Depreciation (note 4i)	102.114,01	179.180,09	92.048,44	176.576,14
Losses from disposals of fixed assets (note 5)	1.335,37	4.791,33	1.335,37	4.791,33
Consumables	4.275,53	2.829,76	-	-
Total	3.316.758,99	2.857.653,45	2.953.513,73	2.740.505,98

f) Research and development expenses

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Payroll expenses (note 4h)	72.329,80	38.387,12	72.329,80	38.387,12
Third party fees and expenses	60,02	185,00	60,02	185,00
Facilities	214.438,99	69.426,38	214.438,99	69.426,38
Various expenses	45.729,62	29.003,35	45.729,62	29.003,35
Depreciation (note 4i)	6.976,16	5.215,47	6.976,16	5.215,47
Total	339.534,59	142.217,32	339.534,59	142.217,32

g) Financial expenses (net)

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Long term debt interests (note 16)	510.595,08	594.890,53	510.595,08	594.890,53
Short term debt interests (note 16)	2.617.018,21	3.051.370,54	2.548.470,15	2.907.456,44
Financing expenses insurance	49.702,51	59.500,04	49.702,51	59.500,04
Other finance expenses	431.180,78	73.220,03	349.698,72	29.211,78
Losses from impairment of financial assets (note 8)	60.317,02	-	60.317,02	-
Total financial expenses	3.668.813,60	3.778.981,14	3.518.783,48	3.591.058,79
Interests from deposits (note 13)	3.278,75	2.158,12	2.817,30	1.684,60
Interest income from customers current account (note 11)	9.895,15	1.226,98	9.895,15	1.226,98
Gains from valuation of financial assets (note 8)	-	87.258,23	-	87.258,23
Other finance income	-	2.142,22	-	2.142,22
Income from investments	-	-	156.455,32	104.303,54
Total financial income	13.173,90	92.785,55	169.167,77	196.615,57
Net financial expenses	3.655.639,70	3.686.195,59	3.349.615,71	3.394.443,22

h) Payroll costs

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Salaries and wages	3.759.577,22	2.957.899,23	3.440.416,81	2.774.372,29
Employer's contributions	931.117,17	787.470,43	890.539,99	752.109,55
Other personnel expenses	37.489,70	40.393,58	37.489,70	40.393,58
Provision for staff leaving indemnities (note 17)	19.900,47	22.857,43	19.900,47	22.857,43
Total	4.748.084,56	3.808.620,67	4.388.346,97	3.589.732,85

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

Company's number of personnel as at June 30, 2018 and 2017 is analyzed below:

Employees	The Group		The Company	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Salaried personnel	106	107	99	100
Daily paid personnel	243	250	216	222
Total	349	357	315	322

Payroll cost per function is analyzed below:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Cost of sales (note 4c)	3.199.369,21	2.518.788,08	3.003.274,84	2.352.547,39
Selling and distribution expenses (note 4d)	320.351,68	222.525,58	320.351,68	222.525,58
Administrative expenses (note 4e)	1.156.033,87	1.028.919,89	992.390,65	976.272,76
Research and development expenses (note 4f)	72.329,80	38.387,12	72.329,80	38.387,12
Total	4.748.084,56	3.808.620,67	4.388.346,97	3.589.732,85

i) Depreciation

Depreciation of tangible assets and amortization of intangible assets which have been recorded in the Statement of Total Comprehensive Income are analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Tangible assets (note 5)	696.384,45	1.019.819,46	644.389,49	858.118,70
Intangible assets (note 6)	51.576,72	53.784,81	49.402,06	48.684,70
Total	747.961,17	1.073.604,27	693.791,55	906.803,40

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Cost of sales (note 4c)	587.009,38	821.958,62	542.905,33	657.761,70
Selling and distribution expenses (note 4d)	51.861,62	67.250,09	51.861,62	67.250,09
Administrative expenses (note 4e)	102.114,02	179.180,09	92.048,44	176.576,14
Research and development expenses (note 4f)	6.976,16	5.215,47	6.976,16	5.215,47
Total	747.961,17	1.073.604,27	693.791,55	906.803,40

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

5. TANGIBLE ASSETS

THE GROUP

Description	Land	Buildings	Machinery	Vehicles	Furniture & Equipment	Assets under construction & advances	Total
01.07.2017 – 30.06.2018							
Book value 01/07/2017	1.322.629,54	14.830.719,08	8.942.224,01	478.063,88	3.397.672,66	-	28.971.309,17
Additions	-	40.689,60	69.388,81	104.233,47	74.708,16	62.000,00	351.020,04
Disposals	-	-	-	(9.577,31)	(119.886,59)	-	(129.463,90)
Book value 30/06/2018	1.322.629,54	14.871.408,68	9.011.612,82	572.720,04	3.352.494,23	62.000,00	29.192.865,31
Accumulated Depreciation 1/7/2017							
	-	5.041.771,69	5.703.331,92	399.127,61	2.642.749,80	-	13.786.981,02
Depreciation (note 4h)	-	266.683,75	110.488,86	22.281,39	296.930,45	-	696.384,45
Disposals	-	-	-	(9.577,30)	(115.926,53)	-	(125.503,83)
Accumulated Depreciation 30/06/2018	-	5.308.455,44	5.813.820,78	411.831,70	2.823.753,72	-	14.357.861,64
Net Book Value 01/07/2017	1.322.629,54	9.788.947,39	3.238.892,09	78.936,27	754.922,86	-	15.184.328,15
Net Book Value 30/06/2018	1.322.629,54	9.562.953,24	3.197.792,04	160.888,34	528.740,51	62.000,00	14.835.003,67
01.07.2016 – 30.06.2017							
Book value 01/07/2016	1.322.629,54	14.799.131,45	8.809.704,35	465.213,88	3.351.571,20	-	28.748.250,42
Additions	-	31.587,63	139.751,84	32.015,00	56.772,78	-	260.127,25
Disposals	-	-	(7.232,18)	(19.165,00)	(10.671,32)	-	(37.068,50)
Transfers (note 6)	1.322.629,54	14.830.719,08	8.942.224,01	478.063,88	3.397.672,66	-	28.971.309,17
Book value 30/06/2017							
Accumulated Depreciation 1/7/2016	-	4.784.055,03	5.465.921,07	388.639,93	2.144.187,43	-	12.782.803,46
Depreciation (note 4h)	-	257.716,66	237.410,85	18.793,05	505.898,90	-	1.019.819,46
Disposals	-	-	-	(8.305,37)	(7.336,53)	-	(15.641,90)
Accumulated Depreciation 30/06/2017	-	5.041.771,69	5.703.331,92	399.127,61	2.642.749,80	-	13.786.981,02
Net Book Value 01/07/2016	1.322.629,54	10.015.076,42	3.343.783,28	76.573,95	1.207.383,77	-	15.965.446,96
Net Book Value 30/06/2017	1.322.629,54	9.788.947,39	3.238.892,09	78.936,27	754.922,86	-	15.184.328,15

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

THE COMPANY

Description	Land	Buildings	Machinery	Vehicles	Furniture & Equipment	Assets under construction & advances	Total
01.07.2017 – 30.06.2018							
Book value 01/07/2017	1.306.868,11	12.900.281,01	7.460.408,93	355.175,64	3.107.828,88	-	25.130.562,57
Additions	-	26.310,00	79.737,62	2.728,00	54.128,42	62.000,00	224.904,04
Disposals	-	-	-	(9.577,31)	(119.886,59)	-	(129.463,90)
Book value 30/06/2018	1.306.868,11	12.926.591,01	7.540.146,55	348.326,33	3.042.070,71	62.000,00	25.226.002,71
Accumulated Depreciation 1/7/2017							
	-	4.318.220,11	4.250.640,80	285.317,98	2.372.349,02	-	11.226.527,91
Depreciation	-	215.384,49	139.454,23	14.409,69	275.141,08	-	644.389,49
Disposals	-	-	-	(9.577,30)	(115.926,53)	-	(125.503,83)
Accumulated Depreciation 30/06/2018	-	4.533.604,60	4.390.095,03	290.150,37	2.531.563,57	-	11.745.413,57
Net Book Value 01/07/2017	1.306.868,11	8.582.060,90	3.209.768,13	69.857,66	735.479,86	-	13.904.034,66
Net Book Value 30/06/2018	1.306.868,11	8.392.986,41	3.150.051,52	58.175,96	510.507,14	62.000,00	13.480.589,14
01.07.2016 – 30.06.2017							
Book value 01/07/2016	1.306.868,11	12.868.693,38	7.325.463,23	342.325,64	3.061.727,42	-	24.905.077,78
Additions	-	31.587,63	134.945,70	32.015,00	56.772,78	-	255.321,11
Disposals	-	-	-	(19.165,00)	(10.671,32)	-	(29.836,32)
Transfers (note 6)	1.306.868,11	12.900.281,01	7.460.408,93	355.175,64	3.107.828,88	-	25.130.562,57
Book value 30/06/2017							
Accumulated Depreciation 1/7/2016	-	4.103.676,29	4.115.497,81	280.493,48	1.884.383,53	-	10.384.051,11
Depreciation (note 4h)	-	214.543,82	135.142,99	13.129,87	495.302,02	-	858.118,70
Disposals	-	-	-	(8.305,37)	(7.336,53)	-	(15.641,90)
Accumulated Depreciation 30/06/2017	-	4.318.220,11	4.250.640,80	285.317,98	2.372.349,02	-	11.226.527,91
Net Book Value 01/07/2016	1.306.868,11	8.765.017,09	3.209.965,42	61.832,16	1.177.343,89	-	14.521.026,67
Net Book Value 30/06/2017	1.306.868,11	8.582.060,90	3.209.768,13	69.857,66	735.479,86	-	13.904.034,66

There are encumbrances over Parent Company's certain real estate, amounting € 15.000.000,00 for the coverage of long term borrowings.

Tangible Assets, which are not depreciated, are reviewed annually for impairment. For the depreciable assets, an impairment test took place when the events and conditions indicate that the net book value may not be recoverable. If the net book value of tangible assets exceeds the recoverable amount, the remaining amount regards impairment loss, which recorded directly to the income statement. No impairment loss for the years 2018 and 2017 has been recorded because there was no indication of impairment.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

For the year ended June 30, 2018, tangible assets with a net book value of Euro 3.960,07 for the Group and the Company were sold, realizing a net gain from the sale of Euro 4.046,34 for the Group and the Company (30.06.2017: net loss Euro 2.714,31 for the Group and 4.654,87 for the Company respectively) (note 4b, 4e).

Depreciation of tangible assets is analyzed per function as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Cost of sales (note 4c)	587.009,38	821.958,62	542.905,33	657.761,70
Selling and distribution expenses (note 4d)	51.861,62	67.250,09	51.861,62	67.250,09
Administrative expenses(note 4e)	50.537,29	125.395,28	42.646,38	127.891,44
Research and development expenses (note 4f)	6.976,16	5.215,47	6.976,16	5.215,47
Total	696.384,45	1.019.819,46	644.389,49	858.118,70

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

6. INTANGIBLE ASSETS

Intangible Assets include software and patent.

The movement of intangible assets for the Group and the Company is analyzed as follows:

THE GROUP

Description	Software	Patent	Total
Book value			
July 1, 2016	520.835,19	200.000,00	720.835,19
Additions	29.691,45	-	29.691,45
June 30, 2017	550.526,64	200.000,00	750.526,64
Additions	3.224,99	-	3.224,99
June 30, 2018	553.751,63	200.000,00	753.751,63
Accumulated Depreciation			
July 1, 2016	249.817,55	63.285,71	313.103,26
Depreciation (note 4h)	44.356,24	9.428,57	53.784,81
June 30, 2017	294.173,79	72.714,28	366.888,07
Depreciation (note 4h)	42.148,15	9.428,57	51.576,72
June 30, 2018	336.321,94	82.142,85	418.464,79
Net Book Value			
June 30, 2017	256.352,85	127.285,72	383.638,57
June 30, 2018	217.429,69	117.857,15	335.286,84

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

THE COMPANY

Description	Software	Patent	Total
Book value			
July 1, 2016	503.430,40	200.000,00	703.430,40
Additions	28.346,75	-	28.346,75
June 30, 2017	531.775,15	200.000,00	731.777,15
June 30, 2018	531.777,15	200.000,00	731.777,15
Accumulated Depreciation			
July 1, 2016	239.433,71	63.285,71	302.719,42
Depreciation (note 4h)	39.256,13	9.428,57	48.684,70
June 30, 2017	278.689,84	72.714,28	351.404,12
Depreciation (note 4h)	39.973,49	9.428,57	49.402,06
June 30, 2018	318.663,33	82.142,85	400.806,18
Net Book Value			
June 30, 2017	253.087,31	127.285,72	380.373,03
June 30, 2018	213.113,82	117.857,15	330.970,97

Amortization of intangible assets has been classified to Administrative expenses (note 4e).

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

7. INVESTMENT IN SUBSIDIARIES

The subsidiaries which are included in the consolidated financial statements with full consolidation method, with its registered office and parent Company's percentage of participation as at June 30, 2018 and 2017 is analyzed as follows:

Name	Country	Percentage	30.06.2018	30.06.2017
MISSIRIAN BULGARIA A.D	BULGARIA	51%	1.889.558,92	1.889.558,92
MISSIRIAN DOOEL	FYROM	100%	200.000,00	-
			2.089.558,92	1.889.558,92

The subsidiary in Bulgaria has the same activity with the Parent Company and it is profitable, and as such there is no indication of impairment.

In October 2017, a subsidiary was established in FYROM under the name "MISSIRIAN DOOEL" for the purchase, processing and marketing of tobacco from the country. The initial share capital amounted to Euro 200,000 and the sole shareholder is MISSIRIAN SA. The Company has already commenced its activities for the purchase, processing and sale of tobacco from the 2018 harvest.

The following table summarizes the information of the subsidiary in Bulgaria, in which non-controlling interests hold percentage of 49%.

From the current year's profits of the subsidiary amounted to Euro 222 thousand, an amount of Euro 109 thousand is attributable to non-controlling interests (30.06.2017: Euro 274 thousand) and is shown separately in the Consolidated Statement of Changes in Equity while during the year 2017-2018 dividends were paid by the subsidiary, of which an amount of Euro 150 thousand was paid to the non-controlling interest (2016-2017: Euro 100 thousand) and is shown separately in the Consolidated Statement of Changes in Equity and in the Consolidated Statement of Cash Flows.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

Condensed statement of total comprehensive income for the year ended June 30, 2018 and 2017 (amounts in thousand Euro)	MISSIRIAN BULGARIA	
	30.06.2018	30.06.2017
Sales	6.870	5.843
Profits before taxes	247	621
Profits after taxes	222	559
Attributable to non controlling interests	109	274
Dividends paid to non controlling interests	150	100

Condensed statement of financial position for the year ended June 30, 2018 and 2017 (amounts in thousand Euro)	30.06.2018		30.06.2017	
Non current assets	1.249		1.284	
Current assets	7.377		11.223	
Total Assets	8.626		12.507	
Non current liabilities	349		492	
Current liabilities	441		4.095	
Total liabilities	790		4.587	
Total Equity	7.836		7.920	
Attributable to:				
Owners from the parent	3.996		4.039	
Non controlling interests	3.839		3.881	

Condensed statement of cash flows for the year ended June 30, 2018 and 2017 (amounts in thousand Euro)	30.06.2018		30.06.2017	
Cash flows from operating activities	4.422		403	
Cash flows from investing activities	(12)		(4)	
Cash flows from financing activities	(3.988)		(284)	
Net increase in cash and cash equivalents	422		115	

8. LONG TERM RECEIVABLES

Long term receivables for the Group and the Company, which are presented at cost, are analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Guarantees related to car leases	3.058,51	12.860,56	3.058,51	12.860,56
Guarantees to Public Power Corporation	26.838,00	26.249,00	26.838,00	26.249,00
Total	29.896,51	39.109,56	29.896,51	39.109,56

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

9. INVENTORIES

Inventories for the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Merchandise	392,00	392,00	392,00	392,00
Products	25.538.151,68	15.880.290,37	25.529.148,33	14.766.210,95
Consumables	129.447,64	224.177,05	33.689,77	24.750,48
Raw materials – Packaging materials	1.132.440,14	7.407.052,17	1.132.437,76	7.407.052,17
Advances for the purchase of inventories	3.385.187,94	3.164.644,39	3.585.187,94	3.164.644,39
Purchases in transit	-	19.816,00	-	19.816,00
Total inventories at the lowest of cost and net realizable value	30.185.619,40	26.696.371,98	30.280.855,80	25.382.865,99

There are guarantees pledge over the inventories for the coverage of short term bank borrowings of Euro 18.216.567,35 and Euro 18.207.564,00 for the Group and the Company respectively (30.06.2017: Euro 43.937.624,66 and Euro 42.823.545,24 for the Group and the Company respectively). As at 30.06.2018 and 30.06.2017 there are no pledges for the coverage of long term bank borrowings.

10. TRADE RECEIVABLES

Trade receivables for the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Trade Debtors	7.727.291,76	37.755.073,79	7.725.591,54	37.488.472,86
Receivables from related party (note 21)	-	-	14.652,50	29.824,98
Total	7.727.291,76	37.755.073,79	7.740.244,04	37.518.297,84

Over the Group's and the Company's trade receivables, there are no pledges.

On June 30, receivables ageing presented the following status:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Neither past due, nor impaired	5.882.790,67	35.324.790,00	5.895.742,95	35.347.221,34
Past due but not impaired > 30 days	1.844.501,09	2.430.283,79	1.844.501,09	2.171.076,50
	7.727.291,76	37.755.073,79	7.740.244,04	37.518.297,84

Receivables generated from customers are usually settled until 90 days. In case of payment delay, the Company has the right to charge interest to their customers with the applicable interest rate which ranged around 7,10% (30.06.2017: 7,10%). Interest income for the years ended June 30, 2018 and 2017, amounting to Euro 9.895,15 and Euro 1.226,98 respectively for the Group and the Company and is included in financial income in the accompanying statements of total comprehensive income (note 4g).

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Securities in listed entities	211.088,78	271.405,80	211.088,78	271.405,80
Money market funds	3.400.924,56	3.569,81	3.400.924,56	3.569,81
Total	3.612.013,34	274.975,61	3.612.013,34	274.975,61

Changes during the year

From the valuation of available for sale assets as at 30.06.2018 a net loss of Euro 60.317,02 (30.06.2017: net loss of Euro 87.258,23) (note 4g), which has been classified to financial expenses in the Group's and Company's Statement of Total Comprehensive Income.

Treasury fund units are classified as short-term money market funds. They seek to provide daily liquidity and retention of their assets by investing in high-quality money-market instruments denominated in Euros with a maximum legal maturity of 397 days. No exposure to currencies other than the Euro is subject to active management against the EIRO (RI) Cash Index and falls under the category of minimum risk investments.

Financial assets at fair value through profit or loss are measured at the Level 1 for the determination of fair value.

12. OTHER RECEIVABLES AND PREPAYMENTS

Other receivables and prepayments for the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Receivables from subsidies	2.252.697,33	2.252.697,33	2.252.697,33	2.252.697,33
Receivables from taxes	152.347,61	264.976,12	143.289,75	262.891,92
Other receivables from Greek State	11.372,69	10.662,39	11.372,69	10.662,39
Advances on Account	180.893,73	169.861,09	180.893,73	169.861,09
Other debtors	202.787,67	286.231,63	195.354,71	286.231,63
Advances to suppliers	204.926,85	138.302,68	204.926,85	138.302,68
Dividends receivable (note 21)	-	-	156.455,32	104.303,54
Prepaid expenses	602.275,86	847.984,44	602.275,86	847.984,44
Interest expenses	476.464,08	582.345,00	476.464,08	582.345,00
Total	4.083.765,82	4.553.060,68	4.223.730,32	4.655.280,02

Interest expenses amounting to Euro 476.464,08 (30.06.2017: Euro 582.345,00) refers to interests during the grace period for the repayment of long term borrowings, which will be charged to the results of the following 4,5 years during which the repayment of the bank borrowings will take place.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Cash in hand	10.182,72	9.299,96	6.846,61	4.306,84
Cash at banks	1.783.330,64	1.433.376,43	1.029.005,24	1.241.831,07
Total	1.793.513,36	1.442.676,39	1.035.851,85	1.246.137,91

Cash at banks are expressed in various currencies, subject to compounding with variable interest rates, depending on the size of the deposit and according to banks offered interest rates for cash at banks and time deposits. Deposit market value reaches their accounting value due to variable interest rates and expiration dates. Average deposits' interest rate for the fiscal year ended June 30, 2018 and 2017 was 0,2%.

Interest income from cash at banks for the years ended June 30, 2018 and 2017 amounting to Euro 3.278,77 and Euro 2.158,12 respectively for the Group and Euro 2.817,30 and Euro 1.684,60 respectively for the Company and are included in the financial income in the accompanying statements of total comprehensive income (note 4g).

Cash and cash equivalents for the Group, per currency, are analyzed as follows:

Currency	30.06.2018	30.06.2017
Euro	1.723.911,51	1.367.221,83
Bulgaria Leva	44.594,00	32.483,43
US Dollar	25.007,85	42.971,13
Total	1.793.513,36	1.442.676,39

Cash and cash equivalents for the Company, per currency, are analyzed as follows:

Currency	30.06.2018	30.06.2017
Euro	1.010.844,00	1.210.366,87
US Dollar	25.007,85	35.771,04
Total	1.035.851,85	1.246.137,91

At June 30, 2018, part of the cash at banks for the Group amounting to Euro 611.258,40 (30.06.2017: Euro 191.545,36) are bounded for the coverage of available limits for short term borrowings (note 16).

14. SHARE CAPITAL AND RESERVES

Share capital

The Company's paid-up Share Capital is analyzed as follows:

	30.06.2018	30.06.2017
Paid-up Share Capital		
3.250.378 common shares of nominal value 2,93 Euro each one	9.523.607,54	9.523.607,54

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

Reserves

Reserves for the Group and the Company are analyzed as follows:

THE GROUP		30.06.2018	30.06.2017
Statutory reserve		66.992,00	66.992,00
Non-taxable reserves under special laws		1.159.256,45	1.159.256,45
Special reserve		852.372,38	695.917,06
Extraordinary reserves		51.813,48	51.813,48
Tax reserve Law 3299/2004		91.222,40	80.490,35
Other reserves		227.327,15	227.327,15
Total		2.448.983,86	2.281.796,49

THE COMPANY		30.06.2018	30.06.2017
Statutory reserve		66.992,00	66.992,00
Non-taxable reserves under special laws		1.159.256,45	1.159.256,45
Special reserve		852.372,38	695.917,06
Extraordinary reserves		51.813,48	51.813,48
Tax reserve Law 3299/2004		91.222,40	80.490,35
Total		2.221.656,71	2.054.469,34

Statutory reserve: According to the Greek commercial legislation, companies are obliged to hold 5% as a statutory reserve out of the year's earnings, until this reaches one third of the paid share capital. During the company's life, the distribution of the statutory reserve is forbidden.

Non-taxable reserves under special laws: This concerns non-taxable reserves created under the provisions of special laws which, either allow the transfer of the special income tax at the time of distribution to shareholders, or provide tax relief as investment incentive. Based on the Greek tax legislation, these reserves are exempted from income tax, provided they are not distributed to shareholders. The Group does not intend to distribute these reserves and therefore hasn't calculated the respective deferred tax liabilities for the income tax, payable at the time of distribution.

Special reserve: The special reserve for the Group and the Company includes the amount of dividends which recognized in the books during the previous years which is non-taxable based on article 11 of Law.2578/1998 and Law 4172/2013, as well as the provision for impairment of securities which recognized in the tax books based on Law 4172/2013.

Non-taxable reserve Law 3299/2004: This reserve includes the amount of grant's depreciation of Law 3299/2004 which is recognized every fiscal year to the income statement so that at each date where financial statements are prepared, the sum of the grant's net book value according to IFRS plus the balance of the reserve equals the amount of grant, as it appears in the account recorded for income tax purposes.

Other reserves: Other reserves concern the subsidiary in Bulgaria and are recorded based on the local legislation. The distribution of these reserves is forbidden during the operation of the subsidiary.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

15. DIVIDENDS

Based on the provisions of the Greek Codified Law, the companies are obliged to distribute each year a dividend which relates to 35% of the profits after taxes and after the recording of the statutory reserve. The non-distribution of dividends is allowed having the approval of 70% of the company's shareholders.

Due to accumulated losses for the year ended June 30, 2017, the Company's Board of Directors did not propose any distribution of dividends. This proposal from the Board of Directors was approved by the Annual General Shareholders Assembly.

Due to the accumulated losses for the year ended June 30, 2018, the Company's Board of Directors did not propose any distribution of dividends. This proposal from the Board of Directors is under the approval of the Annual General Shareholders Assembly.

16. LONG TERM BORROWINGS – SHORT TERM BORROWINGS

Group's and Company's borrowings are analyzed as follows:

	THE GROUP	
	30.06.2018	30.06.2017
Long term borrowings	7.398.607,16	8.433.173,01
Short term borrowings	29.599.320,66	55.662.618,20
Total	36.997.927,82	64.095.791,21

	THE COMPANY	
	30.06.2018	30.06.2017
Long term borrowings	7.398.607,16	8.433.173,01
Short term borrowings	29.599.320,66	51.947.618,20
Total	36.997.927,82	60.380.791,21

The maturity of the long term borrowings for the Group and the Company is 4,5 years. The nominal interest rate of the above mentioned loans is equal with the actual interest rate which is mainly floating.

Long term borrowings for the Group and the Company have been granted from Greek and foreign banks and are expressed in Euro. The amounts that are payable within one year after the balance sheet date are classified in current liabilities, while the amounts that are payable in long term are classified as non-current.

The fair value of long term borrowings approximate their respective fair values. The fair value of short term borrowings is roughly equal to their fair value because loans are in local currency and interest at a floating rate.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

The long term borrowings for the Group and the Company analyzed, based on time payment, as follows:

	30.06.2018	30.06.2017
Within one year	1.536.632,06	1.552.043,23
1-5 years	5.861.975,10	6.148.382,89
After 5 years	-	732.746,89
Total	7.398.607,16	8.433.173,01

The average interest rates as of the date of the financial statements have as follows:

	30.06.2018	30.06.2017
Bank Borrowings		
-Long term borrowings	5,73%	5,73%
-Short term borrowings of Parent	6,33%	6,61%
- Short term borrowings of Subsidiary	1 Monthly Euribor +5,70%	1 Monthly Euribor +5,70%

The Group and the Company, have not any unused available credit limits for long term borrowings, while the Group has unused available credit limits for short term borrowings amounting to Euro 8 million and Euro 4,3 million as at 30.06.2018 and 30.06.2017 respectively.

The interest expense for long term borrowings for the years ended June 30, 2018 and 2017, amounted to Euro 510.595,08 and Euro 594.890,53 for the Group and the Company and is included in the financial expenses in the accompanying Statements of Total Comprehensive Income (note 4g).

The interest expense for short term borrowings for the years ended June 30, 2018 and 2017, amounted to Euro 2.617.018,21 and Euro 3.051.370,54 respectively for the Group and to Euro 2.548.470,15 and Euro 2.907.456,24 for the Company respectively and is included in the financial expenses in the accompanying Statements of Total Comprehensive Income (note 4g).

For the secure of the long term borrowings, there are encumbrances over the tangible assets amounting to Euro 15.000.000,00 (30.06.2017: Euro 15.000.000,00). The above encumbrance refers the guarantee of 80% of Greek State for the total amount of Parent Company's long term borrowings.

For the secure of the short term borrowings, there are guarantees pledges over inventories amounting to Euro 18.216.567,35 and Euro 18.207.564,00 for the Group and the Company respectively (30.06.2017: Euro 43.937.624,66 and Euro 42.823.545,24 for the Group and the Company respectively) and bounded cash and cash equivalents amounting to Euro 611.258,40 for the Group (30.06.2017: Euro 191.545,36).

17. PROVISION FOR STAFF LEAVING INDEMNITIES

According to the Greek labor law each employee is entitled for lump sum compensation in case of dismissal or retirement. Greek labor legislation requires that the payment of retirement and termination indemnities should be based on the number of years of service to the Company by the employees and taking into consideration their final remuneration. In cases where the employee works in the Company until retirement, indemnity is calculated to 40% of the amount he/she would receive in case of termination/dismissal without notice.

Parent Company's liabilities for personnel indemnities were based on an actuarial valuation.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

Following tables show relative movements of the provision accounts for personnel indemnities as presented in the Statement of Financial Position for the fiscal years ended June 30, 2018 and 2017 and the composition of the net expense for the relative provision recorded in the Statement of Total Comprehensive Income.

The movement of the provision for the Group and the Company is analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Net liability at the beginning of the year	342.005,71	317.893,78	342.005,71	317.893,78
Expense recognized in income statement (note 4h)	19.900,47	22.857,43	19.900,47	22.857,43
Income from unutilized provision (note 4b)	(6.559,80)	-	(6.559,80)	-
Total expense recognized in other comprehensive income	-	10.214,50	-	10.214,50
Benefits paid during the year	(13.440,00)	(8.960,00)	(13.440,00)	(8.960,00)
Net liability at the end of the year	341.906,38	342.005,71	341.906,38	342.005,71

Amounts recognized in the Company's Income for personnel indemnities for the Group and the Company is analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Service cost	13.497,69	10.487,77	13.497,69	10.487,77
Interest cost	6.156,10	6.993,66	6.156,10	6.993,66
Extra payments	246,68	5.376,00	246,68	5.376,00
Total (note 4h)	19.900,47	22.857,43	19.900,47	22.857,43

Extra payments recognized are related to benefits paid to dismissed employees. Most of the amounts paid were not expected under the benefits plan and as a consequence, the additional payments in excess of the relative reserves were treated as additional charge.

The main actuarial assumptions used to calculate the provision for staff leaving indemnities are analyzed as follows:

	THE GROUP - THE COMPANY	
	2018	2017
Discount rate	1,80%	1,80%
Rate of compensation increase	2%	2%
Inflation rate	2%	2%
Average future working life	16,14	17,14

In case of a 0,50% increase in the rate of compensation increase, total employee benefits would be increased by 6% and will be amounted to Euro 362.420,75, while in case of a 0.50% decrease in the rate of compensation increase, total employee benefits would be decreased by 5% and will be amounted to Euro 324.811,06.

In case of a 0,50% increase in the discount rate, total employee benefits would be reduced by 5% and will be amounted to Euro 324.811,05, while in case of a 0.50% decrease in discount rate, total employee benefits would be increased by 6% and will be amounted to Euro 362.420,76.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

18. GOVERNMENT GRANTS

The Parent Company and its subsidiary have received grants for the purchase of tangible assets. These grants have been recognized as deferred revenue and transferred to profit or loss on a systematic basis and rational basis over the useful lives of the related assets.

The movement of government grants has as follows:

	THE GROUP	THE COMPANY
Balance July 1, 2016	840.569,48	271.124,20
Income recognized to profit or loss (note 4b)	(110.625,76)	(10.732,05)
Balance June 30, 2017	729.943,72	260.392,15
Income recognized to profit or loss (note 4b)	(144.974,48)	(10.732,05)
Balance June 30, 2018	584.969,24	249.660,10

19. TRADE PAYABLES – OTHER SHORT TERM PAYABLES AND ACCRUED EXPENSES

Trade payables and other short term payables for the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Trade creditors	4.785.368,20	2.420.378,34	4.680.056,41	2.406.760,65
Liabilities to subsidiary (note 21)	-	-	6.666.557,60	8.168.988,21
	4.785.368,20	2.420.378,34	11.346.614,01	10.575.748,86

Trade payables are not interest bearing accounts and they are usually settled within 90 days for the Group and the Company.

Other short-term payables and accrued expenses for the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Taxes & duties payable	98.803,15	99.111,41	91.871,65	99.111,41
Social securities payable	137.007,77	144.285,74	137.007,77	144.285,74
Salaries payable	262.785,51	244.342,10	225.430,39	229.564,99
Accrued expenses	195.378,14	259.652,97	195.378,14	259.652,97
Purchases in transit	-	-	-	1.275.024,55
Other creditors	231.888,12	186.774,24	34.290,70	53.387,36
Total	925.862,69	934.166,46	683.978,65	2.061.027,02

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

20. INCOME AND DEFERRED TAXES

Income tax recognized in Company's Statement of Total Comprehensive Income for the Group and the Company is analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Current income tax	587.629,59	157.844,04	554.548,20	88.427,75
Deferred income tax	(45.648,50)	(124.548,05)	(37.288,26)	(117.263,10)
Income tax in profit or loss	541.981,09	33.295,99	517.259,94	(28.835,35)
Deferred income tax to other comprehensive income	-	(2.962,21)	-	(2.962,21)
Total expense/(income) of income taxes	541.981,09	30.333,78	517.259,94	(31.797,56)

According to Tax law 4334/2015 the tax rate for the fiscal year ended June 30, 2018 is 29% (30.06.2017: 29%). In Bulgaria the tax rate for the corresponding years is 10%, whereas in FYROM the tax rate for the fiscal year 2018 is 10%.

In the following table, a recalculation is provided between the nominal and the actual tax rate:

THE GROUP		30.06.2018	30.06.2017
Profits/(Losses) before taxes		1.511.372,60	1.700.686,11
Income tax calculated with the current tax rate (30.06.2018: 29%, 30.06.2017: 29%)		438.298,05	493.198,97
Tax effect of non-deductible expenses		132.270,45	56.267,62
Tax effect of non-taxable income		(47.460,45)	(3.012,29)
Tax effect of losses for which no deferred tax asset was recognized		22.704,57	(395.108,75)
Tax effect from the different tax rate that used for the subs' results		(3.831,53)	(118.049,55)
Income Tax as presented in profit or loss (expense)		541.981,09	33.295,99

THE COMPANY		30.06.2018	30.06.2017
Profits/(Losses) before taxes		1.647.731,22	1.183.760,29
Income tax calculated with the current tax rate (30.06.2018: 29%, 30.06.2017: 29%)		477.842,05	343.290,48
Tax effect of non-deductible expenses		108.005,71	56.243,24
Tax effect of non-taxable income		(68.587,82)	(33.260,32)
Tax effect of losses for which no deferred tax asset was recognized		-	(395.108,75)
Income Tax as presented in profit or loss (expense)/income		517.259,94	(28.835,35)

	THE GROUP	THE COMPANY
Balance, July 1, 2016 (net deferred tax liability))	2.635.153,78	2.605.535,77
Credit to income statement	(124.548,05)	(117.263,10)
Credit to other comprehensive income	(2.962,21)	(2.962,21)
Balance, June 30, 2017 (net deferred tax liability)	2.507.643,52	2.485.310,46
Credit to income statement	(45.648,50)	(37.288,26)
Balance, June 30, 2018 (net deferred tax liability)	2.461.995,02	2.448.022,20

Income tax declarations are submitted annually, adjusting accounting results with taxation differences, but profits or losses related to these differences are considered temporary, until tax audit from Tax Authorities takes place and the issuance of the relevant tax audit report, finalising the tax obligations. Tax losses carried from previous years, if accepted from Tax Authorities, can be offset with earnings from the following five years.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

Deferred income taxation is calculated to all temporary tax differences using tax rates that have been enacted by the financial statements date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled, bearing into consideration the tax rates set up to the financial statements date.

Deferred tax assets and liabilities arose from the below items:

THE GROUP				
	Deferred Tax Asset		Deferred Tax Liability	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Intangible assets	-	-	(79.563,56)	(66.007,23)
Tangible assets	-	-	(2.465.808,05)	(2.467.557,07)
Provision for staff leaving indemnities	99.152,85	99.181,66	-	-
Inventories	-	-	(15.776,26)	(13.172,53)
Receivables	-	-	-	(60.088,35)
Total	<u>99.152,85</u>	<u>99.181,66</u>	<u>(2.561.147,87)</u>	<u>(2.606.825,18)</u>
Net Deferred Tax Liability			<u>(2.461.995,02)</u>	<u>(2.507.643,52)</u>

	THE COMPANY			
	Deferred Tax Asset		Deferred Tax Liability	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Intangible assets	-	-	(79.563,56)	(66.007,23)
Tangible assets	-	-	(2.451.835,23)	(2.445.224,01)
Provision for staff leaving indemnities	99.152,85	99.181,66	-	-
Inventories	-	-	(15.776,26)	(13.172,53)
Receivables	-	-	-	(60.088,35)
Total	<u>99.152,85</u>	<u>99.181,66</u>	<u>(2.547.175,05)</u>	<u>(2.584.492,12)</u>
Net Deferred Tax Liability			(2.448.022,20)	(2.485.310,46)

Deferred income tax in income for the Group and the Company arises from the following items below:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Tangible assets	(1.749,02)	(78.352,31)	6.611,22	(71.067,36)
Intangible assets	13.556,33	13.358,39	13.556,33	13.358,39
Provision for staff leaving indemnities	28,81	(6.992,46)	28,81	(6.992,46)
Inventories	2.603,73	10.431,79	2.603,73	10.431,79
Receivables	(60.088,35)	(65.955,67)	(60.088,35)	(65.955,67)
Total - (Income)/ Expense	<u>(45.648,50)</u>	<u>(127.510,26)</u>	<u>(37.288,26)</u>	<u>(120.225,31)</u>

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

Debit and credit balances from deferred taxation are offset when there is a legal right to offset and when deferred tax assets and liabilities relate to income tax received from the same Tax Authorities.

In case non-taxable reserves will be distributed to the shareholders, income tax is due with the applicable income tax rate at the date of their distribution. The company hasn't calculated deferred tax liabilities for these amounts.

Income tax payable for the Group and the Company as at June 30, 2018 and 2017 of Euro 496.173,28 (30.06.2017: Euro 172.189,40) and Euro 466.200,06 (30.06.2017: 88.427,75) respectively include only income tax due.

21. RELATED PARTIES TRANSACTIONS

From the Group's Statement of Total Comprehensive Income income and expenses that result from transactions between the Company and its subsidiaries have been eliminated. These transactions relate to sales and purchases of goods and services during normal business operation. Total purchases and sales between the Company and its subsidiaries and its outstanding balances as at June 30, 2018 and 2017 which have been eliminated during the preparation of the consolidated financial statements are analyzed as follows:

Description	1/7/2017 - 30/06/2018	1/7/2016 - 30/06/2017
Purchase of inventories and services		
MISSIRIAN BULGARIA AD	6.008.096,36	5.098.801,44
Sales of inventories and services		
MISSIRIAN BULGARIA AD	16.277,50	9.735,00
Receivables from related parties (note 9, 10,12)		
MISSIRIAN BULGARIA AD	171.107,82	134.128,52
MISSIRIAN DOOEL	200.000,00	-
Liabilities to related parties (note 19)		
MISSIRIAN BULGARIA AD	6.666.557,60	8.168.988,21

Also purchases of services from the subsidiary concern the non-controlling interest has taken place amounting to Euro 8.956,11 (30.06.2017: Euro 8.377,49) and an open balance payable of Euro 151.229,91 (30.06.2017: Euro 104.265,33).

There are no encumbrances relating to the outstanding balances at the end of the year and settlement is scheduled to occur in cash.

There are no special agreements between the Company and the related companies and all related transactions are settled under the usual terms, within the framework and the particularities of each market.

Board of Directors remuneration

During the year ended June 30, 2018 remunerations of Euro 601.493,47 (30.06.2017: Euro 448.731,27) were paid from the Group and the Company to the executive members of the Parent Company's board of Directors for services rendered due to salaried relationship with the Parent Company.

As at 30.06.2018 and 2017 no fees are owed to the executive members of the board and the directors.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

Finally, in the recorded provision for staff leaving indemnities for the Group and the Company is included an amount of Euro 64.110,61 (30.06.2017: Euro 62.977,02) which refers to the executive members of the Parent Company's Board of Directors.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Group and the Company are exposed to several financial risks, such as market risk (currency exchange rate fluctuation, interest rates), credit risk and liquidity risk. Group's complete Risk Management program aims at minimizing the negative effects these risks may have on Group's financial efficiency.

Risk management is carried out by Group's Financial Management department, which manages the financial risks that the Group is exposed to. Financial Management department doesn't perform profit-oriented trading, nor does trading that is not related to the Group's commercial, investing or borrowing activities

Financial assets and liabilities in the Statement of Financial Position include short term and long term receivables, investments, financial assets at fair value through profit or loss, cash and cash equivalents, receivables, as well as short term and long term liabilities. There is no difference between the fair values and the respective carrying values of financial assets and liabilities.

Currency risk

The Group is active on international level and realizes transactions in foreign currency. Hence, it is exposed to exchange rate fluctuations. This exposure mainly relates to commercial transactions in foreign currencies, regarding mainly exports in US dollars.

The following table presents the changes in the results of Group and the Company with a change +/- 5% on the currency of US dollar from the cash and the trade receivables which has this currency.

		Change in currency	Effect on the Group's results before taxes	Effect on the Company's results before taxes
30.06.2018	US Dollar	+ 5%	+ 1.191 Ευρώ	+ 1.191 Ευρώ
30.06.2017	US Dollar	+ 5%	+ 2.148 Ευρώ	+ 1.789 Ευρώ

Interest rate risk

Group's operational profits and cash flows are influenced by the fluctuation of the interest rates. The interest rate risk exposure for liabilities and investments is reviewed on a budgetary basis. Group's policy is to closely review the interest rate trends and its financing needs.

The Group and the Company finance their investments and their working capital needs with bank loans, thus affecting their results with the respective interest. Increasing trends in interest rates (Change of the borrowing basis rates (EURIBOR) will have a negative effect on the results, since the Group and the Company will be charged with a higher cost of debt. Total debts of the Group consist of contracts with variable rate.

The following table shows the changes in Group's and Company's losses before taxes (through the effects that the balance of loans with floating rates has on results at the end of the fiscal year) if interest rate increased/decreased by 1%, holding all other variables stable:

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

	Effect on the results before taxes of the Group	Effect on the results before taxes of the Company
30.06.2018	+ 472.929 Euró	+ 472.929 Euró
30.06.2017	+ 568.926 Euró	+ 543.678 Euró

Credit risk

The Group and the Company do not have a significant concentration of credit risk against other parties because of the wide range of its clientele and the sales abroad. The credit risk exposure is being reviewed and evaluated on a constant basis.

Liquidity Risk

The Liquidity risk is the risk that the Group will not be able to comply with its financial liabilities when they expire. The Group manages potential risks that may occur from lack of sufficient liquidity with the maintenance of the required cash and available credit lines and guaranteed credit limits in order to be able to comply with its financial liabilities under normal and difficult conditions.

The prudent liquidity management is achieved through the appropriate combination of available cash and approved credit limits.

The following table summarizes the dates of expiration for the financial liabilities as at June 30, 2018 and 2017 respectively, based on the payments projected by the relevant contracts and agreements, at non-predetermined prices:

	THE GROUP				Total
	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	
June 30, 2018					
Bank loans	11.413.467,51	16.570.114,28	9.935.607,88	-	37.919.189,67
Trade payables	4.785.368,20	-	-	-	4.785.368,20
Short term payables and accrued expenses	925.862,29	-	-	-	925.862,29
TOTAL	17.124.698,00	16.570.114,28	9.935.607,88	-	43.630.420,16
June 30, 2017					
Bank loans	29.134.559,08	24.545.673,50	11.026.684,45	732.746,89	65.439.663,92
Trade payables	2.420.378,34	-	-	-	2.420.378,34
Short term payables and accrued expenses	934.166,46	-	-	-	934.166,46
TOTAL	32.489.103,80	24.545.673,50	11.026.684,45	732.746,89	68.794.208,72

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

June 30, 2018	THE COMPANY				
	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
Bank loans	11.413.467,51	16.570.114,28	9.935.607,88	-	37.919.189,67
Trade payables	5.338.517,66	6.008.096,35	-	-	11.346.614,01
Short term payables and accrued expenses	683.978,65	-	-	-	683.978,65
TOTAL	17.435.963,82	22.578.210,63	9.935.607,88	-	49.949.782,33

June 30, 2017	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
Bank loans	29.134.559,08	20.830.673,50	11.026.684,45	732.746,89	61.724.663,92
Trade payables	2.406.760,65	8.168.988,21	-	-	10.575.748,86
Short term payables and accrued expenses	786.002,47	1.275.024,55	-	-	2.061.027,02
TOTAL	32.327.322,20	30.274.686,26	11.026.684,45	732.746,89	74.361.439,80

Capital Management

Group's basic target of capital management is to maintain its high credit-receiving grade and its healthy capital ratios, so that its activities are supported and extended, and its share value is maximized.

Board of Directors is trying to maintain a balance between higher returns, achievable with higher levels of loans, and the advantages and security a powerful and healthy capital position can guarantee.

There have been no changes in the approach adopted by the Group for capital management during current fiscal year.

The Group and the Company control the sufficiency of equity by using the net debt to operating profit ratio and the total debt to equity ratio. Operating profit (EBITDA) is the earnings before interest, tax and total depreciation and amortization. Net debt includes interest bearing loans minus cash and cash equivalents.

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Long term borrowings	5.861.975,10	6.881.129,78	5.861.975,10	6.881.129,78
Short term borrowings	31.135.952,72	57.214.661,43	31.135.952,72	53.499.661,43
Total debts	36.997.927,82	64.095.791,21	36.997.927,82	60.380.791,21
Less: Cash and cash equivalents	(1.793.513,36)	(1.442.676,39)	(1.035.851,85)	(1.246.137,91)
Net Debts	35.204.414,46	62.653.114,82	35.962.075,97	59.134.653,30
EBITDA	5.769.998,99	6.349.860,21	5.680.406,44	5.474.274,86
Net Borrowing/EBITDA	6,10	9,87	6,33	10,80

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Long term borrowings	5.861.975,10	6.881.129,78	5.861.975,10	6.881.129,78
Short term borrowings	31.135.952,72	57.214.661,43	31.135.952,72	53.499.661,43
Total borrowings	36.997.927,82	64.095.791,21	36.997.927,82	60.380.791,21
Equity	15.946.188,07	15.127.116,37	10.227.401,67	9.096.930,38
Total borrowings/Equity	2,32	4,24	3,62	6,64

EBITDA is calculated as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Profits before taxes	1.511.372,60	1.700.686,11	1.647.731,23	1.183.760,29
Add: Depreciation of tangible and intangible assets (note 4i)	747.961,17	1.073.604,27	693.791,55	906.803,40
Less: Amortization of government grants (note 4b)	(144.974,78)	(110.625,76)	(10.732,05)	(10.732,05)
Add: Net financial expenses (note 4g)	3.655.639,70	3.686.195,59	3.349.615,71	3.394.443,22
EBITDA	5.769.998,99	6.349.860,21	5.680.406,44	5.474.274,86

23. FINANCIAL INSTRUMENTS – FAIR VALUE

The fair value of a financial asset is the amount collected on the sale of an asset or paid to settle a liability in a transaction under normal conditions between two trading parties at the date of valuation. The fair value of financial assets of the Financial Statements as at June 30, 2018 and 2017 was determined with the best estimate by management. In cases where no data are available or are limited by active financial markets, valuations of the fair values have been made according to the available information.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

During the year there were no transfers between Levels 1 and 2, nor transfers within and outside Level 3 to measure fair value.

The amounts in the financial statements for cash and cash equivalents, trade and other receivables, financial assets at fair value through profit or loss, trade and other payables and short-term borrowings approximate their respective fair values due to their short term life. The fair values of long term borrowings are roughly equal to fair value because loans are in local currency and interest at a floating rate.

The table below shows the hierarchy of the fair value of the assets and liabilities of the Group and the Company. The measurement took place on 30 June 2018 and 2017:

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

(Amounts in thousands €)	The Group		The Company		Fair Value Hierarchy
	Fair Value		Fair Value		
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	
Financial assets					
Long term receivables	30	39	30	39	Level 3
Trade receivables	7.727	37.755	7.740	37.518	Level 3
Financial assets at fair value through profit or loss	3.612	275	3.612	275	Level 1
Other receivables and prepayments	4.084	4.553	4.224	4.655	Level 3
Cash and cash equivalents	1.794	1.443	1.036	1.246	Level 1
Financial Liabilities					
Long term borrowings	5.862	6.881	5.862	6.881	Level 2
Short term borrowings	31.136	57.215	31.136	53.500	Level 2
Trade payables	4.785	2.420	11.347	10.576	Level 3
Other short term liabilities and accrued expenses	926	934	684	2.061	Level 3

24. COMMITMENTS AND CONTINGENT LIABILITIES

a. Pending trials – Legal Cases

The Group and the Company are involved in various legal cases in the context of the normal operations. Management along with their legal advisors, estimates that there are no significant pending trials or differences under mediation with judicial or administrative bodies that will significantly affect the Company's and the Group's financial position or results.

The Management and the legal advisors of the Group and the Company consider that there are no significant litigation or arbitration disputes between judicial or administrative bodies that have a material impact on the financial position, financial position or results of the Company or the Group.

b. Guarantee letters

The Group and the Company has issued guarantee letters amounting to Euro 91.628,76 (30.06.2017: Euro 91.628,76).

c. Tax unaudited years

MISSIRIAN S.A. has been audited by the Tax Authorities until the year ended December 31, 2010.

The tax audit for the issuance of tax certificate for the fiscal years starting from January 1, 2011 until June 30, 2017 was conducted by the Certified Auditors Accountants of the Company in accordance with the provisions of § 5 of Article 82 of codified law 2238/1994 and Article 65a of law 4174/2013. The audit did not reveal any additional tax liabilities.

Regarding the fiscal year ended June 30, 2018 the Company has been subjected to tax audit conducted by the auditors of the Company in accordance with the provisions of Article 65a of Law 4174/2013. The audit is in progress and the relevant tax certificate will be issued after the issue of the Financial Statements of fiscal year 2018. At the event that the final taxes arising after tax audits are different from the amounts that were originally provided, the differences that are likely to come up will not have a material effect on the financial statements.

As far as the subsidiary in Bulgaria, it has been remain tax unaudited the fiscal years 2013-2017, while the subsidiary company in FYROM has not been audited by the tax authorities for its first fiscal year. The subsidiaries have not recorded a provision for the tax unaudited years because it is expected that no additional taxes will arise although it is not possible to determine the exact amount of additional taxes and fines that may be imposed as these depend on the findings of the tax audit. In case that the taxes occur after the tax audit are different from the expenditure that was initially recorded, the differences will affect the income tax in the fiscal year that the tax differences will occur.

The taxes that are likely to come up will not have a material effect on the consolidated financial statements.

d. Liabilities for operating leasing- Lessee

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2018
(All figures expressed in EURO, unless otherwise stated).

As at June 30, 2018 the Group and the Company had several operating leasing contracts effective regarding vehicles, which expire on several dates until January 2022.

Those lease expenses are included in the attached Statement of Total Comprehensive Income for the fiscal year ended June 30, 2018 and amounted to Euro 114.968,42 for the Group and the Company (30.06.2017: Euro 111.579,65).

The minimum future payable leases, based on non-cancelable operating lease contracts on June 30, 2018 and 2017 for the Group and the Company have as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Within 1 year	29.082,77	49.808,83	22.906,61	49.808,83
Between 1 and 5 years	35.564,78	18.641,67	11.889,50	18.641,67
Total	64.647,55	68.450,50	34.796,11	68.450,50

The cost of operating leases is analyzed per function as follows:

	THE GROUP		THE COMPANY	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Cost of sales (note 4c)	93.170,86	74.533,87	70.814,12	74.533,87
Administrative expenses (note 4e)	50.186,43	37.045,78	44.154,30	37.045,78
Total	143.357,29	111.579,65	114.968,42	111.579,65

e. Commitments

As at June 30, 2018, the Group and the Company had a commitment to acquire mechanical equipment of a total cost of € 153.500,00, from which an advance payment of € 62.000,00 has been recognized to tangible assets up to 30 June 2018 (note 5).

25. EVENTS AFTER THE BALANCE SHEET DATE

On 10.10.2018 a fire broke out in a warehouse of finished products of the parent company's factory in Amygdaleonas, Kavala, which was not extended neither to other storage areas nor to the processing area as it was directly extinguished after a successful fire brigade intervention.

As the parent Company had adequately insured its fixed assets and inventories, it is not expected that a charge will arise on the results of the aforementioned adverse event.

There have been no other events after the date of the Financial Statements as at June 30, 2018 that refers either to the Company or the Group, that significantly influence the understanding of these Financial Statements, and that should be disclosed or would materially differentiate the items of the published Financial Statements.

Kavala, 3 December, 2018

The Chairman &
Managing Director



NIKOLAOS TZOUMAS

ID No. AH 383104

The Vice Chairman



EVRIPIDIS CHRISTIDIS

ID No. AB 129465

The Chief Financial Officer



ANTONIS TRIANTAFILLIDIS

ID No. AK 938287
L.N. of E.C. of Greece 11984 A' CLASS