



MISSIRIAN S.A.

Amygdaleonas, Kavala

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

**Company's and Consolidated Financial Statements
for the year July 1, 2019 until June 30, 2020
in accordance with International Financial Reporting Standards
as those have been adopted by the European Union**

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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 company’s and consolidated financial statements of MISSIRIAN S.A. (the “Company”), which comprise the statement of financial position as at 30 June 2020, 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 company’s and consolidated financial statements present fairly in all material respects the financial position of the Company MISSIRIAN S.A. as at 30 June 2020, 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 264.702 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, 2020, should have been decreased by Euro 264.702 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 company’s and consolidated 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 includes 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 company’s and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the company’s and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be

materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Company's and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the company's and consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of 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 and the Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Company's and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the company's and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as incorporated in Greek 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 company's and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 and Group 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 company's and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company's and consolidated 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 150 of the Law 4548/2018 and its content is consistent with the accompanying financial statements for the year ended 30/06/2020.
- 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.

Athens, 5 February 2021

The Certified Auditor Accountant

VASSILIS KAPLANIS
(S.O.E.L. R.N. 19321)
ERNST & YOUNG HELLAS S.A.
CERTIFIED AUDITORS ACCOUNTANTS
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B. COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

(All figures expressed in EURO, unless otherwise stated)

	Note	01/07/2019 – 30/06/2020	01/07/2018 – 30/06/2019
Sales	4a	41.800.452,20	51.626.627,25
Cost of sales	4b	-33.822.029,43	-47.085.514,93
Gross profit		7.978.422,77	4.541.112,32
Selling and distribution expenses	4c	-1.006.945,42	-1.250.481,52
Administrative expenses	4d	-3.401.011,18	-3.209.161,60
Research and development expenses	4e	-368.327,15	-260.147,63
Other expenses	4f	-7.158,49	-4.515.794,40
Other income	4g	136.108,40	7.215.455,08
Net gains from exchange differences		0,13	93.904,26
Profits from operating activities		3.331.089,06	2.614.886,51
Financial expenses	4h	-3.274.950,67	-2.550.008,51
Financial income	4h	14.525,73	14.365,24
Net financial expenses		70.664,12	-2.535.643,27
Profits before taxes		70.664,12	79.243,24
Income taxes	21	244.064,39	345.512,04
Profits after taxes		314.728,51	424.755,28
Other comprehensive income/(losses)			
Items that will not be reclassified to profit or loss at a future point in time			
Losses from the remeasurement of defined benefit plans	18	0,00	-5.110,00
Income tax attributable to the actuarial losses	21	-619,81	-997,34
Other comprehensive losses after taxes		-619,81	-6.107,34
Total comprehensive income after taxes		314.108,70	418.647,94
Profits attributable to:			
Owners of the parent		240.427,79	162.016,55
Non-controlling interests	8	74.300,72	262.738,73
		314.728,51	424.755,28
Total comprehensive income after taxes attributable to:			
Owners of the parent		239.807,98	155.909,21
Non-controlling interests	8	74.300,72	262.738,73
		314.108,70	418.647,94
Profits before interest, taxes, depreciation and amortization (EBITDA)	23	4.187.920,24	3.231.162,31

The accompanying notes on pages 12-58 are an integral part of these financial statements.

**COMPANY'S STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 IOYNIOY 2020**

(All figures expressed in EURO, unless otherwise stated)

	Note	<u>01/07/2019 – 30/06/2020</u>	<u>01/07/2018 – 30/06/2019</u>
Sales	4a	41.673.136,58	51.534.485,11
Cost of sales	4b	-35.021.670,38	-48.458.926,20
Gross profit		6.651.466,20	3.075.558,91
Selling and distribution expenses	4c	-953.769,98	-1.170.428,66
Administrative expenses	4d	-2.949.063,06	-2.809.533,35
Research and development expenses	4e	-368.327,15	-260.147,63
Other expenses	4f	-5.896,82	-4.515.794,40
Other income	4g	103.741,80	7.035.983,08
Net gains from exchange differences		0,13	93.904,26
Profits from operating activities		2.478.151,12	1.449.542,21
Financial expenses	4h	-3.056.940,95	-2.345.937,16
Financial income	4h	722.830,75	1.590.136,50
Net financial expenses		144.040,92	-755.800,66
Profits before taxes		144.040,92	693.741,55
Income taxes	21	315.871,67	424.041,91
Profits after taxes		459.912,59	1.117.783,46
Other comprehensive income/(losses)			
Items that will not be reclassified to profit or loss at a future point in time			
Losses from the remeasurement of defined benefit plans	18	0,00	-5.110,00
Income tax attributable to the actuarial losses	21	-619,81	-997,34
Other comprehensive losses after taxes		-619,81	-6.107,34
Total comprehensive income after taxes		459.292,78	1.111.676,12
Profits before interest, taxes, depreciation and amortization (EBITDA)	23	3.188.568,90	2.132.612,64

The accompanying notes on pages 12-58 are an integral part of these financial statements.

**COMPANY'S AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020**

(All figures expressed in EURO, unless otherwise stated)

	Note	<u>THE GROUP</u>		<u>THE COMPANY</u>	
		<u>30/06/2020</u>	<u>30/06/2019</u>	<u>30/06/2020</u>	<u>30/06/2019</u>
ASSETS					
Non current assets:					
Tangible assets	5	14.117.672,83	13.825.919,65	12.685.081,58	12.497.333,67
Intangible assets	6	265.946,43	316.457,50	244.751,55	291.797,72
Rights of use assets	7	288.270,66	0,00	288.270,66	0,00
Investments in subsidiaries	8	0,00	0,00	2.089.558,92	2.089.558,92
Long term receivables	9	22.399,25	28.006,51	22.399,25	28.006,51
Total Non Current assets		14.694.289,17	14.170.383,66	15.330.061,96	14.906.696,82
Inventories	10	25.943.015,22	17.814.988,74	25.840.375,27	17.643.673,21
Trade receivables	11	9.306.608,47	11.686.376,06	9.292.976,63	11.644.862,19
Financial assets at fair value through profit or loss	12	104.768,10	201.954,05	104.768,10	201.954,05
Other receivables and prepayments	13	4.694.241,74	5.610.740,85	4.670.061,99	5.524.028,47
Cash and cash equivalents	14	864.467,91	1.513.449,15	653.496,66	1.087.570,40
Total current assets		40.913.101,44	36.827.508,85	40.561.678,65	36.102.088,32
TOTAL ASSETS		55.607.390,61	50.997.892,51	55.891.740,61	51.008.785,14
EQUITY AND LIABILITIES					
Share capital	15	9.523.607,54	9.523.607,54	9.523.607,54	9.523.607,54
Reserves	15	4.651.819,15	4.042.522,19	4.547.351,55	3.815.195,04
Retained Earnings/(Losses)		-2.340.245,38	-1.970.756,40	-2.939.970,88	-2.667.107,15
Total Equity owners of the parent		11.835.181,31	11.595.373,33	11.130.988,21	10.671.695,43
Non controlling interests	8	2.655.645,60	4.102.080,32	0,00	0,00
Total Equity		14.490.826,91	15.697.453,65	11.130.988,21	10.671.695,43
Long term borrowings	17	2.198.240,65	3.663.734,45	2.198.240,65	3.663.734,45
Long term liabilities from leases	7	160.689,55	0,00	160.689,55	0,00
Provision for staff leaving indemnities	18	384.786,89	363.943,00	384.786,89	363.943,00
Government Grants	19	372.515,89	395.317,44	228.196,00	238.928,05
Deferred tax liabilities	21	1.455.099,64	1.766.152,36	1.437.132,97	1.752.384,83
Total non current liabilities		4.571.332,62	6.189.147,25	4.409.046,06	6.018.990,33
Trade payables	20	1.086.240,56	1.404.586,55	5.977.525,50	6.825.145,97
Other short term liabilities	20	535.002,51	1.920.764,28	382.238,29	1.815.721,01
Short term borrowings	17	32.384.343,37	23.327.038,03	31.564.343,37	23.327.038,03
Short term portion of long term borrowings	17	2.310.129,24	2.350.194,37	2.310.129,24	2.350.194,37
Short term liabilities from leases	7	117.469,94	0,00	117.469,94	0,00
Income taxes payable	21	112.045,46	108.708,38	0,00	0,00
Total current liabilities		36.545.231,08	29.111.291,61	40.351.706,34	34.318.099,38
Total liabilities		41.116.563,70	35.300.438,86	44.760.752,40	40.337.089,71
TOTAL EQUITY AND LIABILITIES		55.607.390,61	50.997.892,51	55.891.740,61	51.008.785,14

The accompanying notes on pages 12-58 are an integral part of these financial statements.

**COMPANY'S AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR 01/07/2019 – 30/06/2020**

(All figures expressed in EURO, unless otherwise stated)

	<u>THE GROUP</u>		<u>THE COMPANY</u>	
	<u>01/07/2019 – 30/06/2020</u>	<u>01/07/2018 – 30/06/2019</u>	<u>01/07/2019 – 30/06/2020</u>	<u>01/07/2018 – 30/06/2019</u>
Cash Flows from operating Activities				
Profits before taxes	70.664,12	79.243,24	144.040,92	693.741,55
Add/(Less) adjustments for:				
Depreciation of tangible assets	4j, 5 720.862,33	752.978,57	570.135,33	643.956,39
Amortization of intangible assets	4j, 6 57.823,49	52.949,03	50.067,59	49.846,09
Amortization of rights of use assets	4j, 7 100.946,91	0,00	100.946,91	0,00
Net gains from disposal of assets	4f, 4g -8.968,46	-29.045,77	-10.230,13	-29.045,77
Loss from destruction of assets and stocks	4f 0,00	4.507.507,33	0,00	4.507.507,33
Income from investments	4h 0,00	0,00	-721.424,46	-1.582.806,28
Interest and related income	4h -14.525,73	-14.365,24	-1.406,29	-7.330,22
Interest and related expenses	4h 3.274.950,67	2.550.008,51	3.056.940,95	2.345.937,16
Amortization of grants	4g, 19 -22.801,55	-189.651,80	-10.732,05	-10.732,05
Income from unutilized provision	4g, 11, 18 -66.088,18	-192.865,51	-66.088,18	-192.865,51
Provision for staff leaving indemnities	4i, 18 21.299,50	24.397,49	21.299,50	24.397,49
	4.134.163,10	7.541.155,85	3.133.550,09	6.442.606,18
(Increase) / Decrease in:				
Inventories	-8.128.026,48	8.401.751,32	-8.196.702,06	8.668.303,25
Trade receivables	2.445.400,15	-4.706.193,95	2.417.518,13	-4.651.727,80
Other receivables and prepayments	916.499,11	-1.526.975,03	853.966,48	282.508,13
Other long term receivables	5.607,26	1.890,00	5.607,26	1.890,00
Increase / (Decrease) in:				
Trade payables	-318.345,99	-3.442.781,65	-126.196,01	-4.583.468,04
Other liabilities and accrued expenses	-1.385.761,76	994.901,59	-1.433.482,72	1.131.742,36
Payments for staff leaving indemnities	18 0,00	-7.470,87	0,00	-7.470,87
Less:				
Income taxes paid	-64.271,06	-466.200,06	0,00	-466.200,06
Interest and related expenses paid	-3.162.136,52	-2.530.469,78	-2.944.126,80	-2.326.398,43
Net cash flows (outflows)/inflows from operating activities	-5.556.872,19	4.259.607,42	-6.289.865,63	4.491.784,72
Cash flows from investing activities				
Purchase of tangible assets	5 -1.014.580,33	-291.114,40	-758.586,39	-207.920,77
Proceeds from disposal of tangible assets	10.933,28	37.637,63	10.933,28	37.637,63
Purchase of intangible assets	6 -7.312,42	-34.119,69	-3.021,42	-10.672,84
Interests and related income received	14.525,73	9.557,08	1.406,29	2.522,06
Decrease of available for sale assets	28,10	3.395.328,72	28,10	3.395.328,72
Net cash (outflows)/inflows from investing activities	-996.405,64	3.117.289,34	-749.240,14	3.216.894,80
Cash flows from financing activities				
Movement of short term loans	9.057.305,34	-6.272.282,63	8.237.305,34	-6.272.282,63
Long term loans repayment	17 -1.505.558,93	-1.384.678,34	-1.505.558,93	-1.384.678,34
Payment of liabilities from leases	-126.714,38	0,00	-126.714,38	0,00
Dividends paid	8 -1.520.735,44	0,00	0,00	0,00
Net cash inflows/(outflows) from financing activities	5.904.296,59	-7.656.960,97	6.605.032,03	-7.656.960,97
Net (decrease)/ increase in cash and cash equivalents	-648.981,24	-280.064,21	-434.073,74	51.718,55
Cash and cash equivalents at the beginning of the year	14 1.513.449,15	1.793.513,36	1.087.570,40	1.035.851,85
Cash and cash equivalents at end of the year	14 864.467,91	1.513.449,15	653.496,66	1.087.570,40

The accompanying notes on pages 12-58 are an integral part of these financial statements.

CONSOLIDATED AND COMPANY'S STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR 01/07/2019 – 30/06/2020
(All figures expressed in EURO, unless otherwise stated)

	Share capital (note 15)	Reserves (note 15)	Retained Earnings	Total	Non controlling interests (note 8)	Total
Balance of Equity as at July 1, 2019	9.523.607,54	4.042.522,19	-1.970.756,40	11.595.373,33	4.102.080,32	15.697.453,65
Profits for the year after taxes	0,00	0,00	92.743,23	92.743,23	74.300,72	167.043,95
Other comprehensive losses after taxes	0,00	0,00	-619,81	-619,81	0,00	-619,81
Total comprehensive income after taxes	0,00	0,00	92.123,42	92.123,42	74.300,72	166.424,14
Transfer to special reserves (Note 15)	0,00	721.424,46	-721.424,46	0,00	0,00	0,00
Transfer of earnings to reserves (Note 15)	0,00	-122.859,55	122.859,55	0,00	0,00	0,00
Dividends paid (Note 8)	0,00	0,00	0,00	0,00	-1.520.735,44	-1.520.735,44
Transfer to amortization of grants Law 3299/04 (Note 15)	0,00	10.732,05	-10.732,05	0,00	0,00	0,00
Balance of Equity as at June 30, 2020	9.523.607,54	4.651.819,15	-2.487.929,94	11.687.496,75	2.655.645,60	14.343.142,35
Balance of Equity as at July 1, 2018	9.523.607,54	2.448.983,86	134.255,08	12.106.846,48	3.839.341,59	15.946.188,07
Adjustments due to application of IFRS 9	0,00	0,00	-667.382,36	-667.382,36	0,00	-667.382,36
Adjusted Equity Balance as of July 1, 2018	9.523.607,54	2.448.983,86	-533.127,28	11.439.464,12	3.839.341,59	15.278.805,71
Profits for the year after taxes	0,00	0,00	162.016,55	162.016,55	262.738,73	424.755,28
Other comprehensive losses after taxes	0,00	0,00	-6.107,34	-6.107,34	0,00	-6.107,34
Total comprehensive income after taxes	0,00	0,00	155.909,21	155.909,21	262.738,73	418.647,94
Transfer to reserves	0,00	1.582.806,28	-1.582.806,28	0,00	0,00	0,00
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, 2019	9.523.607,54	4.042.522,19	-1.970.756,40	11.595.373,33	4.102.080,32	15.697.453,65

	Share capital (note 15)	Reserves (note 15)	Retained Earnings	Total
Balance of Equity as of July 1, 2019	9.523.607,54	3.815.195,04	-2.667.107,15	10.671.695,43
Profits for the year after taxes	0,00	0,00	459.912,59	459.912,59
Other comprehensive losses after taxes	0,00	0,00	-619,81	-619,81
Total comprehensive income after taxes	0,00	0,00	459.292,78	459.292,78
Transfer to reserves (Note 15)	0,00	721.424,46	-721.424,46	0,00
Transfer to amortization of grants Law 3299/04 (Note 15)	0,00	10.732,05	-10.732,05	0,00
Balance of Equity as at June 30, 2020	9.523.607,54	4.547.351,55	-2.939.970,88	11.130.988,21
Balance of Equity as at July 1, 2018	9.523.607,54	2.221.656,71	-1.517.862,58	10.227.401,67
Adjustments due to application of IFRS 9	0,00	0,00	-667.382,36	-667.382,36
Adjusted Equity Balance as of July 1, 2018	9.523.607,54	2.221.656,71	-2.185.244,94	9.560.019,31
Profits for the year after taxes	0,00	0,00	1.117.783,46	1.117.783,46
Other comprehensive losses after taxes	0,00	0,00	-6.107,34	-6.107,34
Total comprehensive income after taxes	0,00	0,00	1.111.676,12	1.111.676,12
Transfer to reserves	0,00	1.582.806,28	-1.582.806,28	0,00
Transfer to amortization of grants Law 3299/04	0,00	10.732,05	-10.732,05	0,00
Balance of Equity as at June 30, 2019	9.523.607,54	3.815.195,04	-2.667.107,15	10.671.695,43

The accompanying notes on pages 12-58 are an integral part of these financial statements.

MISSIRIAN S.A.

Notes to the Company's and Consolidated financial statements as at June 30, 2020
(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 founded in 1972 for an indefinite period, is headquartered in Amygdaleonas, Kavala and is active in the trade and industry of all kinds of commercial and industrial products, in the purchasing, processing and the domestic or foreign sales of tobacco leafs. In their industrial processing of tobacco leafs, the cultivation of special varieties of tobacco by law, the domestic or foreign cultivation and marketing of all kinds of agricultural products and agricultural supplies, in the domestic or abroad purchases and sales of industrial, agricultural or other products as well as in their import from abroad and in their marketing in Greece as well as in the representation of relevant domestic and foreign commercial and industrial houses.

The Company has been registered in Perfecture with Reg. No. e Perfecture 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 NORTH MACEDONIA named MISSIRIAN DOOEL STRUMICA 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 30.06.2020 and 30.06.2019 has as follows:

SHAREHOLDER	30.06.2020		30.06.2019	
	SHARES	PERCENTAGE %	SHARES	PERCENTAGE %
MISSIRIAN CAPITAL LTD	2.860.333	88%	-	-
SOTEMI HOLDINGS LTD	-	-	2.860.333	88%
ANNA TZOYMA	390.045	12%	390.045	12%
	3.250.378	100%	3.250.378	100%

The accompanied financial statements that have been prepared in accordance with International Financial Reporting Standards for the year ended June 30, 2020, have been approved by the Board of Directors at December 16, 2020 and are subjected to approval by the Shareholders Annual General Assembly.

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 year ended June 30, 2020. 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.

2.2 Significant Judgments, Estimates & Assumptions

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 21.

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

Management's assessment is based on the model of expected credit losses in accordance with IFRS 9, it is based on past experience but is adjusted in such a way as to reflect forecasts for the future financial situation of customers and the financial environment. The Group impairs the value of its trade and other receivables when there are data or indications that indicate that the collection of each receivable in whole or in part is not possible. The Management of the Group periodically reassesses the adequacy of the provision regarding doubtful receivables in relation to its credit policy and taking into account data of the legal department of the Group, which arise based on historical data processing and recent developments in the cases it manages, current financial conditions as well as the guarantees obtained from specific customers. Please refer to note 11.

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 18.

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.

2.3 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 standards and upgrades, which the Group and the Company adopted in July 1, 2019:

- **IFRS 16: Leases**

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.

The Group and the Company applied for the first time at IFRS 16 at July 1, 2019 using the modified retrospective approach, under which the retrospective effect of the application of the standard was recognized on that date. The comparative figures have not been restated.

Impact of the adoption of IFRS 16

The Group and the Company have lease agreements for buildings, machinery and vehicles. Prior to the adoption of IFRS 16, the Group and the Company, as lessees, classified each of the leases at the effective date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred all the risks and benefits that accompany the ownership of an underlying asset to the Group and the Company. Leases, where a significant portion of the risks and benefit of ownership were retained by the lessor were classified as operating leases and were not capitalized, while payments for operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. See Note 25 Leases for accounting policy prior to July 1, 2019.

With the adoption of IFRS 16, the Group and the Company have applied a single recognition and measurement approach for all leases, except for low value asset leases (see note 26 for the accounting policy applicable from 1 July 2019). The standard provides specific transition requirements and practical facilities, which have been adopted by the Group and the Company.

- Leases previously treated as financial leases
There were no such leases at the date of transition (July 1, 2019).

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Notes to the Company's and Consolidated financial statements as at June 30, 2020
(All figures expressed in EURO, unless otherwise stated).

- Leases previously treated as operating leases

The Group and the Company recognized a right to use an asset and a lease obligation for those leases that were previously classified as operating leases, other than short-term leases and low value asset leases. The right of use, of an asset was recognized as equal to the lease obligation, adjusted by the amount of any prepaid lease amount related to the lease recognized in the statement of financial position immediately prior to the date of initial application. The lease liability was recognized as the present value of the outstanding payments, discounted at the cost of additional borrowing at the effective date of the application.

The Group and the Company additionally applied the available practical facilities and used a single discount rate in each category of leases with similar characteristics (such as leases with corresponding duration, for similar fixed assets and in a corresponding economic environment).

The effect of the application of IFRS 16 was the recognition of rights of use of assets and liabilities from leases amounting to Euro 268 thousand for the Group and the Company respectively while there was also an effect on the total income statement of the Group and the Company described in note 7 of the financial statements.

The following table presents the agreement of the commitments from operating leases, as they were presented on 30.06.2019 with the liabilities from leases on July 1, 2019 (in thousand Euros):

	GROUP - COMPANY
Commitments from operating leases on 30.06.2019	294
Discount based on the variable interest rate on 01.07.2019	(26)
Total liabilities from leases as of 01.07.2019	268

- **IFRS 9 Financial Instruments: Classification and Measurement(Amended)**

The amendment clarifies that financial assets with the prepaid option that permit or require a party to pay or receive reasonable compensation for the early termination of a contract (in the sense that there may be a charge on the part of the asset holder due to early payoff) can be measured at amortized cost or fair value through the statement of comprehensive income. The Management of the Group evaluated the effect of the amendment of the standard and concluded that it has no impact on the financial statements of the Group and the Company.

- **IFRS 28 — Investments in Associates and Joint Ventures(Amended)**

The amendments relate to whether the measurement (and in particular the impairment) of long-term interests in associates and joint ventures, which are essentially part of the net investment in the associate or joint venture, is governed by IFRS 9, IAS 28 or a combination of the two standards. The amendments clarify that an entity applies IFRS 9 before applying IAS 28 to those long-term holdings for which the equity method is not applied. In applying IFRS 9, an entity does not consider any adjustments to the carrying amount of long-term interests arising from the application of IAS 28. The Group's management assessed the effect of the amendments to the standard and concluded that it has no impact on financial statements of the Group and the Company.

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

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. The Management of the Group and the Company estimate that these amendments will have no impact on the financial statements.

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

. 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. The Management of the Group and the Company estimate that these amendments will have no impact on the financial statements.

- The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle, which is a collection of amendments to IFRSs. The Management of the Company estimates that these amendments will have no impact on the 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.

Standards issued but not yet effective and not early adopted

- **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. The Management of the Group and the Company estimate that these amendments will have no impact on the financial statements.

- **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. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when 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 July 2020.

- **IFRS 3: Business Combinations (Amendments)**

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 July 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. The Management of the Group and the Company estimate that these amendments will have no impact on the financial statements.

- **Interest Rate Benchmark Reform - IFRS 9, IAS 39, IFRS 7 (Amendments)**

The amendments are effective, retrospectively, for annual periods beginning on or after 1 January 2020, with earlier application permitted. In September 2019, the International Accounting Standards Board (IASB) issued amendments to IFRS 9, IAS 39 and IFRS 7, completing the first phase of its work on the implications of the reform of interbank borrowing rates in financial terms. The second phase focuses on issues that affect financial reporting when an existing benchmark interest rate is replaced by a zero-risk interest rate. The amendments address issues arising from financial reporting in periods prior to the replacement of an existing reference rate with an alternative interest rate, and address implications for specific hedge accounting requirements of the IFRS 9 «Financial Instruments» and «IAS 39: Financial Instruments Recognition and measurement». The amendments provide for temporary facilities applicable to existing hedging ratios that are affected by the revision of reference rates, allowing the hedge of accounting to continue during the period of uncertainty before replacing an existing

reference rate with an alternative interest rate of almost no interest. The amendments also introduce in IFRS 7 «Financial Instruments: Disclosures» additional disclosures about the uncertainty arising from the revision of reference rates. The Management of the Group estimates that these amendments will not have an impact on the financial statements of the Group and the Company.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 July 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. The Management of the Group and the Company estimate that these amendments will have no 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.

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Notes to the Company's and Consolidated financial statements as at June 30, 2020
(All figures expressed in EURO, unless otherwise stated).

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.

(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:

Category	Useful life
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

Borrowing costs that are directly attributable to the acquisition, construction or production of fixed assets are capitalized for the period required until construction is completed and ready for use.

Borrowing costs are capitalized if the funds raised were specifically used for the acquisition of fixed assets. If the funds were generally raised and used for the acquisition of fixed assets, the portion of the borrowing costs capitalized is determined by applying a capitalization factor to the cost of acquiring the asset. Other borrowing costs are recognized in the income statement.

(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.

(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 amortized 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.

I. Financial Assets

Initial recognition and measurement

At initial recognition financial assets are classified depending on their nature and characteristics into one of the following four categories:

- Financial assets measured at amortized cost,
- Financial assets measured at fair value through profit or loss,
- Financial assets measured at fair value through other comprehensive income

All financial assets are initially recognized at their fair value, which is usually the acquisition cost plus direct transaction costs. Purchases and sales of investments are recognized at the date of the transaction, which is the date the Company commits to purchase or sell the item.

Subsequent measurement

i. Financial assets measured at amortized cost

This category classifies the financial assets for which both of the following conditions are met:

1. the financial asset is retained within a business model, the objective of which is to hold financial assets for the purpose of collecting contractual cash flows; and
2. under the contractual terms of the financial asset, cash flows that consist exclusively of capital repayment and interest on the outstanding capital are created at specific dates.

This category includes all the financial assets of the Company except for financial assets measured at fair value through profit or loss.

ii. Financial assets measured at fair value through profit or loss.

A financial asset is measured at fair value through profit or loss, unless is measured at amortized cost according to paragraph (i) or fair value through other comprehensive income in accordance with paragraph (ii).

However, at initial recognition, the Company may elect irrevocably for specific investments in equity instruments that would otherwise be measured at fair value through profit or loss, presenting other comprehensive income on subsequent changes in fair value

Realized and unrealized gains or losses arising from changes in the fair value of financial assets measured at fair value through profit or loss are recognized in profit or loss in the period in which they arise.

At the date of the Financial Statements the Group and Company had investments in shares.

iii. Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both the following conditions are met:

1. the financial asset is retained in the context of a business model the objective of which is achieved both by the collection of contractual cash flows and the sale of financial assets; and
2. under the contractual terms of the financial asset, cash flows that consist exclusively of capital repayment and interest on the outstanding capital are created at specific dates.

At the date of the Financial Statements the Group and Company did not have investments of this category.

Derecognition of financial asset

The Group and the Company ceases to recognize a financial asset when the contractual rights to the cash flow of the financial asset expire or transfer the financial asset and the transfer meets the conditions for write-off.

Reclassification of financial assets

Reclassification of financial assets occurs in rare cases and is due to a decision by the Company to modify its business model for the management of those financial assets.

Impairment of financial assets

Under IFRS 9, impairment of financial assets measured at amortized cost or at fair value through other comprehensive income occurs by recognizing the expected credit losses.

At each reporting date, IFRS 9 requires measuring the provision for a financial instrument for an amount equal to the expected lifetime loss if the credit risk of the financial instrument has increased significantly since initial recognition. On the other hand, if at the reporting date the credit risk of a financial instrument has not increased significantly from the initial recognition, IFRS 9 requires the provision for a loss provision for that financial instrument to be equal to the expected 12-month credit losses.

The risk parameters taken into account for the calculation of expected credit losses are the estimated default probability, the percentage of loss on the principal due to the fact that the client has failed to repay the amount due and the outstanding balance of the Group and the Company in case of default the customers. In certain cases, the Company may assess for certain financial information that there is a credit event when there is internal or external information indicating that the collection of amounts determined under the relevant contract is unlikely to be collected as a whole.

As a general rule, the assessment of the classification in stages shall be carried out at each reporting period.

With regard to 'Trade receivables, IFRS 9 requires the application of the simplified approach to the calculation of expected credit losses. The Group and the Company, using this approach, has calculated the expected credit losses over the life of the receivables. For this purpose, a credit loss forecasting table was used to measure the projections in a way that reflects past experience and predictions of the future financial situation of customers and the economic environment. A more detailed description of accounting is presented below in paragraph i.

II. Financial liabilities

Initial recognition

The balances of suppliers and other liabilities are recognized at cost that is the fair value of the future payment for the purchases of goods and services provided. Trade and other short-term liabilities are not interest-bearing accounts and are usually settled at 0-120 days.

All loans are initially recorded at cost, which reflects the fair value of the receivables less the relevant direct acquisition costs where they are significant. After initial recognition, interest bearing loans are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account issuing costs and the difference between the original amount and the maturity. Gains and losses are recognized in profit or loss when liabilities are written off or impaired through the amortization process.

Subsequent measurement

After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method except for:

- a. financial liabilities at fair value through profit or loss.
- b. financial liabilities that arise when the transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach is applied.
- c. financial guarantee contracts
- d. loan commitments at lower interest rates than those on the market.

The unamortized cost of loans is calculated by taking into account issuing costs and the difference between the original amount and the maturity. Gains and losses are recognized in profit or loss when the liabilities are written off or impaired, and through the amortization process.

Loans are classified as current liabilities unless the Group and the Company has the right to postpone the repayment of the liability for at least 12 months from the date of the Financial Statements.

Derecognition

An entity ceases to recognize a financial liability (or part thereof) in its financial statements when, and only when, it is repaid, that is, when the commitment set out in the contract is fulfilled, canceled or expires. An exchange between an actual debtor and a borrower of debt securities in substantially different terms is accounted for as a repayment of the original financial liability and recognition of a new financial liability. Similarly, a material changes in the terms of an existing financial liability (whether due to a borrower's financial difficulty or not) is accounted for as a repayment of the original financial liability and recognition of a new financial liability. The difference between the carrying amount of a financial liability (or a portion of a financial liability) payable or transferred to another party and the consideration paid, including the non-cash assets and the liabilities assumed, is recognized in the income statement.

Reclassification of financial liabilities

The Group and the Company may not reclassify any financial liability.

Offsetting financial instruments

The offsetting of financial assets with liabilities and the presentation of the net amount in the Financial Statements is made only if there is a legal right to offset and there is an intention to settle the net amount resulting from the offsetting or simultaneous settlement.

(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.

(11) Trade and other receivables

Receivables which are normally settled until 120 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.

Provision for doubtful debts is recorded when it is no longer possible to collect the entire amount due. The Group and the Company also calculate the expected credit losses over the life of the receivables and make a relevant provision. For this purpose, a credit loss forecast table is used based on the maturity of balances, which calculates the relevant forecasts in a way that reflects past experience as well as forecasts of the future financial position of customers and the financial environment. The balance of this provision for doubtful debts is appropriately adjusted at each closing date of the financial statements to reflect the probable relative risks. Any write off of customer balances is charged to the existing provision for doubtful receivables. It is the Group's and the Company's policy not

to write off any receivables until all possible legal actions for its collection have been exhausted. The amount of the provision is recognized as an expense in the disposal expense in the statement of comprehensive income.

Subsequent receipts of amounts for which a provision had been recorded are credited in the "Other 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 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. An outstanding amount is recognized as a liability, and if the amount already paid exceeds the amount of benefits, the enterprise recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will result in a reduction in future payments or will be returned.

In addition to the above, the Company and the Group have no long-term legal or constructive obligations to employees.

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(16) State insurance programs

Company's employees are covered from the Main State Insurance Fund related to the private sector, 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 relate 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 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 amortized 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 and the Company have 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 120 days for the Group and the Company.

(20) Current and Deferred income tax

Current tax is calculated based on the financial statements of each of the companies included in the consolidated financial statements, in accordance with the tax laws in force in Greece or other tax frameworks within which the foreign subsidiaries operate. Current income tax expense includes income tax that arises on the basis of the profits of each Company as reclassified in its tax returns, additional income taxes arising from tax authorities' tax audits, and provisions for additional tax and surcharge and tax deductions at the tax rates applicable at the date of the financial statements.

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 tax assets are recognized for all deductible temporary differences and tax losses carried forward to the extent that it is probable that taxable profit will be available against which deductible temporary differences and tax losses carried forward can be utilized.

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

(21) Revenues from sales

Revenues from sales consists of the fair value of the consideration received or receivable from the sale of goods and the provision of services in the ordinary course of business of the Company. Revenue from contracts with customers is recognized when control of the goods and services is transferred to the customer for an amount that reflects the consideration that the Group and the Company expect to receive in the provision of those goods and services. The control of the goods and services provided is transferred to the customer upon delivery of the respective goods and services. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the Company and the income can be reliably measured. If a contract contains more than one contractual obligation, the total value of the contract is allocated to the individual liabilities based on the individual sales values. The payment terms usually vary depending on the type of sale and depend primarily on the nature of the products or services, the distribution channels and the characteristics of each customer.

In particular, sales revenue relates to a) revenue from the sale of goods and other stocks, b) revenue from the sale of products, and c) revenue from the provision of services. All Group and Company income is recognized at a point in time.

The Group and the Company further evaluate whether it has an agent or representative role in any relevant agreement. The Group's and the Company's estimation is that all sales transactions they perform have a leading role.

In addition, if the consideration in a contract includes a variable amount, the Company recognizes that amount only as income to the extent that it is probable that there will be no significant reversal in the future.

The Group and the Company do not enter into contracts where the period between the transfer of the goods or services promised to the customer and the payment by the customer exceeds one year. Therefore, the Group and the Company do not adjust the transaction price for the time value of money.

In cases where the Group and the Company receive payment from the customer (prepayment) prior to the performance of the contractual obligations and the transfer of the goods or services, a contractual liability is recognized. A contractual liability is derecognized when the contractual obligations are executed, and the income is recorded in the statement of comprehensive income (note 18).

(22) Income from interests and dividends

Income from interests is recognized as the interest accrues.

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

(23) 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.

(24) 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.

(25) Leases – IAS 17 applied until June 30, 2019

Determining whether a transaction involves a lease or not is based on the substance of the transaction at the date of the relevant contract, namely whether there is an agreement in which the lessor transfers to the lessee, in return, the right to use an asset for an agreed period.

Leases that transfer to the Group substantially all the risks and benefits associated with the leased asset are capitalized at the beginning of the lease at fair value of the leased asset or, if it is lower, at the present value of the minimum leases. Payments for finance leases are apportioned between the financial expenses and the reduction of the financial liability, in order to achieve a fixed interest rate on the remaining balance of the liability. Financial expenses are charged to P/L. Capitalized leased assets are depreciated over the shorter period of the estimated useful life of the asset or the duration of the lease.

Leases where the lessor retains substantially all the benefits and risks arising from the ownership of the asset are classified as operating leases. Leases paid for operating leases are recognized as an expense in the income statement on a straight-line basis over the term of the lease. In case the operating lease contract is terminated before its expiration date, the amount paid to the lessor in the form of compensation is recognized as an expense during the period in which the lease is terminated.

For leases where the Group and the Company are lessors, lease income from operating leases is recognized in the Statement of Comprehensive Income using the straight-line method over the term of the lease.

(26) Leases (as a lessee or lessor) (effective from July 1.2019)

The Group and the Company assess at the entry of a contract, whether a contract constitutes or contains a lease. An agreement contains a lease if it transfers control of the use of a designated asset, even if that asset is not explicitly identified, for a period of time in return for consideration.

The Group and the Company as a lessee:

The Group and the Company applied a unified identification and measurement approach for all leases, except for low value asset leases. The Group and the Company recognize lease liabilities for rentals repayments and asset use rights that represent the right to use the underlying assets. The Group and the Company lease means of transport to service their operations.

- Right to use asset

The Group and the Company recognize the right to use an asset at the beginning of the lease (the date that the asset is available for use). The right of using the asset is measured at cost, less accumulated amortization and impairment and adjusted for the recalculation of the corresponding lease liabilities. The cost of the rights of using the assets includes the amount of lease liabilities recognized, the initial directly related costs and lease payments made on or before the commencement date, less the amount of discounts or other incentives offered. Except where the Group and the Company are relatively certain that the leased asset will expire at the end of the lease, the recognized rights to use the asset are amortized on a straight-line basis over the shortest useful lives of the underlying asset and the terms of the lease. The rights to use assets are subject to impairment test.

- Liabilities from Leases

At the commencement of the lease, the Group and the Company recognize lease liabilities equal to the present value of the leases during the total term of the lease. Payments include conventional fixed rents, reduced by the amount of grants offered, variable rents depending on an index, and amounts for residual value payments expected to be paid. Leases also include the price of a right to lease that is relatively certain to be exercised by the Group and the Company and the value of penalties for the settlement of a lease, if the terms of the contract indicate with relative certainty that the Company will exercise the right to terminate. Variable rents that are not dependent on an indicator are recognized as an expense in the year in which the event or condition occurs and payment is made. Finally, the Group and the Company have decided to apply the practical facility for buildings and means of transport

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which does not require the separation of non-lessees from leases and instead considers each lease and each related non-lease. as a single lease.

To calculate the present value of the payments, the Group and the Company use the cost of additional borrowing at the date of beginning of the lease, unless the effective interest rate is determined directly by the lease. After the start of the lease, the amount of the lease obligations is increased by interest expenses and decreases with the rent payments made. In addition, the carrying amount of lease liabilities is remeasured if there is an amendment to the contract, or any change in the term of the contract (e.g. changes in future payments as a result of a change in an indicator used to determine such lease payments).) or in the market valuation of the asset. These recalculations are recorded on a line in the note on the right to use the assets as conversions.

- Short-term leases and leases of low value fixed assets

The Group and the Company apply the exception regarding short-term leases (leases of less than or equal to 12 months, from the date of the beginning of the lease agreement, where there is no right to purchase the asset). It also applies the exemption to low value assets (less than € 5 thousand). Lease payments for short-term and low-value leases are recognized as fixed-line expenses over the lease term.

-Important considerations in determining the duration of leases with the right of renewal

The Group and the Company determine the lease term as the contractual lease term, including the time period covered by (a) the right to extend the lease, if it is relatively certain that the right will be exercised or by (b) the right to terminate the contract, if it is relatively certain that the right will not be exercised.

The Group and the Company have the right, for some leases, to extend the duration of the lease agreement. The Group and the Company assess whether there is relative certainty that the right of renewal will be exercised, taking into account all the relevant factors that create financial incentive, to exercise the right of renewal. After the date of commencement of the lease, the Group and the Company reconsider the duration of the lease, if there is a significant event or change in the circumstances that fall under its control and affect the choice to exercise (or not) the renewal right (such as a change in the business strategy of the Group and the Company).

In 2019, the IFRS Interpretations Committee (the "Commission") issued a summary of the decisions taken at its public meetings to clarify IFRS 16 interpretations on the following issues:

- Rights related to the subsoil that does not apply to the Group and the Company

Determining the duration of leases: The Commission has adopted a decision according to which, in assessing the concept of non-significant penalty, in drawing up the terms of the lease, the analysis should not only cover the fine provided for in the contract, but use a broader financial assessment of the penalty so as to include all possible financial outflows associated with the termination of the contract. The Company applies this decision and uses judgment to estimate the duration of each lease and takes into account all relevant factors that create financial incentive to pursue either the renewal or termination.

For leases where the Group and the Company are lessors, lease income from operating leases is recognized in the Statement of Comprehensive Income using the straight-line method over the term of the lease.

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4. REVENUES AND EXPENSES

a) Sales

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Merchandise	619.883,36	998.178,58	619.883,36	998.178,58
Products	39.520.028,93	48.788.354,51	39.396.785,76	48.728.690,29
Raw materials and other inventories	1.447.488,48	1.569.450,20	1.443.945,21	1.537.064,32
Services provided	213.051,43	270.643,96	212.522,25	270.551,92
Total	41.800.452,20	51.626.627,25	41.673.136,58	51.534.485,11

The decrease in turnover is due both to the reduced quantity of the 2019 harvest tobacco due to adverse weather conditions during the transplant and initial plant growth in the field, and also due to the effect of the COVID-19 pandemic.

b) Cost of sales

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Depreciation (note 4j)	481.588,85	472.587,80	354.644,25	373.472,73
Cost of inventories recognized as expense	27.063.509,41	40.235.726,33	29.776.553,45	42.898.776,32
Payroll expenses (note 4i)	2.837.104,92	3.158.625,35	2.466.091,41	2.817.910,20
Third party fees and expenses	1.100.431,61	966.824,64	270.301,25	298.131,04
Facilities	1.375.214,83	1.197.832,13	1.278.370,56	1.129.929,54
Rents for leases (note 25d)	7.045,47	71.097,83	5.900,16	71.097,83
Taxes and duties	47.905,63	34.886,36	42.184,11	33.020,19
Various expenses	909.228,71	947.934,49	827.625,19	836.588,35
Total	33.822.029,43	47.085.514,93	35.021.670,38	48.458.926,20

c) Selling and distribution expenses

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Payroll expenses (note 4h)	211.171,95	325.293,47	211.171,95	325.293,47
Third party fees and expenses	204.319,66	238.401,95	166.866,54	190.928,23
Facilities	308.218,36	360.247,99	308.218,36	360.247,99
Taxes and duties	14.500,59	15.210,34	14.500,59	15.210,34
Various expenses	128.506,72	149.178,30	128.275,62	149.011,93
Depreciation (note 4i)	112.113,19	115.048,29	112.113,19	115.048,29
Consumables	28.114,95	47.101,18	12.623,73	14.688,41
Total	1.006.945,42	1.250.481,52	953.769,98	1.170.428,66

d) Administrative expenses

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Payroll expenses (note 4i)	1.447.711,13	1.312.582,67	1.245.990,70	1.104.502,58
Third party fees and expenses	1.130.901,69	762.724,99	982.427,29	761.033,78
Facilities	110.050,29	442.008,66	96.555,23	302.490,57
Rents for leases (note 25d)	51.815,32	60.765,92	44.257,56	52.853,32
Taxes and duties	156.118,25	147.800,42	128.093,52	144.387,15
Various expenses	275.849,41	375.139,88	257.051,83	351.345,37
Depreciation (note 4j)	226.225,23	105.930,63	194.686,93	92.920,58
Consumables	2.339,86	2.208,43	0,00	0,00
Total	3.401.011,18	3.209.161,60	2.949.063,06	2.809.533,35

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e) Research and development expenses

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Payroll expenses (note 4i)	46.016,78	51.655,65	46.016,78	51.655,65
Third party fees and expenses	2.050,00	60,00	2.050,00	60,00
Facilities	237.380,47	56.188,04	237.380,47	56.188,04
Various expenses	23.174,44	39.883,06	23.174,44	39.883,06
Depreciation (note 4j)	59.705,46	112.360,88	59.705,46	112.360,88
Total	368.327,15	260.147,63	368.327,15	260.147,63

f) Other expenses

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Loss from destruction of assets and inventories	0,00	4.507.507,33	0,00	4.507.507,33
Fines and surcharges	3.762,95	7.421,93	3.762,95	7.421,93
Losses from disposal of fixed assets (note 5)	1.261,67	0,00	0,00	0,00
Other expenses	2.133,87	865,14	2.133,87	865,14
Total	7.158,49	4.515.794,40	5.896,82	4.515.794,40

On 10.10.2018 there was a fire in a warehouse of finished products of the Parent Company's factory in Amygdaleonas Kavala.

The fire caused damage to part of the Company's premises with a net carrying amount of Euro 538.627,99 (note 5) and to inventories of a total valuation cost of Euro 3.968.879,34 (note 10) which were recognized in the statement of comprehensive income of the year 2018-2019 while direct expenses for its restoration were incurred for the damage to buildings and the maintenance of the inventories.

As the Parent Company had sufficiently insured its fixed assets and inventories, an aggregate amount of Euro 6.661.580,51 was collected after recording the loss by the insurance company, which was recognized in other income in the statement of comprehensive income of the year 2018-2019 (note 4g) and refers to the replacement cost of building installations and the sale value of damaged inventories.

g) Other income

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Amortization of government grants (note 19)	22.801,55	189.651,80	10.732,05	10.732,05
Compensation income (note 4f)	321,61	6.661.580,51	321,61	6.661.580,51
Gains from disposals of fixed assets (note 5)	10.230,13	29.045,77	10.230,13	29.045,77
Income from unutilized provisions (note 11,18)	66.088,18	192.865,51	66.088,18	192.865,51
Other income	36.666,93	142.311,49	16.369,83	141.759,24
Total	136.108,40	7.215.455,08	103.741,80	7.035.983,08

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h) Financial expenses (net)

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Long term debt interests (note 17)	351.070,17	431.771,48	351.070,17	431.771,48
Short term debt interests (note 17)	2.371.463,25	1.477.039,23	2.242.066,91	1.447.812,97
Leases Interests (Note 7)	15.656,30	0,00	15.656,30	0,00
Financing expenses insurance	30.768,22	40.235,37	30.768,22	40.235,37
Other finance expenses	408.834,88	581.423,70	320.221,50	406.578,61
Losses from valuation of financial assets (note 12)	97.157,85	19.538,73	97.157,85	19.538,73
Total financial expenses	3.274.950,67	2.550.008,51	3.056.940,95	2.345.937,16
Interests from deposits (note 14)	13.997,57	8.843,21	1.406,29	2.522,06
Gains from valuation of financial assets (note 12)	0,00	4.808,16	0,00	4.808,16
Other finance income	528,16	713,87	0,00	0,00
Income from investments	0,00	0,00	721.424,46	1.582.806,28
Total financial income	14.525,73	14.365,24	722.830,75	1.590.136,50
Net financial expenses	3.260.424,94	2.535.643,27	2.334.110,20	755.800,66

i) Payroll costs

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Salaries and wages	3.670.432,40	3.847.798,83	3.139.968,75	3.357.638,67
Employer's contributions	790.285,46	921.546,08	749.996,83	878.804,46
Other personnel expenses	59.987,42	54.414,74	58.005,76	38.521,28
Provision for staff leaving indemnities (note 18)	21.299,50	24.397,49	21.299,50	24.397,49
Total	4.542.004,78	4.848.157,14	3.969.270,84	4.299.361,90

Company's number of personnel as at June 30, 2020 and 2019 is analyzed below:

Employees

	THE GROUP		THE COMPANY	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Salaried personnel	112	130	79	93
Daily paid personnel	36	43	18	16
Total	148	173	97	109

Payroll cost per function is analyzed below:

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Cost of sales (note 4b)	2.837.104,92	3.158.625,35	2.466.091,41	2.817.910,20
Selling and distribution expenses (note 4c)	211.171,95	325.293,47	211.171,95	325.293,47
Administrative expenses (note 4d)	1.447.711,13	1.312.582,67	1.245.990,70	1.104.502,58
Research and development expenses (note 4e)	46.016,78	51.655,65	46.016,78	51.655,65
Total	4.542.004,78	4.848.157,14	3.969.270,84	4.299.361,90

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j) 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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Tangible assets (note 5)	720.862,33	752.978,57	570.135,33	643.956,39
Intangible assets (note 6)	57.823,49	52.949,03	50.067,59	49.846,09
Rights of use assets (note 7)	100.946,91	0,00	100.946,91	0,00
Total	879.632,73	805.927,60	721.149,83	693.802,48

The above mentioned depreciations are analyzed per function as follows:

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Cost of sales (note 4b)	481.588,85	472.587,80	354.644,25	373.472,73
Selling and distribution expenses (note 4c)	112.113,19	115.048,29	112.113,19	115.048,29
Administrative expenses(note 4d)	226.225,23	105.930,63	194.686,93	92.920,58
Research and development expenses (note 4e)	59.705,46	112.360,88	59.705,46	112.360,88
Total	879.632,73	805.927,60	721.149,83	693.802,48

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(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
01.07.2019 – 30.06.2020							
Book value 01/07/2019	1.322.629,54	14.026.079,42	9.185.175,00	553.986,60	3.379.104,78	4.916,04	28.471.891,38
Additions	0,00	34.300,00	14.811,19	0,00	499.875,07	465.594,07	1.014.580,33
Disposals	0,00	0,00	-2.466,90	-19.669,48	-75.235,98	0,00	-97.372,36
Book value 30/06/2020	1.322.629,54	14.060.379,42	9.197.519,29	534.317,12	3.803.743,87	470.510,11	29.389.099,35
Accumulated Depreciation 1/7/2019							
	0,00	5.224.234,28	6.095.648,39	387.384,66	2.938.704,40	0,00	14.645.971,73
Depreciation (note 4j)	0,00	246.352,05	197.300,69	42.607,41	234.602,18	0,00	720.862,33
Disposals	0,00	0,00	-1.205,42	-19.669,28	-74.532,84	0,00	-95.407,54
Accumulated Depreciation 30/06/2020	0,00	5.470.586,33	6.291.743,66	410.322,79	3.098.773,74	0,00	15.271.426,52
Net Book Value 30/06/2019	1.322.629,54	8.801.845,14	3.089.526,61	166.601,94	440.400,38	4.916,04	13.825.919,65
Net Book Value 30/06/2020	1.322.629,54	8.589.793,09	2.905.775,63	123.994,33	704.970,13	470.510,11	14.117.672,83
01.07.2018 – 30.06.2019							
Book value 01/07/2018	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
Additions	0,00	27.704,76	111.562,18	52.469,25	94.462,17	4.916,04	291.114,40
Disposals	0,00	-873.034,02	0,00	-71.202,69	-67.851,62	0,00	-1.012.088,33
Transfers	0,00	0,00	62.000,00	0,00	0,00	-62.000,00	0,00
Book value 30/06/2019	1.322.629,54	14.026.079,42	9.185.175,00	553.986,60	3.379.104,78	4.916,04	28.471.891,38
Accumulated Depreciation 1/7/2018							
	0,00	5.308.455,44	5.813.820,78	411.831,70	2.823.753,72	0,00	14.357.861,64
Depreciation (note 4j)	0,00	250.184,87	281.827,61	38.330,66	182.635,43	0,00	752.978,57
Disposals	0,00	-334.406,03	0,00	-62.777,70	-67.684,75	0,00	-464.868,48
Accumulated Depreciation 30/06/2019	0,00	5.224.234,28	6.095.648,39	387.384,66	2.938.704,40	0,00	14.645.971,73
Net Book Value 30/06/2018	1.322.629,54	9.562.953,24	3.197.792,04	160.888,34	528.740,51	62000,00	14.835.003,67
Net Book Value 30/06/2019	1.322.629,54	8.801.845,14	3.089.526,61	166.601,94	440.400,38	4.916,04	13.825.919,65

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THE COMPANY

Description	Land	Buildings	Machinery	Vehicles	Furniture & Equipment	Assets under construction & advances	Total
01.07.2019 – 30.06.2020							
Book value 01/07/2019	1.306.868,11	12.081.262,17	7.711.092,17	330.242,41	3.014.225,94	4.916,04	24.448.606,84
Additions	0,00	34.300,00	10.137,13	0,00	248.555,19	465.594,07	758.586,39
Disposals	0,00	0,00	0,00	-11.284,29	-75.235,98	0,00	-86.520,27
Book value 30/06/2020	1.306.868,11	12.115.562,17	7.721.229,30	318.958,12	3.187.545,15	470.510,11	25.120.672,96
Accumulated Depreciation 1/7/2019							
	0,00	4.406.210,64	4.635.421,91	268.092,90	2.641.547,72	0,00	11.951.273,17
Depreciation (note 4j)	0,00	203.179,25	192.933,69	12.199,63	161.822,76	0,00	570.135,33
Disposals	0,00	0,00	0,00	-11.284,28	-74.532,84	0,00	-85.817,12
Accumulated Depreciation 30/06/2019	0,00	4.609.389,89	4.828.355,60	269.008,25	2.728.837,64	0,00	12.435.591,38
Net Book Value 30/06/2019	1.306.868,11	7.675.051,53	3.075.670,26	62.149,51	372.678,22	4.916,04	12.497.333,67
Net Book Value 30/06/2020	1.306.868,11	7.506.172,28	2.892.873,70	49.949,87	458.707,51	470.510,11	12.685.081,58
01.07.2018 – 30.06.2019							
Book value 01/07/2018	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
Additions	0,00	27.705,18	108.945,62	26.347,08	40.006,85	4.916,04	207.920,77
Disposals	0,00	-873.034,02	0,00	-44.431,00	-67.851,62	0,00	-985.316,64
Transfers	0,00	0,00	62.000,00	0,00	0,00	-62.000,00	0,00
Book value 30/06/2019	1.306.868,11	12.081.262,17	7.711.092,17	330.242,41	3.014.225,94	4.916,04	24.448.606,84
Accumulated Depreciation 1/7/2018							
	0,00	4.533.604,60	4.390.095,03	290.150,37	2.531.563,57	0,00	11.745.413,57
Depreciation (note 4j)	0,00	207.012,07	245.326,88	13.948,54	177.668,90	0,00	643.956,39
Disposals	0,00	-334.406,03	0,00	-36.006,01	-67.684,75	0,00	-438.096,79
Accumulated Depreciation 30/06/2019	0,00	4.406.210,64	4.635.421,91	268.092,90	2.641.547,72	0,00	11.951.273,17
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
Net Book Value 30/06/2019	1.306.868,11	7.675.051,53	3.075.670,26	62.149,51	372.678,22	4.916,04	12.497.333,67

There are encumbrances over Parent Company's certain real estate, amounting € 15.000.000,00 for the coverage of long term borrowings with an outstanding balance of Euro 4.508.369,89.

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 was recorded for the year of 2020 as there was no indication of impairment while during the years 2018 and 2019 there was a write off due to a fire, of net book value of buildings amounted to Euro 538.627,99 (note 4f).

For the year ended June 30, 2020, tangible assets with a net book value of Euro 703,15 for the Group and the Company were sold, realizing a net gain from the sale of Euro 10.230,13 for the Group and the Company (30.06.2019: net gain of Euro 29.045,77 for the Group and the Company (note 4f, 4g).

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Depreciation of tangible assets is analyzed per function as follows:

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Cost of sales (note 4b)	481.588,85	472.587,80	354.644,25	373.472,73
Selling and distribution expenses (note 4c)	112.113,19	115.048,29	112.113,19	115.048,29
Administrative expenses(note 4d)	67.454,83	52.981,60	43.672,43	43.074,49
Research and development expenses (note 4e)	59.705,46	112.360,88	59.705,46	112.360,88
Total	720.862,33	752.978,57	570.135,33	643.956,39

6. INTANGIBLE ASSETS

Intangible assets include software and patent.

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

Description	THE GROUP		
	Software	Patent	Total
Book value			
July 1, 2018	553.751,63	200.000,00	753.751,63
Additions	34.119,69	0,00	34.119,69
June 30, 2019	587.871,32	200.000,00	787.871,32
Additions	7.312,42	0,00	7.312,42
June 30, 2020	595.183,74	200.000,00	795.183,74
Accumulated Depreciation			
July 1, 2018	336.321,94	82.142,85	418.464,79
Depreciation (note 4j)	43.520,46	9.428,57	52.949,03
June 30, 2019	379.842,40	91.571,42	471.413,82
Depreciation (note 4j)	48.394,92	9.428,57	57.823,49
June 30, 2020	428.237,32	100.999,99	529.237,31
Net Book Value			
June 30, 2019	208.028,92	108.428,58	316.457,50
June 30, 2020	166.946,42	99.000,01	265.946,43

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Description	THE COMPANY		
	Software	Patent	Total
Book value			
July 1, 2018	531.777,15	200.000,00	731.777,15
Additions	10.672,84	0,00	10.672,84
June 30, 2019	542.449,99	200.000,00	742.449,99
Additions	3.021,42	0,00	3.021,42
June 30, 2020	545.471,41	200.000,00	745.471,41
Accumulated Depreciation			
July 1, 2018	318.663,33	82.142,85	400.806,18
Depreciation (note 4j)	40.417,52	9.428,57	49.846,09
June 30, 2019	359.080,85	91.571,42	450.652,27
Depreciation (note 4j)	40.639,02	9.428,57	50.067,59
June 30, 2020	399.719,87	100.999,99	500.719,86
Net Book Value			
June 30, 2019	183.369,14	108.428,58	291.797,72
June 30, 2020	145.751,54	99.000,01	244.751,55

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

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7. RIGHTS OF USE ASSETS - LIABILITIES FROM LEASES

The Group and the Company applied the modified retrospective method in the adoption of IFRS 16 and recognized lease liabilities in relation to leases that had previously been classified as operating leases in accordance with the principles of IAS 17 Leases.

In accordance with the transitional provisions of IFRS 16, the relevant right of use assets were measured at the amount equal to the lease obligation. There were no onerous leases requiring an adjustment of the rights to use the assets at the date of initial application.

The recognized rights of use of assets concern means of transport and their movement is as follows:

THE GROUP - THE COMPANY

	Vehicles
Book Value	
July 1, 2019	268.654,87
Additions	120.562,70
June 30, 2020	<u>389.217,57</u>
Accumulated Depreciation	
July 1, 2019	0,00
Depreciation (Note 4j)	100.946,91
June 30, 2020	<u>100.946,91</u>
Net Book Value	
June 30, 2020	<u><u>288.270,66</u></u>

Depreciation of the rights to use the assets is reflected in the administrative expenses (note 4d).

The Group and the Company, in the context of the application of IFRS 16, recognized on 01.07.2019 financial liabilities from leases amounting to Euro 268.654,87, while the additions for the year amounted to Euro 120.562,70. The interest on lease liabilities amounted to Euro 15.656,30 for the year ended June 30, 2020 and is included in the financial expenses in the statement of comprehensive income (note 4h), while rents amounting to Euro 126.714,38 have been paid.

The financial liabilities from leases amounting to Euro 278.159,49 for the Group and the Company are analyzed as follows:

THE GROUP - THE COMPANY

	30.06.2020
Short-term lease liabilities	117.469,94
Long-term lease liabilities	160.689,55
Total	<u><u>278.159,49</u></u>

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8. INVESTMENTS 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, 2020 and 2019 is analyzed as follows:

Name	Country	Percentage	30.06.2020	30.06.2019
MISSIRIAN BULGARIA A.D	BULGARIA	51%	1.889.558,92	1.889.558,92
MISSIRIAN NORTH MACEDONIA	FYROM	100%	200.000,00	200.000,00
			2.089.558,92	2.089.558,92

In October 2017, a subsidiary was established in NORTH MACEDONIA 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 presenting profitable results.

The subsidiaries in Bulgaria and in North Macedonia has the same activity with the Parent Company and they are profitable, and as such there is no indication of impairment

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 155 thousand, an amount of Euro 76 thousand is attributable to non-controlling interests (30.06.2019: Euro 263 thousand) and is shown separately in the Consolidated Statement of Changes in Equity while during the year 2019-2020 dividends were paid by the subsidiary, of which an amount of Euro 693 thousand is attributable to the non-controlling interests and will be paid next year, while in current year the dividends of the year 2018-2019 were paid and amounted of Euro 1.521 thousand.

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Condensed statement of total comprehensive income for the year ended June 30, 2020 and 2019 (amounts in thousand Euro)	MISSIRIAN BULGARIA			
	30.06.2020	30.06.2019		
Sales	3.876	3.740		
Profits before taxes	181	572		
Profits after taxes	155	536		
Attributable to non controlling interests	76	263		
Dividends paid to non controlling interests	1.521	-		
Condensed statement of financial position for the year ended June 30, 2020 and 2019 (amounts in thousand Euro)	30.06.2020		30.06.2019	
			30.06.2020	30.06.2019
Non current assets			1.132	1.183
Current assets			4.804	5.942
Total Assets			5.936	7.125
Non current liabilities			162	170
Current liabilities			1.076	166
Total liabilities			1.238	336
Total Equity			4.698	6.789
Attributable to:				
Owners from the parent			2.042	2.687
Non controlling interests			2.656	4.102
Condensed statement of cash flows for the year ended June 30, 2020 and 2019 (amounts in thousand Euro)	30.06.2020		30.06.2019	
			30.06.2020	30.06.2019
Cash flows from operating activities			1.318	(24)
Cash flows from investing activities			(14)	(19)
Cash flows from financing activities			(732)	(325)
Net increase/(decrease) in cash and cash equivalents			572	(368)

9. 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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Guarantees to Public Power Corporation	2.198,51	2.198,51	2.198,51	2.198,51
Guarantees related to car leases	20.200,74	25.808,00	20.200,74	25.808,00
Total	22.399,25	28.006,51	22.399,25	28.006,51

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10. INVENTORIES

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

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Products	21.520.411,50	13.740.176,36	21.513.600,09	13.715.987,91
Consumables	81.224,14	260.433,09	8.073,77	16.791,20
Raw materials – Packaging materials	3.648.089,93	443.101,99	3.625.411,76	429.616,80
Advances for the purchase of inventories	693.289,65	3.371.277,30	693.289,65	3.481.277,30
Total inventories at the lowest of cost and net realizable value	25.943.015,22	17.814.988,74	25.840.375,27	17.643.673,21

There are guarantees pledge over the inventories for the coverage of short term bank borrowings of Euro 18.759.376,00 for the Group and the Company (30.06.2019: Euro 10.557.058,00 for the Group and the Company).

In the year ended June 30, 2019, inventories of total valuation costs of Euro 3.968.879,34 (note 4f) were destroyed due to the fire, for which the Parent Company was reimbursed by the insurance company.

11. TRADE RECEIVABLES

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

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Trade Debtors	9.988.085,55	12.433.485,71	9.974.453,71	12.378.923,09
Receivables from related party (note 22)	0,00	0,00	0,00	13.048,75
Minus: Provision for doubtful receivables	-681.477,08	-747.109,65	-681.477,08	-747.109,65
Total	9.306.608,47	11.686.376,06	9.292.976,63	11.644.862,19

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

The movement of the provision for doubtful debts has as follows:

	THE GROUP-THE COMPANY	
	30.06.2020	30.06.2019
Balance, July 1, 2018	747.109,65	0,00
Adjustment due to the application of IFRS 9	0,00	939.975,16
Income from unutilized provision (note 4g)	-65.632,57	-192.865,51
Balance, June 30, 2019	681.477,08	747.109,65

Receivables generated from customers are usually settled until 120 days for the Group and the Company.

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On June 30, receivables ageing presented the following status:

THE GROUP Ageing analysis of receivables

30/06/2020	<u>Non-Overdue</u>		Total
	<u>balance</u>	<u>> 120 days</u>	
(amount in thousands €)			
Expected rate of credit loss	0,50%	38,00%	6,82%
Total amount of receivables	8.304	1.684	9.988
Expected credit loss	41	640	681

30/06/2019	<u>Non-Overdue</u>		Total
	<u>balance</u>	<u>> 120 days</u>	
(amount in thousands €)			
Expected rate of credit loss	1,00%	38,00%	6,01%
Total amount of receivables	10.749	1.684	12.433
Expected credit loss	107	640	747

THE COMPANY Ageing analysis of receivables

30/06/2020	<u>Non-Overdue</u>		Total
	<u>balance</u>	<u>> 120 days</u>	
(amount in thousands €)			
Expected rate of credit loss	0,50%	38,00%	6,83%
Total amount of receivables	8.289	1.684	9.973
Expected credit loss	41	640	681

30/06/2019	<u>Non-Overdue</u>		Total
	<u>balance</u>	<u>> 120 days</u>	
(amount in thousands €)			
Expected rate of credit loss	1,00%	38,00%	6,03%
Total amount of receivables	10.708	1.684	12.392
Expected credit loss	107	640	747

12. 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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Securities in listed entities	99.200,36	196.358,21	99.200,36	196.358,21
Money market funds	5.567,74	5.595,84	5.567,74	5.595,84
Total	104.768,10	201.954,05	104.768,10	201.954,05

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Changes during the year

From the valuation of available securities as at 30.06.2020 a loss of Euro 97.157,85 (30.06.2019: net loss of Euro 14.730,57) (note 4h), 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 EONIA (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.

13. OTHER RECEIVABLES AND PREPAYMENTS

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

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Receivables from subsidiaries	2.252.697,33	2.252.697,33	2.252.697,33	2.252.697,33
Receivables from taxes	295.967,33	563.683,76	287.500,31	554.602,98
Other receivables from Greek State	1.104.646,70	483.437,47	1.104.646,70	483.437,47
Advances on Account	107.339,48	120.734,17	107.339,48	120.734,17
Other debtors	131.208,60	307.923,28	115.495,87	294.992,10
Advances to suppliers	167.097,42	372.614,98	167.097,42	372.614,98
Prepaid expenses	370.582,64	1.139.066,70	370.582,64	1.074.366,28
Interest expenses	264.702,24	370.583,16	264.702,24	370.583,16
Total	4.694.241,74	5.610.740,85	4.670.061,99	5.524.028,47

Interest expenses amounting to Euro 264.702,24 (30.06.2018: Euro 370.583,16) refers to interests during the grace period for the repayment of long term borrowings, which will be charged to the results of the following 2,5 years during which the repayment of the bank borrowings will take place.

Receivables from subsidies amounting to Euro 2,252,697.33 (30.06.2019: Euro 2,252,697.33) relate to employer cost subsidies from ΟΑΕΔ (employer's fees and contributions) in accordance with Law 1767/88. Article 87 of Law 4706/2020 already provides for the offsetting of this amount with liabilities to the tax administration and social security funds. With KYA 34341/2020 further clarifications were provided for the offsetting and the application of the above decision is expected to complete the process.

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14. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Cash in hand	14.830,97	8.470,78	10.660,65	4.157,05
Cash at banks	849.636,94	1.504.978,37	642.836,01	1.083.413,35
Total	864.467,91	1.513.449,15	653.496,66	1.087.570,40

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, 2020 and 2019 was 0,2%.

Interest income from cash at banks for the years ended June 30, 2020 and 2019 amounting to Euro 13.997,57 and Euro 8.843,21 respectively for the Group and Euro 1.406,29 and Euro 2.522,06 respectively for the Company and are included in the financial income in the accompanying statements of total comprehensive income (note 4h).

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

Currency	GROUP	
	30.06.2020	30.06.2019
Euro	658.326,20	1.239.706,68
Bulgaria Leva	51.130,95	22.935,23
Macedonian denar	119.111,94	182.319,97
US Dollar	35.898,82	68.487,27
Total	864.467,91	1.513.449,15

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

Currency	COMPANY	
	30.06.2020	30.06.2019
Euro	617.597,84	1.019.083,13
US Dollar	35.898,82	68.487,27
Total	653.496,66	1.087.570,40

At June 30, 2020, part of the cash at banks for the Group amounting to Euro 153.907,30 and Euro 64.291,50 respectively (30.06.2019: Euro 240.488,22 and Euro 0.00 for the Group and the Company respectively) are bounded for the coverage of available limits for short term borrowings (note 16).

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15. SHARE CAPITAL AND RESERVES

Share capital

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

	<u>30.06.2020</u>	<u>30.06.2019</u>
Paid-up Share Capital		
3.250.378 common shares of nominal value 2,93 Euro each one	<u>9.523.607,54</u>	<u>9.523.607,54</u>

Reserves

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

THE GROUP

	<u>30.06.2020</u>	<u>30.06.2019</u>
Statutory reserve	66.992,00	66.992,00
Non-taxable reserves under special laws	1.159.256,45	1.159.256,45
Special reserve	3.156.603,12	2.435.178,66
Extraordinary reserves	51.813,48	51.813,48
Tax reserve Law 3299/2004	112.686,50	101.954,45
Other reserves	104.467,60	227.327,15
Total	<u>4.651.819,15</u>	<u>4.042.522,19</u>

THE COMPANY

	<u>30.06.2020</u>	<u>30.06.2019</u>
Statutory reserve	66.992,00	66.992,00
Non-taxable reserves under special laws	1.159.256,45	1.159.256,45
Special reserve	3.156.603,12	2.435.178,66
Extraordinary reserves	51.813,48	51.813,48
Tax reserve Law 3299/2004	112.686,50	101.954,45
Total	<u>4.547.351,55</u>	<u>3.815.195,04</u>

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

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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.

16. 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, 2019, 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 as at June 30, 2020, 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.

17. LONG TERM BORROWINGS – SHORT TERM BORROWINGS

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

	THE GROUP	
	30.06.2020	30.06.2019
Long term bank loans	4.508.369,89	6.013.928,82
Short term bank loans	32.384.343,37	23.327.038,03
TOTAL	36.892.713,26	29.340.966,85

	THE COMPANY	
	30.06.2020	30.06.2019
Long term bank loans	4.508.369,89	6.013.928,82
Short term bank loans	31.564.343,37	23.327.038,03
TOTAL	36.072.713,26	29.340.966,85

The maturity of the long term borrowings for the Group and the Company is 2,5 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.

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The fair value of long term borrowings approximates 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.

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

	<u>30.06.2020</u>	<u>30.06.2019</u>
Within 1 year	2.310.129,24	2.350.194,37
Between 1 and 5 years	2.198.240,65	3.663.734,45
TOTAL	<u>4.508.369,89</u>	<u>6.013.928,82</u>

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

	<u>30.06.2019</u>	<u>30.06.2018</u>
Bank borrowings		
- Bank Borrowings (Long term) Parent	5,71%	5,71%
- Bank Borrowings (Short term) Parent	5,73%	6,19%
- Bank Borrowings (Short term) Subsidiary - Bulgaria	1 Monthly euribor +3,20%	1 Monthly Euribor +3,20%

The Group and the Company, on 30.06.2019 and 30.06.2018 respectively, had no unused available credit lines for long-term loans while the Group and the Company had unused available credit lines for short-term loans, as of 30.06.2020, amounting to Euro 34.017 thousand. and Euro 28.017 thousand respectively (30.06.2019: Euro 43.552 thousand and Euro 37.552 thousand for the Group and the Company respectively).

The interest expense for long term borrowings for the years ended June 30, 2020 and 2019, amounted to Euro 351.070,17 and Euro 431.771,48 for the Group and the Company and is included in the financial expenses in the accompanying Statements of Total Comprehensive Income (note 4h).

The interest expense for short term borrowings for the years ended June 30, 2020 and 2019, amounted to Euro 2.371.463,25 and Euro 1.477.039,23 respectively for the Group and to Euro 2.242.066,91 and Euro 1.447.812,97 for the Company respectively and is included in the financial expenses in the accompanying Statements of Total Comprehensive Income (note 4h).

Mortgages on fixed equipment amounted to Euro 4.508.369,89 (30.06.2019: Euro 6.013.928,82) for securing long-term loans with outstanding balance of Euro 15.000.000,00 (30.06.2019: Euro 15.000.000,00). The above collateral relates to the guarantee of the Greek State by 80% of all Parent Company's long-term loans.

For the secure of the short term borrowings, there are guarantees pledges over inventories amounting to Euro 18.759.376,00 for the Group and the Company (30.06.2019: Euro 10.557.058,00 for the Group and the Company) and bounded cash and cash equivalents amounting to Euro 89.615,80 for the Group (30.06.2019: Euro 240.488,22).

18. 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.

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, 2020 and 2019 and the composition of the net expense for the relative provision recorded in the Statement of Total Comprehensive Income.

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

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Net liability at beginning of year	363.943,00	341.906,38	363.943,00	341.906,38
Expense recognized in income statement (note 4i)	21.299,50	24.397,49	21.299,50	24.397,49
Income from unutilized provision (note 4g)	-455,61	0,00	-455,61	0,00
Total expense recognized in or comprehensive income	0,00	5110	0,00	5110
Benefits paid during year	0,00	-7.470,87	0,00	-7.470,87
Net liability at end of year	384.786,89	363.943,00	384.786,89	363.943,00

Amounts recognized in the statement of comprehensive Income for personnel indemnities for the Group and the Company is analyzed as follows:

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Service cost	16.932,19	15.215,18	16.932,19	15.215,18
Interest cost	4.367,31	6.154,31	4.367,31	6.154,31
Extra payments	0,00	3.028,00	0,00	3.028,00
Total (note 4i)	21.299,50	24.397,49	21.299,50	24.397,49

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	
	30.06.2020	30.06.2019
Discount rate	1,20%	1,20%
Rate of compensation increase	0% until 2021 and then 1%	0% until 2021 and then 1%
Inflation rate increase	2,00%	2,00%
Average future working service	15,07	16,07

In case of a 0,50% increase in the rate of compensation increase, total employee benefits would be increased by 4,55% and will be amounted to Euro 402.294,69, while in case of a 0.50% decrease in the rate of compensation increase, total employee benefits would be decreased by 4,23% and will be amounted to Euro 368.510,40.

In case of a 0,50% increase in the discount rate, total employee benefits would be reduced by 5,14% and will be amounted to Euro 365.008,84, while in case of a 0.50% decrease in discount rate, total employee benefits would be increased by 5,60% and will be amounted to Euro 406.334,96.

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19. GOVERNMENT GRANTS

The Parent Company and its subsidiary in Bulgaria 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, 2018	584.969,24	249.660,10
Income recognized to profit or loss (note 4g)	-189.651,80	-10.732,05
Balance June 30, 2019	395.317,44	238.928,05
Income recognized to profit or loss (note 4g)	-22.801,55	-10.732,05
Balance June 30, 2020	372.515,89	228.196,00

20. 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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Trade creditors	1.086.240,56	1.404.586,55	954.699,44	1.285.541,97
Liabilities to subsidiary (note 22)	0,00	0,00	5.022.826,06	5.539.604,00
Total	1.086.240,56	1.404.586,55	5.977.525,50	6.825.145,97

Trade payables are not interest bearing accounts and they are usually settled within 120 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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Taxes & duties payable	32.782,01	1.248.462,74	26.231,38	1.239.608,56
Social securities payable	82.441,01	145.680,91	82.441,01	145.680,91
Salaries payable	176.949,31	322.044,21	148.275,62	284.546,41
Accrued expenses	108.213,40	132.265,56	108.213,40	132.265,56
Other creditors	134.616,78	72.310,86	17.076,88	13.619,57
Total	535.002,51	1.920.764,28	382.238,29	1.815.721,01

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21. 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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Current income tax	67.608,14	78.735,16	0,00	0,00
Deferred income tax	-311.672,53	-424.247,20	-315.871,67	-424.041,91
Income tax in profit or loss - (income)	-244.064,39	-345.512,04	-315.871,67	-424.041,91
Deferred income tax to other comprehensive income	619,81	997,34	619,81	997,34
Total (income)/expense of income taxes	-243.444,58	-344.514,70	-315.251,86	-423.044,57

According to Greek Tax Law 4579/2018, a gradual adjustment of tax rates was provided, at a rate of twenty-nine percent (29%) for the income of the tax year 2018, which would be gradually reduced in the following years to twenty-five percent (25%). for the income of the tax year 2022 and onwards.

On 12.12.2019, Greek Tax Law 4646/2019 was adopted, according to which the tax rate was set at 24% for the incomes of the fiscal year 2019 onwards.

The Group and the Company taking into account the new tax rates and in accordance with IAS 12, have adjusted the deferred tax by recognizing the difference as (income) / income tax expense in the profit or loss and other comprehensive income in the statement of comprehensive income.

In Bulgaria and Northern Macedonia the tax rate for the respective years is 10%.

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

	THE GROUP	
	30.06.2020	30.06.2019
Profits before taxes	70.664,12	79.243,24
Income tax calculated with the current tax rate (30.06.2020: 24%, 30.06.2019: 29%)	16.959,39	22.980,54
Tax effect of non-deductible expenses	42.881,03	165.720,49
Tax effect of non-taxable income	-142.921,15	-145.147,64
Tax effect from the change in the tax rate	-71.669,70	-228.765,07
Tax effect from the different tax rate that used for the subsidiaries' results	-89.313,96	-160.300,36
Income Tax as presented in profit or loss (income)/expense	-244.064,39	-345.512,04

	THE COMPANY	
	30.06.2020	30.06.2019
Profits before taxes	144.040,92	693.741,55
Income tax calculated with the current tax rate (30.06.2020: 24%, 30.06.2019: 29%)	34.569,82	201.185,05
Tax effect of non-deductible expenses	34.869,43	123.761,78
Tax effect of non-taxable income	-313.641,22	-520.223,67
Tax effect of losses for which no deferred tax asset was recognized	-71.669,70	-228.765,07
Income Tax as presented in profit or loss (income)/expense	-315.871,67	-424.041,91

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The movement of deferred taxation has as follows:

	THE GROUP	THE COMPANY
Balance, July 1, 2018 (net deferred tax liability)	2.461.995,02	2.448.022,20
Adjustment from the implementation of IFRS 9 (note 2.4)	-272.592,80	-272.592,80
Credit to income statement	-424.247,20	-424.041,91
Charge to other comprehensive income	997,34	997,34
Balance, June 30, 2019 (net deferred tax liability)	1.766.152,36	1.752.384,83
Credit to income statement	-311.672,53	-315.871,67
Charge to other comprehensive income	619,81	619,81
Balance, June 30, 2019 (net deferred tax liability)	1.455.099,64	1.437.132,97

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.

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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Intangible assets	0,00	0,00	-53.931,55	-65.031,80
Tangible assets	0,00	0,00	-1.922.511,68	-1.987.746,21
Provision for staff leaving indemnities	92.348,85	90.985,75	0,00	0,00
Inventories	0,00	0,00	-503,43	-2.945,79
Receivables	153.954,22	49.151,00	0,00	0,00
Financial assets at fair value	200.619,82	0,00	0,00	0,00
Tax losses carried forward	74.924,13	149.434,69	0,00	0,00
Total	521.847,02	289.571,44	-1.976.946,66	-2.055.723,80
Net Deferred Tax Liability			<u>-1.455.099,64</u>	<u>-1.766.152,36</u>

	THE COMPANY			
	Deferred Tax Asset		Deferred Tax Liability	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Intangible assets	0,00	0,00	-53.931,55	-65.031,80
Tangible assets	0,00	0,00	-1.904.545,01	-1.973.978,68
Provision for staff leaving indemnities	92.348,85	90.985,75	0,00	0,00
Inventories	0,00	0,00	-503,43	-2.945,79
Receivables	153.954,22	49.151,00	0,00	0,00
Financial assets at fair value	200.619,82	0,00	0,00	0,00
Tax losses carried forward	74.924,13	149.434,69	0,00	0,00
Total	521.847,02	289.571,44	-1.958.979,99	-2.041.956,27
Net Deferred Tax Liability			<u>-1.437.132,97</u>	<u>-1.752.384,83</u>

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

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Tangible assets	-65.234,53	-478.061,84	-69.433,67	-477.856,55
Intangible assets	-11.100,25	-14.531,76	-11.100,25	-14.531,76
Provision for staff leaving indemnities	-1.982,91	7169,76	-1.982,91	7169,76
Inventories	-2.442,36	-12.830,47	-2.442,36	-12.830,47
Receivables	-104.803,22	223.441,80	-104.803,22	223.441,80
Financial assets at fair value	-200.619,82	0,00	-200.619,82	0,00
Tax losses carried forward	74.510,56	-149.434,69	74.510,56	-149.434,69
Total - (Income)	-311.672,53	-424.247,20	-315.871,67	-424.041,91

Deferred income tax (deferred tax liability), in the income statement, contains the temporary tax differences arising principally from estimated income and profit that will be taxed in the future. The deferred tax credit (deferred tax asset) contains mainly temporary tax differences arising from specific provisions, which are tax deductible when realized.

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 as at June 30, 2020 and 2019 of Euro 112.045,46 (30.06.2019: Euro 108.708,38) include only income tax due whereas there is no income tax payable for the Company at 30.06.2020 (30.06.2019: 0,00).

22. 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, 2020 and 2019 which have been eliminated during the preparation of the consolidated financial statements are analyzed as follows:

Description	1/7/2019 - 30/06/2020	1/7/2018 - 30/06/2019
Purchase of inventories and services		
MISSIRIAN BULGARIA AD	3.872.874,32	3.696.747,61
MISSIRIAN DOOEL STRUMICA	6.963.454,40	5.611.922,00
Sales of inventories and services		
MISSIRIAN BULGARIA AD	10.692,50	13.973,75
Receivables from related parties (note 10,11)		
MISSIRIAN BULGARIA AD	0,00	13.048,75
MISSIRIAN DOOEL	0,00	110.000,00
Liabilities to related parties (note 20)		
MISSIRIAN BULGARIA AD	4.612.529,86	5.539.604,00
MISSIRIAN DOOEL	410.296,20	0,00

Also purchases of services from the subsidiary concern the non-controlling interest has taken place amounting to Euro 8.703,07 (30.06.2019: Euro 7.990,31) and an open balance payable of Euro 19.987,90 (30.06.2019: Euro 9.544,22).

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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, 2020 remunerations of Euro 725.054,49 (30.06.2019: Euro 401.506,15) 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 30.06.2020 and 2019 no fees are owed to the executive members of the board and the directors.

Finally, in the recorded provision for staff leaving indemnities for the Group and the Company is included an amount of Euro 80.970,91 (30.06.2019: Euro 79.261,23) which refers to the executive members of the Parent Company's Board of Directors.

23. 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 and payables which held in this currency.

		Change in currency	in Effect on the Group's results before taxes	Effect on the Company's results before taxes
30.06.2020	US Dollar	<u>+5%</u>	<u>+ 3.273</u> Ευρώ	<u>+ 3.273</u> Ευρώ
30.06.2019	US Dollar	<u>+5%</u>	<u>+ 3.261</u> Ευρώ	<u>+ 3.261</u> 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

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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:

	Effect on the results before taxes of the Group	Effect on the results before taxes of the Company
30.06.2020	+ 465.717 Euró	+ 452.769 Euró
30.06.2019	+ 309.566 Euró	+ 309.566 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, 2020 and 2019 respectively, based on the payments projected by the relevant contracts and agreements, at non-predetermined prices:

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THE GROUP

June 30, 2020	Less than 4 months	4 - 12 months	1 - 5 years	> 5 years	Total
Bank loans	15.128.754,93	16.065.717,68	5.698.240,65	0,00	36.892.713,26
Trade payables	1.086.240,56	0,00	0,00	0,00	1.086.240,56
Liabilities from leases	40.334,98	77.134,96	160.689,55	0,00	278.159,49
Short term payables	535.002,51	0,00	0,00	0,00	535.002,51
TOTAL	16.790.332,98	16.142.852,64	5.858.930,20	0,00	38.792.115,82

June 30, 2019	Less than 4 months	4 - 12 months	1 - 5 years	> 5 years	Total
Bank loans	10.259.548,07	11.917.684,33	7.163.734,45	0,00	29.340.966,85
Trade payables	1.404.586,55	0,00	0,00	0,00	1.404.586,55
Short term payables	1.920.764,28	0,00	0,00	0,00	1.920.764,28
TOTAL	13.584.898,90	11.917.684,33	7.163.734,45	0,00	32.666.317,68

THE COMPANY

June 30, 2020	Less than 4 months	4 - 12 months	1 - 5 years	> 5 years	Total
Bank loans	15.128.754,93	15.245.717,68	5.698.240,65	0,00	36.072.713,26
Trade payables	3.571.605,44	2.405.920,06	0,00	0,00	5.977.525,50
Liabilities from leases	40.334,98	77.134,96	160.689,55	0,00	278.159,49
Short term payables	382.238,29	0,00	0,00	0,00	382.238,29
TOTAL	19.122.933,64	17.728.772,70	5.858.930,20	0,00	42.710.636,54

30-louv-19	Less than 4 months	4 - 12 months	1 - 5 years	> 5 years	Total
Bank loans	10.259.548,07	11.917.684,33	7.163.734,45	0,00	29.340.966,85
Trade payables	3.370.541,97	3.454.604,00	0,00	0,00	6.825.145,97
Short term payables	1.815.721,01	0,00	0,00	0,00	1.815.721,01
TOTAL	15.445.811,05	15.372.288,33	7.163.734,45	0,00	37.981.833,83

Other risks

At the end of February 2020, the rapid spread of COVID-19 in Europe and in the following period in Greece and its upgrade to a pandemic by the World Health Organization began to have negative economic consequences both in Greece and in other countries where the Company operates with the first effects emerge from the end of third semester of fiscal year 2019-2020.

In particular, the implementation of the measure for cessation of retail trade and the second lockdown in Greece and in many European countries has created special conditions in the market. In addition, the decisions of more and more countries to impose restrictions on movement and closure of borders have an impact on the Company's sales and have led to an increase in transportation costs. As a result of the wider situation, the completion of the purchase and processing of tobacco that was completed after the end of the year was delayed with a negative impact on the sales of the Company and the Group.

As the impact of COVID-19 continues to grow rapidly, it is difficult to accurately predict the extent and duration of its business and economic implications, and the range of possible outcomes for the global economy is impossible to predict.

Due to the prevailing conditions and the fact that the situation is evolving rapidly, it is not possible to make an accurate assessment of the financial impact on the Company's revenues, results and cash flows for the current year.

The Management of the Company has taken measures to protect public health and its employees and is adapting its decisions based on the conditions that are formed.

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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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Long term borrowings	2.198.240,65	3.663.734,45	2.198.240,65	3.663.734,45
Short term borrowings	34.694.472,61	25.677.232,40	33.874.472,61	25.677.232,40
Liabilities from leases	278.159,49	0,00	278.159,49	0,00
Total debts	37.170.872,75	29.340.966,85	36.350.872,75	29.340.966,85
Less: Cash and cash equivalents	-864.467,91	-1.513.449,15	-653.496,66	-1.087.570,40
Net Debts	36.306.404,84	27.827.517,70	35.697.376,09	28.253.396,45

EBITDA	4.187.920,24	3.231.162,31	3.188.568,90	2.132.612,64
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Net Borrowing/EBITDA	8,67	8,61	11,20	13,25
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	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Long term borrowings	2.198.240,65	3.663.734,45	2.198.240,65	3.663.734,45
Short term borrowings	34.694.472,61	25.677.232,40	33.874.472,61	25.677.232,40
Liabilities from leases	278.159,49	0,00	278.159,49	0,00
Total borrowings	37.170.872,75	29.340.966,85	36.350.872,75	29.340.966,85

Equity	14.490.826,91	15.697.453,65	11.130.988,21	10.671.695,43
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Total borrowings/Equity	2,57	1,87	3,27	2,75
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The Group and the Company monitor the earnings before taxes, finance results and depreciation (EBITDA) and quotes its calculation as it is not precisely defined in the IFRS as adopted by the European Union.

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Profits before taxes	70.664,12	79.243,24	144.040,92	693.741,55
Add: Depreciation of tangible and intangible assets and rights of use assets (note 4j)	879.632,73	805.927,60	721.149,83	693.802,48
Less: Amortization of government grants (note 4g)	-22.801,55	-189.651,80	-10.732,05	-10.732,05
Add: Net financial expenses (note 4h)	3.260.424,94	2.535.643,27	2.334.110,20	755.800,66
EBITDA	4.187.920,24	3.231.162,31	3.188.568,90	2.132.612,64

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24. 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, 2020 and 2019 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 2020 and 2019:

	The Group		The Company		Fair Value Hierarchy
	Fair Value	Fair Value	Fair Value	Fair Value	
(Amounts in thousands €)	30/06/2020	30/06/2019	30/06/2020	30/06/2019	
Financial assets					
Trade receivables	9.307	11.686	9.293	11.645	Level 3
Financial assets at fair value through profit or loss	105	202	105	202	Level 1
Cash and cash equivalents	864	1.513	653	1.088	Level 1
Financial Liabilities					
Long term borrowings	2.198	3.664	2.198	3.664	Level 2
Short term borrowings	34.694	25.677	33.874	25.677	Level 2
Trade payables	1.086	1.405	5.978	6.825	Level 3

25. 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.

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The Parent Company has submitted an appeal with the Council of State against the Single Insurance Agency (EFKA) as a quasi-universal successor of the IKA-ETAM and against the decision of the Kavala Three-member Administrative Court of Appeal to impose a fine on the Company for alleged breach of law.

The Company has paid an amount of Euro 1.083 thousand as of 30.06.2019 and subsequently paid an additional amount of Euro 244 thousand to enable it to pursue the case before the Supreme Court, which was heard in the Supreme Court on 02.12.2019 and its decision is expected to be issued. The Management and the Company's Legal Advisor assess the Company's justification as being certain.

In addition, the Parent Company has filed lawsuits with the Three-Member Administrative Court of First Instance of Kavala against the OAED for delaying the granting of a work grant for the period 01.07.2010 - 10.04.2016. The cases were discussed and a decision is expected. The Management as well as the Company's Legal Counsel consider the recovery of the claim to be certain as the case was discussed at the hearing on 25.06.2019 which accepted the Company's legal action (note 13).

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 61.640,67 (30.06.2019: Euro 63,18).

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, 2019 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, 2020 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 2019. 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 2014-2019, while the subsidiary company in North Macedonia has not been audited by the tax authorities from its inception (2017). 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

As at June 30, 2020 the Group and the Company had several short term or low value lease contracts effective regarding vehicles and equipment which expire on several dates until November 2023.

Those lease expenses are included in the attached Statement of Total Comprehensive Income for the fiscal year ended June 30, 2020 and amounted to Euro 58.860,79 and 50.157,72 for the Group and the Company respectively (30.06.2019: Euro 131.863,75 and Euro 123.951,15 for the Group and the Company respectively).

The minimum future payable leases, based on non-cancelable operating lease contracts on June 30, 2020 and 2019 for the Group and the Company have as follows:

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	THE GROUP	THE COMPANY
	30.06.2020	30.06.2019
Payable		
Within 1 year	26.355,07	17.652,00
Between 1 and 5 years	23.340,67	23.340,67
Total	49.695,74	40.992,67

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

	THE GROUP		THE COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Cost of sales (note 4b)	7.045,47	71.097,83	5.900,16	71.097,83
Administrative expenses (note 4d)	51.815,32	60.765,92	44.257,56	52.853,32
Total	58.860,79	131.863,75	50.157,72	123.951,15

e. Capital commitments

As at June 30, 2020, the Group and the Company had a commitment to upgrade buildings of a total cost of € 377.125,84, from which an amount of € 282.844,38 has been recognized to tangible assets up to 30 June 2020 which was settled the following year (note 5).

As at June 30, 2020, the Group and the Company had no capital commitments.

26. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the date of the Financial Statements as at June 30, 2020 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, 16 December, 2020

The Chairman &
Managing Director



NIKOLAOS TZOUMAS
ID No. AH 383104

The Vice Chairman



EVRIPIDIS CHRISTIDIS
ID No. AB 129465

The Chief Financial Officer



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