



"HELLENIC DUTY FREE SHOPS S.A. "

GENERAL COMMERCIAL REGISTER No.: 006287501000

(COMPANIES REG. No.: 58597/04/B/05/76)

23RD KM. ATHENS -LAMIA NATIONAL ROAD, AGIOS STEFANOS, ATTICA GR-145 65

Annual Financial Statements

for the fiscal year 1 January – 31 December 2022

prepared in accordance with the International Financial Reporting Standards (IFRS) as they were adopted by the European Union

It is hereby confirmed that the attached financial statements for the period 01.01.2022 - 31.12.2022 are those approved by the Company's Board of Directors on June 30 2023 and they have been published by posting then on the internet at www.shopdutyfree.com

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I. Annual Report of the Board of Directors for the year 01.01.2022–31.12.2022

Dear Shareholders,

The Board of Directors of "Hellenic Duty Free Shops S.A" would like to submit the annual financial statements for the period from 01.01.2022 to 31.12.2022 for approval. The Board would also like to report on key events occurring during the year.

A. Major events of the closing financial year

- Within the year 2022, investments of Euro 3.6 million were completed at the country's airports, which led to an increase in both sales and profitability. Through also better management of working capital, plus largely free from the impact of COVID-19 in 2022, we managed to create a strong financial liquidity at the end of December 2022.
- Air passenger traffic in 2022 was 31.3 million passengers, compared to 17.4 million passengers in 2021 and 32.1 million passengers in 2019, an increase of 79.9% compared to 2021 and a decrease of 2.5% compared to 2019. Athens Airport handled more than 22.7 million passengers, 84% more than in 2021.
- Tourist traffic was also particularly encouraging in 2022, with the number of tourists reaching 27.8 million approaching the 2019 of with 31.3 million tourists.
- 2022 was also marked by political stability, a country growth rate of 5.9%, the Athens stock market index increasing by 4.08% (929.79 against 893.34), but at the same time with inflationary pressures of 9.3% due to the war in Ukraine and the inevitable increase in the price of energy and food.
- Sales in the "AIRPORT" operational sector of the Company amounted to Euro 231.6 million in 2022, compared to Euro 120.3 million in 2021, an increase of 93%, while for the Group (including sales of the subsidiary HELLENIC DISTRIBUTIONS S.A.) it was Euro 234.4 million, compared to Euro 121.4 million in 2021, an increase of 93%.
- Sales of the "PORTS" operating sector, were €9.9 million in 2022 Vs €2.2 million in 2021, an increase of 342% and
- Sales of the "BORDERS" operating sector were €56.2 million in 2022 Vs €28.8 million in 2021, an increase of 95%.
- The above substantial sales increase was also to a certain extent the result of significant investments of some €3.6 million completed by the Company at the airports of Thessaloniki, Santorini, Mykonos and Kos.

Due to all of the above, the Company marked an increase in sales of 93.2% and an increase in EBITDA of 111.6%. Together with good working capital management, we also managed to create a strong cash flow position at the end of December 2022.

B. Overview of the closing financial year 2022

B1. Consolidated Results - Group

Amounts in million €

	2022	2021
Sales	311.3	161.1
EBIT	52.2	14.5
EBT	49.7	12
Profits /(losses) net of tax	38.2	13.7
Adjusted EBITDA*	72.8	34.4

*Adjusted EBITDA refers to Earnings Before Interest Taxes (EBIT) plus Depreciation and Amortization excluding leasehold rights which in the past was included in lease expense.

B2. Sales per operating segment

For administrative purposes, the Group is organized into 4 main business segments: a) Airports, b) Ports, c) Borders and d) Wholesale.

Group operations, which do not meet the criteria to be considered as a separate operating segment, are combined and presented under the "Other" segment.

Group results per segment are broken down as follows:

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT IN 2022 (€'000)

01.01 - 31.12.2022	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER OPERATIONAL SEGMENTS	HQ	TOTAL
Sales	235.505	9.907	56.208	6.992	4.320	-	312.932
Intercompany Sales	-	-	-	(1.618)	-	-	(1.618)
Sales third	235.505	9.907	56.208	5.374	4.321	-	311.314
Advertising Income	3.791	58	756	3	2.354	-	6.962
Turnover	239.296	9.965	56.964	5.377	6.674	-	318.276
Cost of Sales	(110.227)	(4.490)	(23.258)	(5.722)	(2.505)	-	(146.202)
Intercompany Cost of Sales	-	-	-	1.610	-	-	1.610
Gross profit	129.069	5.475	33.706	1.265	4.169	-	173.684
Lease expenses	(46.220)	(533)	(2.933)	(17)	(596)	(494)	(50.793)
Personnel expenses	(20.522)	(1.524)	(4.294)	(585)	(3.241)	(4.410)	(34.576)
General expenses	(6.699)	(470)	(1.495)	(714)	-	(4.311)	(13.689)
Depreciation	(7.510)	(540)	(1.179)	(308)	(63)	(12.856)	(22.456)
Profits/(loss) before interest and tax (EBIT)	48.118	2.408	23.805	(359)	269	(22.071)	52.170
Financial Income	-	-	-	-	-	15	15
Financial Expenses	(71)	(75)	-	(9)	(11)	(2.020)	(2.186)
Other Financial Results	2	-	-	(1)	-	(316)	(315)
Profits/(loss) before tax (EBT)	48.049	2.333	23.805	(369)	258	(24.392)	49.684
Adjusted EBITDA*	54.665	2.794	24.984	(344)	282	(9.575)	72.806

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATIONAL SEGMENT IN 2021 (€'000)

01.01 - 31.12.2021	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER OPERATIONAL SEGMENTS	HQ	TOTAL
Sales	121.448	2.238	28.906	6.374	2.861	-	161.827
Intercompany Sales	-	-	-	(723)	-	-	(723)
Sales third	121.448	2.238	28.906	5.651	2.861	-	161.104
Advertising Income	2.095	3	99	9	1.923	142	4.271
Turnover	123.543	2.241	29.005	5.660	4.784	142	165.375
Cost of Sales	(61.716)	(1.194)	(12.826)	(4.552)	(1.751)	535	(81.504)
Intercompany Cost of Sales	-	-	-	683	-	-	683
Gross profit	61.827	1.047	16.179	1.791	3.033	677	84.554
Lease expenses	(3.397)	(19)	(1.102)	(39)	(384)	(214)	(5.155)
Personnel expenses	(10.426)	(729)	(2.548)	(1.689)	(2.439)	(4.253)	(22.084)
General expenses	(2.740)	(239)	(641)	(412)	(32)	(4.701)	(8.765)
Depreciation	(19.008)	(544)	(1.225)	(364)	(44)	(12.847)	(34.032)
Profits/(loss) before interest and tax (EBIT)	26.256	(484)	10.663	(713)	134	(21.338)	14.518
Financial Income	-	-0	-	-	1	54	55
Financial Expenses	1.162	(72)	(3)	(6)	(14)	(3.342)	(2.275)
Other Financial Results	(1)	1	-	(2)	(1)	(256)	(259)
Profits/(loss) before tax (EBT)	27.417	(555)	10.660	(721)	120	(24.882)	12.039
Adjusted EBITDA*	31.863	(57)	11.878	(660)	144	(8.819)	34.350

*Adjusted EBITDA refers to Earnings Before Interest Taxes (EBIT) plus Depreciation and Amortization excluding leasehold rights which in the past was included in lease expense.

GROUP FINANCIAL POSITION DATA & RATIOS (€'000)

GROUP						
Liquidity			31.12.2022		31.12.2021	
Current	Current Assets		153.059	2,09	137.897	1,38
	Current Liabilities		73.395		100.100	
Quick	(Current Assets - Inventory)		115.584	1,57	106.430	1,06
	Current Liabilities		73.395		100.100	
Cash and cash equivalents	(Cash + cash equivalents)		100.576	1,37	80.084	0,8
	Current Liabilities		73.395		100.100	
Adjusted Working Capital	(Receivables + Inventory)-		52.483-	9.849	57.813-	4.063
	(Trade Payables + other current liabilities)		42.634		53.750	
Activity ratios						
Current assets turnover ratio	Net sales		311.314	2,03	161.104	1,17
	Working capital		153.059		137.897	
Inventory turnover ratio	Cost of Sales		144.592	4,19	80.821	2,93
	Average inventory		34.471		27.557	
Inventory days	Average inventory*365		34.471	87	27.557	124
	Cost of Sales		144.592		80.821	
Financial Leverage Ratios						
Debt to Equity ratio	Foreign capitals		48.973	0,09	90.063	0,18
	Total Equity		535.682		497.302	
=						
Profitability Ratios						
Gross Profit	Gross Profit		173.684	55,82%	84.554	52,48%
	Sales w/o advertising exp.		311.314		161.104	
Return on Assets	Net Profits		49.684	7,11%	12.039	1,71%
	Total Assets		698.866		705.965	
Return on Equity	Net Profits		49.684	9,27%	12.039	2,42%
	Total Equity		535.682		497.302	

COMPANY (€'000)						
Liquidity			31.12.2022		31.12.2021	
Current	Current Assets		138.401	1,98	124.013	1,28
	Current Liabilities		69.517		97.019	
Quick	(Current Assets - Inventory)		102.822	1,47	94.229	0,97
	Current Liabilities		69.517		97.019	
Cash and cash equivalents	(Cash + cash equivalents)		89.927	129,36%	69.368	71,50%
	Current Liabilities		69.517		97.019	
Adjusted Working Capital	(Receivables + Inventory)-		48.474 -	9.344	54.645 -	3.583
	(Trade Payables + other current liabilities)		39.130		51.062	
Activity ratios						
Current assets turnover ratio	Net sales		299.330	2,16	152.479	1,23
	Working capital		138.401		124.013	
Inventory turnover ratio	Cost of Sales		136.692	4,18	74.787	2,88
	Average inventory		32.682		25.933	
Inventory days	Average inventory*365		32.682	87	25.933	127
	Cost of Sales		136.692		74.787	
Financial Leverage Ratios						
Debt to Equity ratio	Foreign capitals		48.803	0,09	89.893	0,18
	Total Equity		530.078		492.156	
Profitability Ratios						
Gross Profit	Gross Profit		167.199	55,86%	79.999	52,47%
	Sales w/o advertising exp.		299.330		152.479	
Return on Assets	Net Profits		49.023	7,11%	11.744	1,68%
	Total Assets		689.211		697.448	
Return on Equity	Net Profits		49.023	9,25%	11.744	2,39%
	Total Equity		530.078		492.156	

C. Key risks and uncertainties

In Management's opinion the key risks & uncertainties faced by the Company are as follows:

C1. Macroeconomic conditions in Greece

- 2022 saw a combination of geopolitical developments centered on Ukraine which, together with the ensuing energy crisis, not only perpetuated but further exacerbated the problems identified in the global supply chain (supply) because of the pandemic. On top came the resulting inflation unavoidably impacting disposable incomes and demand. This situation is estimated to normalize within 2023 and downward trends in energy costs and inflation are already appearing in the first months of 2023.
- Additionally, due to the geopolitical developments, there are also changes in the tourist flows from various countries (e.g., decrease in tourists from Russia & China, increase in tourists from the USA, etc.), changes that remain at the forefront of the interest of the Company's management, which is in a process of continuous assessment of the situation and its possible effects on the Company's operations.

- Overall, prospects for 2023 are considered positive based on preliminary indicators. According to the National Bank of Greece, there is a gradual improvement in consumer confidence and an increased willingness to travel internationally, despite the contractionary effect of inflation on disposable incomes. Greece occupies an increasing touristic interest, with bookings appearing higher than those 2022, but the situation is generally volatile. The Greek GDP is estimated by the European Commission to increase by 2.4% in 2023 and 1.9% in 2024, whilst corresponding indicators for the Eurozone as a whole are 1.1% and 1.6%
- In terms of inflation, according to the latest forecast of the European Commission (June 2023) it is estimated for 2023 to be contained at 4.25% (5.86% in the Eurozone) and for 2024 at 2.4% (2.85% for the Eurozone).

C2. Risks

○ **Market Risk:**

This risk derives from the loan the Company has obtained and specifically from the fact that this agreement is expressed at a variable interest rate, linked to the EURIBOR index. Therefore, the Group and the Company are exposed to the risk of interest rate changes. However, this is not considered as a significant risk noting also that generally financial risks and in particular interest rates, are managed centrally by the DUFY Group Cash Management Division. The liquidity risk is kept at low levels by maintaining significant cash reserves.

○ **Exchange rate risk:**

The risk arises from the fact that the consumer behavior of customers is affected by the appreciation and depreciation of the currencies of their country of origin against the Euro. With regard to commodity purchases, the largest volume (98% for 2022) is made in Euros and therefore the Company does not run a significant exchange rate risk. The commercial departments take into account the risk of exchange rate changes when determining the retail prices of the goods.

○ **Price risk:**

In Management's opinion, the Group does not run any risk of price fluctuations, as it does not hold a major securities portfolio and the prices of tradeable products do not fluctuate significantly.

○ **Credit Risk:**

This is the risk that a counterparty may breach its contractual obligations. The Group does not run any major credit risk since 98% of its turnover comprises of retail sales, while marketing revenues (2.2% of the turnover) come from customers who are also suppliers. In terms of dealing with credit risk from wholesales, the Group ensures that in most cases they relate to selected customers.

○ **Liquidity Risk:**

The Group maintains high liquidity thanks to the retail nature of most of its sales and ensures further enhancement of its liquidity by containing costs.

○ **Inventory Risk**

This risk arises from retaining obsolete inventory and being unable to sell off those inventories or having to sell them at prices below their value. The Group values its old inventory at net realizable value, assessed in line with the DUFY Group international policy and actual market data. Management considers that this valuation method (which leads to provisions on inventory valuation) fully protects against inventory risk.

○ **Risk from the spread of COVID-19 pandemic**

On March 11, 2020, the World Health Organization declared a COVID-19 pandemic. Government agencies took various steps to combat the spread of COVID-19, including placing orders from home and restricting the activities of many companies for significant periods of time. The Group is in the business of travel retail which was significantly affected by the travel restrictions imposed both by the Greek and foreign governments. These restrictions led to a significant reduction in passenger travel, resulting in a sharp reduction in passenger traffic and

correspondingly to the Company's and the Group's sales. However, 2022 shows a 93% recovery in the sales level compared to 2021 due to the increased tourist traffic and the extension of the tourist season.

D. Labor and Environmental Issues

D1. Diversification and equal opportunities policy

The core value of both the DUFYR Group and the HDFS SA is respect for its human resources. HDFS SA and its subsidiaries are non-discriminatory based on "protected features". Protected characteristics include gender, disability, race, color, nationality or national identity, religion or belief, marital status, age, pregnancy and maternity. This policy applies equally in the treatment of our employees, visitors and suppliers. The Company respects the diversity of employees and manages any matter of diversity arising in a fair and sensible manner. Everyone has a duty to act in accordance with this policy and treat their colleagues with dignity at any time. The Company does not support any discriminatory practice or behavior.

D2. Respect for workers' rights and trade union freedom

Since 1980, the Hellenic Duty Free Shops' Association of Employees has been operating smoothly. The Hellenic Duty Free Shops' Association of Employees is the official body representing employees of the Company in which everyone has the right to participate.

D3. Environmental issues

The Company, supported by a specialized consulting company, has developed and implemented a system of procedures in accordance with International Standard ISO 14001. The certification process of the Environmental Management System has already commenced by the selected company, TUV Austria Hellas. In this context, several inspections are carried out at the local stores of the Company in order to ascertain the proper implementation of procedures and compliance with legislation.

E. Other issues

- It is noted that the Group, due to the nature of its activities, has no activity in the field of research and development (R&D).
- As of December 31, 2022 the Company did not hold any own shares, nor had any branches.

E1. Supply chain issues

The Company aims to maximize the satisfaction of its customers and ensures the development of mechanisms aimed at the timely recognition and treatment of situations that may adversely affect the business continuity of its critical operations, such as the smooth continuation of the availability of goods in the Greek market through its stores in airports, ports and border stations.

In its attempt to ensure business continuity, the Company assesses its weaknesses and investigates the threats that may affect its business model and relate to its supply chain, and takes appropriate precautionary measures.

E2. Trends & Prospects

- The World Tourism Organization (UNWTO) predicts that the sector's rapid recovery shall continue in 2023. In the first quarter of 2023, international arrivals worldwide reached 80% of the pre-pandemic levels, while an estimated 235 million tourists travelled internationally in the first three months of 2023, more than double from the same period in 2022. Tourism continued to show its resilience. Revised figures for 2022 show more than 960 million tourists travelled internationally last year, meaning that two-thirds (66%) of the pre-pandemic numbers have been recovered. In Europe, the recovery in Q1 2023 reached 90% of pre-pandemic levels, due to strong intra-regional demand.
- With regard to Greece, prospects for inbound tourism for 2023 appear promising. In the first quarter there was a full recovery in flights at the country's airports, compared to the corresponding period of 2019. In this context, the GNTA continues its campaigns for Greek destinations round the year and commenced its "Shopping Greece" campaign in collaboration with ESEE with the aim of an even greater connection between tourism and trade. For its part, SETE (Association of Greek Touristic Enterprises) has prepared a

strategy and a plan of actions for specific destinations. Based on estimates until 2030, the implementation of these actions may bring an increase in visits to Greece by 27.2%.

- However, the recent geopolitical events in Ukraine, the military actions by Russia and the response of European countries and the United States in the form of economic sanctions, will continue to affect the global tourism market, as well as passenger traffic in the Company's areas of activity.
- Important role regarding the course of Greek tourism for the summer of 2023 will amongst others play:
 - the ongoing Ukraine-Russia military crisis (impact on Russian and Ukrainian tourism)
 - the situation with COVID 19 in China and the effect on Chinese tourism
 - the number of direct flights from US cities, given that 2022 was a record year for tourist growth from America, which is expected to improve even more in 2023
 - the potential impact from rising interest rates and inflationary pressures that will affect disposable income.
 - the Turkish lira exchange rate (impact on Turkish tourism / Upper Aegean Ports and borders)
 - the relations with neighboring Turkey and any potential tension in the Aegean
 - the continuation or interruption of migration flows that may affect the tourist traffic of certain islands
 - our marketing activities, combined with many variations in the product mix and the wider, more careful and comprehensive presentation of Greek products with a presence in more airports which are expected to lead to significant increases in all indicators compared to those of 2022

In this context, the Group and the Company will make, as always, every effort to achieve the economic targets for 2023.

F. Events after the date of the Statement of Financial Position

There are no significant events after the date of the Statement of Financial Position, which concern either the Group or the Company and need to be amended or disclosed in the financial statements.

For the Board of Directors
Michael Hadjipavlou
Chairman

II. Audit Report prepared by Independent Certified Public Accountant

Independent Auditor's Report

To the Shareholder of the Company HELLENIC DUTY FREE SHOPS SA

Audit Report of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of HELLENIC DUTY FREE SHOPS SA (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2022, and the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended as well as a summary of significant accounting policies and the notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company HELLENIC DUTY FREE SHOPS SA and its subsidiaries (the Group) as at 31 December 2022, its financial performance and the consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs), as endorsed by the European Union.

Basis for opinion

We performed our audit in accordance with the International Standards on Auditing (ISAs) as these have been incorporated into the Greek legislation. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the separate and consolidated financial statements" section of our report. We have been independent of the Company and its consolidated subsidiaries, throughout the length of our appointment, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated into the Greek legislation and the ethical requirements in Greece relevant to the audit of the separate and consolidated financial statements and we have fulfilled our ethical requirements in accordance with the applicable legislation 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 opinion.

Responsibilities of management for the separate and consolidated financial statements

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

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

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and 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 ISA, as these have been incorporated into the Greek Legislation, will always detect a material misstatement if it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISA, as these have been incorporated into the Greek legislation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

Among other matters, we communicate with management, 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 Director's report, according to the provisions of paragraph 5 of article 2 (part B) of Law 4336/2015 we note the following:

- a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 150 and 153 of Greek Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31 December 2022.
- b) Based on the knowledge we obtained during our audit of the Company HELLENIC DUTY FREE SHOPS SA and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

Athens, __ June 2023

THE CERTIFIED PUBLIC ACCOUNTANT

Maria Kotsopodi

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Certified true translation of the original in the Greek language

Maria Kotsopodi

III. Annual Financial Statements

1. Statement of Financial Position (Consolidated and Separate) as at 31.12.2022

		GROUP		COMPANY	
(Amounts in € '000)	Note	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Assets					
Current assets					
Non-current assets					
Tangible assets	4	29.449	34.477	28.839	34.362
Intangible assets	5	303.356	315.706	303.349	315.700
Right-of-use assets	6	5.483	5.685	5.252	5.341
Goodwill	5	181.100	181.100	181.100	181.100
Investments in subsidiaries		-	-	6.296	6.296
Other long-term assets	7	26.419	31.100	25.974	30.636
Total non-current assets		545.807	568.068	550.810	573.435
Current assets					
Inventories	8	37.475	31.467	35.579	29.784
Trade receivables	9	4.068	4.410	2.018	3.273
Other receivables	9	10.940	21.936	10.877	21.588
Cash and cash equivalents	10	100.576	80.084	89.927	69.368
Total current assets		153.059	137.897	138.401	124.013
Total assets		698.866	705.965	689.211	697.448
Equity & Liabilities					
Equity					
Share Capital	11	397.535	397.535	397.535	397.535
Other Reserves	11	12.240	10.204	11.970	9.942
Results carried forward		125.907	89.563	120.573	84.679
Total Equity		535.682	497.302	530.078	492.156
Non current liabilities					
Non current loan liabilities	12	32.624	48.465	32.624	48.465
Non current lease obligations	20	3.966	4.464	3.830	4.224
Deferred tax liabilities	17	49.523	51.727	49.676	51.896
Staff termination liabilities	13	1.683	1.780	1.493	1.561
Other Non current liabilities	14	1.993	2.127	1.993	2.127
Total non current liabilities		89.789	108.563	89.616	108.273
Current liabilities					
Current loan liabilities	12	16.349	41.598	16.179	41.428
Current lease liabilities	20	1.820	1.404	1.716	1.290
Trade and other liabilities	15	14.892	32.092	12.203	30.046
Current tax liabilities		12.592	3.348	12.492	3.239
Other current liabilities	15	27.742	21.658	26.927	21.016
Total current liabilities		73.395	100.100	69.517	97.019
Total Liabilities		163.184	208.663	159.133	205.292
Equity & Liabilities		698.866	705.965	689.211	697.448

Notes on pages 22 to 72 are an integral part of the present Financial Statements

**2. Statement of Comprehensive Income (Consolidated and Separate) for the year ended on
31.12.2022**

		GROUP		COMPANY	
		1.1-31.12.2022	1.1-31.12.2021	1.1-31.12.2022	1.1-31.12.2021
Sales	18	311.314	161.104	299.330	152.479
Advertising Income		6.962	4.271	4.561	2.307
Turnover		318.276	165.375	303.891	154.786
Cost of Sales	19	(144.592)	(80.821)	(136.692)	(74.787)
Gross profit		173.684	84.554	167.199	79.999
Lease expenses	20	(50.793)	(5.155)	(49.661)	(4.703)
Personnel expenses	21	(34.576)	(22.084)	(30.697)	(18.715)
General expenses	22	(13.689)	(8.765)	(13.052)	(8.671)
Depreciations	23	(22.456)	(34.032)	(22.252)	(33.711)
Profits/(loss) before interest and tax (EBIT)		52.170	14.518	51.537	14.199
Financial income	24	15	55	14	48
Financial expenses	24	(2.186)	(2.275)	(2.167)	(2.249)
Other financial results	24	(315)	(259)	(361)	(254)
Profits/(loss) before tax (EBT)		49.684	12.039	49.023	11.744
Income tax	16	(11.451)	1.706	(11.240)	1.963
Profits/(loss) net of tax		38.233	13.744	37.783	13.706
Other total income/(expenses): directly to Equity					
Actuarial gain / (loss) in Equity	13	187	16	177	21
Deferred income tax	17	(40)	(5)	(38)	(6)
Other total income/(expenses) after taxes		147	11	139	15
Consolidated comprehensive income net of tax		38.380	13.755	37.922	13.721
Consolidated comprehensive income/(expenses) Attributed to:					
Owners of parent company		38.380	13.755	37.922	13.721
Minority rights		-	-	-	-
Total		38.380	13.755	37.922	13.721
Profit /(loss) for the yeat per share					
Basic and reduced (in €) :		4,83	1,73	4,77	1,73
Weighted number of shares		7.946	7.951	7.951	7.931

Notes on pages 22 to 72 are an integral part of the present Financial Statements

3. Statement of Changes in Equity (Consolidated and Separate for the year ended as at 31.12.2022

3.1 Statement of Changes in Equity (Consolidated) for the year ended as at 31.12.2022

	Share Capital	Statutory reserves	Share capital issue expenses	Staff retirement compensation	Results carried forward	Total equity
Balance as at 1st January 2021	397.535	13.983	(4.039)	(440)	76.508	483.547
Net Profit	-	-	-	-	13.744	13.744
Actuarial profit/ (loss) of Equity	-	-	-	16	-	16
Other total income net of tax	-	-	-	(5)	-	(5)
Consolidated comprehensive income net of tax	-	-	-	11	13.744	13.755
Transfer between Reserves	-	689	-	-	(689)	0
Balance as at 31st December 2021	397.535	14.672	(4.039)	(429)	89.563	497.302
Balance as at 1st January 2022	397.535	14.672	(4.039)	(429)	89.563	497.302
Net Profit	-	-	-	-	38.233	38.233
Other total income net of tax	-	-	-	187	-	187
Settling balance of reserve of consolidated net position	-	-	-	(40)	-	(40)
Consolidated comprehensive income net of tax	-	-	-	147	38.233	38.380
Balance as at 31st December 2022	-	1.889	-	-	(1.889)	0
Balance as at 1st January 2022	397.535	16.561	(4.039)	(282)	125.907	535.682

Notes on pages 22 to 72 are an integral part of the present Financial Statements

3.2 Statement of Changes in Equity (Separate) for the year ended on 31.12..2022

	Share Capital	Statutory reserves	Share capital increase expenses	Staff retirement compensation	Results carried forward	Total equity
Balance as at 1st January 2021	397.535	13.668	(3.977)	(449)	71.658	478.435
Net Profit	-	-	-	-	13.706	13.706
Actuarial profit/ (loss) of Equity	-	-	-	21	-	21
Other total income net of tax	-	-	-	(6)	-	(6)
Consolidated comprehensive income net of tax	-	-	-	15	13.706	13.721
Transfer between Reserves	-	685	-	-	(685)	-
Balance as at 31st December 2021	397.535	14.353	(3.977)	(434)	84.680	492.156
Balance as at 1st January 2022	397.535	14.353	(3.977)	(434)	84.680	492.156
Net Profit	-	-	-	-	37.783	37.783
Other total income net of tax	-	-	-	177	-	177
Settling balance of reserve of consolidated net position	-	-	-	(38)	-	(38)
Consolidated comprehensive income net of tax	-	-	-	139	37.783	37.922
Transfer between Reserves	-	1.889	-	-	(1.889)	-
Balance as at 31st December 2022	397.535	16.242	(3.977)	(296)	120.574	530.078

Notes on pages 22 to 72 are an integral part of the present Financial Statements

4 Statement of Cash Flows (Consolidated and Separate) for the year ended on 31.12.2022

(Amounts in € '000)	Notes	GROUP		COMPANY	
		1.1- 31.12.2022	1.1-31.12.2021	1.1- 31.12.2022	1.1-31.12.2021
Operating activities					
Net Profits/(Loss)		49.684	12.039	49.023	11.744
Depreciation	4,5,6,23	22.456	34.032	22.252	33.711
Reversal of MAG leases to reduce lease expenses	20	-	(11.791)	-	(11.593)
Staff compensation provisions	7,13	543	376	532	365
Bad debts provisions	14	-	19	-	323
Provisions / Reversal of risk provisions	8	6	1.386	6	1.386
Inventory obsolescence provisions		(774)	(43)	(774)	(43)
Depreciation of loan expenses		339	396	339	396
Financial income	24	(15)	(55)	(14)	(48)
Financial expense	24	1.847	1.879	1.828	1.853
Loss /(Profits) from impairment/sale of assets		-	10	-	10
Loss /(Profits) from foreign exchange differences		315	259	361	254
Operating profit before changes in working Capital		74.401	38.507	73.553	38.358
(Increase) / Decrease in:					
Inventories	8	(5.234)	(7.776)	(5.021)	(7.658)
Trade and other receivables	9	11.338	(1.442)	11.966	(2.425)
Increase / (Decrease) in:					
Trade Payables	15	(17.807)	17.375	(18.449)	16.692
Accrued and other current liabilities	15	6.445	6.157	6.282	6.495
Changes in working capital		(5.258)	14.314	(5.221)	13.104
Tax paid		(4.366)	(168)	(4.157)	-
Payments for staff compensation	13	(423)	(207)	(423)	(207)
Interest paid	24	(2.320)	(4.124)	(2.315)	(4.120)
(Increase)/decrease in other non current receivables	7	4.681	4.129	4.662	4.135
Total inflows from operating activities		66.715	52.451	66.099	51.270
Investing Activities					
Purchase of tangible assets	5	(2.860)	(3.756)	(2.304)	(3.755)
Additions of intangible assets	6	(89)	(111)	(80)	(111)
Interest other income received	24	15	55	14	48
Total net outflows from investing activities		(2.934)	(3.812)	(2.370)	(3.818)
Financing Activities					
Short and non current loan payments	12	(41.428)	(24.288)	(41.428)	(24.288)
Lease liabilities payments – capital	20	(1.862)	(2.930)	(1.741)	(2.863)
Total inflows /(outflows) from financing activities		(43.290)	(27.218)	(43.169)	(27.151)
Net increase in cash and cash equivalents		20.491	21.421	20.560	20.301
Cash and cash equivalents – Opening Balance		80.084	58.665	69.368	49.067
Cash and cash equivalents – Closing Balance		100.576	80.084	89.927	69.368

Notes on pages 22 to 72 are an integral part of the present Financial Statements

IV. Notes to the Annual Financial Statements

1. General Information

"Hellenic Duty Free Shops S.A." (hereinafter "HDFS S.A." OR "The Company") is a public company registered in the Companies Register in Greece (General Commercial Reg. No. 006287501000) with its headquarters in Agios Stefanos, Attica. The company operates in the travel retail trade sector. The duration of the Company is unlimited and ends with the dissolution of the Company in accordance with the law.

These financial statements include the financial statements of "Hellenic Duty Free Shops S.A." and its subsidiaries "Hellenic Distribution S.A" and «HDFS DOOEL Skopje», altogether referred to as the Group, and cover the period from 1st January 2021 till 31st December 2021 and were approved by the Company's Board of Directors on 30 June 2023.

1.1 Major events of the closing financial year

Within the year 2022, investments of Euro 3.6 million were completed in the country's airports, which led to an increase in sales and profitability. In these circumstances and through financing as well as better management of existing working capital largely free from the impact of COVID-19, we managed to create a strong financial liquidity at the end of December 2022.

Air passenger traffic amounted to 31.3 million passengers compared to 17.4 million passengers in 2021 and 32.1 million passengers in 2019, an increase compared to 2021 by 79.9% and a decrease compared to 2019 by 2.5%. Year 2022 was marked by political stability, the country's growth rate of 5.9%, the stock market index increasing by 4.08% (929.79 against 893.34), but at the same time with inflationary pressures of 9.3 % due to the war in Ukraine and the inevitable increase in the price of energy and food.

Tourist traffic was also particularly encouraging in 2022 with the number of tourists reaching 27.8m reaching the record of 2019 with 31.3m tourists.

As for air passenger traffic, is amounted to 31.3 million passengers compared to 17.4 million passengers in 2021 and 32.1 million passengers in 2019, marking an increase compared to 2021 by 79.9% and slightly below compared to 2019 by 2.5%. Athens Airport handled more than 22.7 million passengers, 84% more than in 2021.

The sales in the "AIRPORT" operational sector for the Company amounted in 2022 to Euro 231.6 million compared to Euro 120.3 million in 2021, marking an increase of 93%, while for the Group (including the sales of the subsidiary HELLENIC DISTRIBUTIONS S.A.) it was Euro 234.4 million compared to Euro 121.4 million in 2021, marking an increase of 93%.

Sales of the "PORTS" operating sector stood at €9.9 mill in 2022 versus 2.2 mill in 2021, recording an increase of 342%.

Sales of the "BORDERS" operating sector stood at €56.2 mill on 2002 verus €28.8 mill in 2021, recording an increase of 95%.

Sales were also boosted due to significant investments completed by the Company amounting to €3.6 million in the country's airports.

Due to the above, of course, we also had an increase in profitability and together with broader working capital management, we managed to create a strong cash flow at the end of December 2022.

1.2 Group Structure

"Hellenic Duty Free Shops S.A.", its subsidiaries "Hellenic Distribution S.A" and «HDFS DOOEL Skopje», are 100% directly owned by DUFY INTERNATIONAL AG. The consolidated financial statements include the financial statements of the Parent Company and its wholly-owned subsidiaries, "Hellenic Distributions S.A." and «HDFS DOOEL Skopje», which are consolidated using the full consolidation method.

2. Important accounting policies used by the Group

2.1 Basis of preparation of the Financial Statements

The consolidated financial statements of "HELLENIC DUTY FREE SHOPS S.A." covering the entire financial year 2022, have been prepared in accordance with the historical cost basis. Historical cost is generally based on the fair value of the consideration given for the acquisition of goods and services. Fair value is defined as the sale price of an asset or settlement of a liability between parties operating under normal market conditions at the measurement date, whether or not that price is directly observable or is calculated using another valuation method. Fair value for measurement or presentation purposes in these financial statements is determined based on the above, except for leases to which IFRS 16 applies, as well as measurements that have similarities to fair value but are not fair value such as net realizable value. IAS 2 or value in use in IAS 36.

Furthermore, they were prepared on the basis of the going concern principle in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union («EU»). Management believes that the Group and the Company are able to meet all their obligations in a timely manner, at least for a period of 12 months from the date of the Statement of Financial Position and that there are no material uncertainties that may call into question their ability to operate under of the going concern principle. The future financial performance of the Company depends on the wider financial environment in which it operates. The factors that particularly affect the Company's performance are the economic growth and the recovery rate after the pandemic as well as the passenger traffic at the airports-ports-border stations, which together will affect the demand for goods and will be a determining factor for profitability and for operating expenses.

The Financial Statements are presented in thousands of euros, unless otherwise stated.

The preparation of financial statements in accordance with IFRS requires the use of accounting estimates and management's judgement in the process of applying the Group's accounting policies. Critical assumptions made by management when implementing the company's accounting methods have been disclosed, where appropriate.

2.2 New standards, amended standards and interpretations

New standards, standard amendments and interpretations:

Specific new standards, amendments to standards and interpretations have been issued, which are mandatory for accounting periods beginning on or after 1 January 2022

A) Standards and interpretations issued for the current financial year.

- **IAS 16** (Amendment) "**Property, plant and equipment - Revenue before intended use**": The amendment prohibits a company from deducting from the cost of a property, plant and equipment any revenue received from the sale of items produced while the company is preparing the asset for its intended use of. It also requires companies to disclose separately the amounts of income and expenses related to such produced items that are not a result of the Company's ordinary business.
- **IAS 37** (Amendment) "**Onerous contracts - Cost of fulfilling a contract**": The amendment clarifies that "the cost of fulfilling a contract" includes the directly attributable cost of fulfilling that contract and the allocation of other costs directly related to its performance. The amendment also clarifies that, before a separate provision is recognized for a onerous contract, a company recognizes any impairment loss on the assets used to fulfill the contract, rather than on assets that were solely dedicated to that contract.
- **IFRS 3** (Amendment) "**Reference to Conceptual Framework**": The amendment updated the standard to refer to the Conceptual Framework for Financial Reporting issued in 2018 when determining what constitutes an asset or liability in a business combination. In addition, an exemption was added for certain

types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer must not recognize contingent assets, as defined in IAS 37, at the date of acquisition.

- **IFRS 16 (Amendment) "Leases –lease discounts associated with Covid-19 – Extension of Application Period"**: The amendment extends the application of the practical relief given for rent concessions by one year to cover reductions in rent due on or until June 30, 2022.

Annual improvements in IFRS 2018-2020:

- **IFRS 9 "Financial instruments"**: The amendment examines which expenses should be included in the 10% assessment for the derecognition of financial liabilities. The relevant costs or fees could be paid either to a third party or to the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% assessment.
- **IFRS 16 Leases**: The amendment removed the example for payments by the lessor in respect of leasehold improvements in illustrative example 13 of the standard in order to eliminate any potential confusion about the treatment of lease incentives

B) Standards, amended standards and interpretations, which are not yet effective

The Company has not adopted any of the following standards, interpretations or amendments which have been issued but are not applicable in the current accounting period. In addition, the Company is in the process of evaluating all standards and interpretations or amendments that have been issued but did not apply in the current period.

- **IAS 1 (Amendments) "Presentation of Financial Statements"** and Second IFRS Practice Statement "Disclosure of Accounting Policies" (applicable to annual accounting periods beginning on or after 1 January 2023): The amendments require companies to provide information on their accounting policies when these are material and provide guidance on the concept of material when it is applied to disclosures of accounting policies.
- **IAS 8 (Amendments) "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates"** (applicable to annual accounting periods beginning on or after 1 January 2023): The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.
- **IAS 12 (Amendments) "Deferred tax relating to assets and liabilities arising from a single transaction"** (applicable to annual accounting periods beginning on or after 1 January 2023): The amendments require companies to recognize deferred tax in specific transactions that, upon initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This usually applies to transactions such as leases to lessees and remedial obligations.
- **IFRS 17 "Insurance contracts"** and Amendments to IFRS 17 (applicable to annual accounting periods beginning on or after 1 January 2023): IFRS 17 was issued in May 2017 and, together with amendments to IFRS 17 issued in June of 2020, replaces IFRS 4. IFRS 17 establishes the principles for the recognition, measurement and presentation of insurance contracts within the scope of the standard as well as the related disclosures. The purpose of the standard is to ensure that a company provides relevant information that presents a fair view of these contracts. The new standard resolves the comparability problems created by IFRS 4 as it requires all insurance contracts to be accounted for in a consistent manner. Insurance liabilities will be measured at current values and not historical costs.
- **IFRS 17 (Amendment) "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"** (applicable to annual accounting periods beginning on or after 1 January 2023): The amendment is a transition option related to comparative information about financial assets presented upon initial application of IFRS 17. The amendment is intended to help companies avoid temporary accounting mismatches between financial assets and insurance policy liabilities, and thereby improve the usefulness of comparative information for users of financial statements.
- **IAS 1 (Amendment) "Classification of liabilities as current or non-current"** (applicable to annual accounting periods beginning on or after 1 January 2024): The amendment clarifies that liabilities are classified as current or non-current based on the rights in force in end of the reference period. The classification is not affected by the company's expectations or by events after the reporting date. In addition, the amendment clarifies the meaning of the term "settlement" of an IAS 1 liability. The amendment has not yet been adopted by the EU.

• **IAS 1** (Amendment) "Long-Term Liabilities with Clauses" (applicable to annual accounting periods beginning on or after 1 January 2024): The amendment clarifies that only covenants with which a company is required to comply before or at the end of reporting period affect the company's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be taken into account when assessing the classification of a liability as short-term or long-term). Such clauses affect whether the right exists at the end of the reporting period, even if compliance with the clauses is assessed after the reporting date. The right to defer settlement of an obligation is not affected if a company is only required to comply with clauses after the reference period. However, if the company's right to defer settlement of a liability depends on the company's compliance with covenants within twelve months of the reporting period, the company discloses information that enables users of the financial statements to understand the risk that the liabilities will become payable within twelve months from the reference period. The amendment has not yet been adopted by the EU.

• **IFRS 16** (Amendment) "Lease Obligations in Sale and Leaseback Transactions" (applicable to annual accounting periods beginning on or after 1 January 2024): The amendments add subsequent measurement requirements for sale and leaseback transactions that meet the requirements of IFRS 15 "Revenue from Contracts with Customers" to be accounted for as sales of assets. The amendments require the seller-lessee to determine "rents" or "revised leases" in such a way that the seller-lessee does not recognize a gain or loss associated with the right of use retained by the seller-lessee, after the start date of the lease period. The amendment has not yet been adopted by the EU."

The Group and the Company are investigating the impact of the new standards and amendments on their financial statements.

2.3 Consolidation

2.3.1 Subsidiaries

The consolidated financial statements include the financial statements of the Company and all of its controlled entities (subsidiaries). There is control when the Company has the ability to determine the financial and operational activities of an entity in order to gain benefits. The results, assets and liabilities of subsidiaries are incorporated into the financial statements using the total consolidation method. The financial statements of subsidiaries are prepared using the same accounting policies as those followed by the Company. Intragroup transactions, intragroup balances and intragroup income and expenses are eliminated during consolidation. Goodwill arising from the entities acquisition, if positive, is accounted for as a non-depreciable asset, which is tested each year for impairment. If negative, it is accounted for as income in the Group's income statement. Goodwill is the difference between the price paid for the acquisition and the fair value of the individual assets, liabilities and contingent liabilities of the acquired company.

A change in the ownership regime of a subsidiary, without entailing a loss of control, is treated as an equity transaction. If the Group loses control of a subsidiary then:

- It deletes the assets (including goodwill) and liabilities of the subsidiary
- It deletes the book value of any non-controlling interests
- It deletes the accumulated conversion differences posted in equity
- It recognizes the fair value of the consideration received
- It recognizes the fair value of the residual investment
- It recognizes any surplus or deficit in the results
- It reclassifies the parent company's interest in the assets previously recognized in other comprehensive income in P&L or accounted for as retained earnings, as appropriate

2.3.2 Foreign exchange currency conversion

(a) Functional and presentation currency.

All items presented in the Group companies' and Company's financial statements are presented in euro, which is the currency of the economic environment in which they operate (the functional currency). Any deviations in the totals from the addition of separate numbers are due to rounding.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Profits and losses from foreign exchange differences arising from the settlement of such transactions during the fiscal year and the conversion of monetary items expressed in foreign currency with the current exchange rates on the balance sheet date are posted to the results. Foreign exchange differences derived from non-monetary items valued at fair value are considered part of the fair value and thus they are recorded wherever fair value differences are recorded. The items presented in the financial statements of the Group companies are measured using the currency of the economic environment of the country in which each group company operates. The separate financial statements of the companies included in the consolidation and initially presented in a currency other than the Group's presentation currency, they have now been converted into €. Assets and liabilities have been converted to €. Assets and liabilities are expressed in € at the closing exchange rate on the balance sheet date. Income and expenses are translated into the presentation currency of the group at the average exchange rates of each reporting period. Any differences arising from that process are carried forward to the reverse used for converting the balance sheets of subsidiaries into a foreign currency in equity via Other Comprehensive Income.

2.4 Summary of main accounting policies

2.4.1 Business combinations and goodwill

All business combinations are accounted for using the acquisition method. The cost of acquisition is estimated to be the total consideration transferred as computed on the date of acquisition at fair value plus the size of any non-controlling interests in the acquired entity. For each business combination, the acquirer estimates the non-controlling interests in the acquired entity either at fair value or as a proportion of the net identified assets of the acquired entity. Expenses on acquisition are recorded in the income statement.

On the date of acquisition, the Group values the acquired assets and outstanding liabilities to classify them in the appropriate way and determine them in line with the contractual terms, the economic circumstances and the relevant conditions on the date of acquisition. That involves the purchaser segregating embedded derivatives from the main contracts.

In a business combination which takes place gradually, the Group re-calculates its equity interests previously held in the acquired entity at fair value on the date of acquisition and the difference is transferred to the results.

Any contingent consideration to be transferred by the acquirer will be presented at fair value on the date of acquisition. Any subsequent changes in fair value of the contingent consideration, which will be treated as assets or liabilities, will be presented in line with IAS 39 either on the results or as a change to OCI. If the contingent consideration is classified as an equity item, no new re-calculation will be made until the subsequent settlement is accounted for in equity.

Goodwill is initially valued at cost as the difference between the total amount of the value transferred and the amount recognized for non-controlling interests in the net identified assets and outstanding liabilities. If that price is below the fair value of the net assets of the subsidiary acquired, the difference is presented in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, since the date of acquisition, to each cash generating unit expected to take advantage of the combination, irrespective of whether other receivables or liabilities of the acquired entity are assigned to those units.

When the goodwill is part of a cash generating unit and a part of the activity inside the unit is sold, the goodwill associated with the operation sold is included in the book value of the operation when gains or losses from sale of the operation are determined. In this case, the goodwill is measured based on the relevant value of the operation sold and the percentage of the cash generating unit which is retained.

2.4.2 Participation in associates

Group investments in other legal entities over which the Company exerts significant influence without being subsidiaries or joint ventures, are accounted for using the equity method. Using this method, holding in associates is recorded at acquisition cost and subsequently that figure is increased or decreased when the investor's interest in the associate's results is recognized, when other changes in the associate's equity are recognized or in the case that dividends received (less provisions for impairment) are recognized. The consolidated income statement indicated the Group's share in the results of the operations of the associate. When there is a change recognized directly on the associate's equity, the Group recognizes its share in that change on the statement of changes in equity. Unrealized gains and losses from transactions between the Group and the associate are eliminated to the extent of the holding percentage in the associate. The associate's financial statements are prepared for the same reporting period as the Group ones. Whenever needed, adjustment entries are made so that the associate's accounting principles are identical to those of the Group. After the equity method has been used, the Group determines whether it is necessary to recognize impairment loss for its investment in the associate. On the date of the statement of financial position, the Group determines whether there is any objective indication that the investment in the associate has become impaired. When significant influence over the associate is lost, the Group calculates the residual value of the investment at fair value.

2.4.3 Property, plant and equipment

Property, plant and equipment are presented in the financial statements at acquisition cost or presumed (deemed) cost as determined based on fair values on the transition dates less accumulated depreciation and any fixed assets devaluation. The acquisition cost includes all expenses directly attributable to assets acquisition.

Subsequent costs are recorded either as an increase in fixed assets' book value or as a separate asset only to the extent that these costs increase the future economic benefits expected to inflow the entity as a result of using the asset and their cost can be measured reliably. The cost of repair and maintenance is recognized in the income statement when realized.

Depreciation of other tangible assets (other than land which is not depreciated) is calculated using the straight line method over their useful life as follows:

Classes of Assets	Years of useful economic life
- Buildings and technical installations on third party property	5 - 10
- Furniture and mechanical equipment	4 – 10
- Cars / Vehicles	8 - 10
- Computers	5

Residual value and the useful life of property, plant and equipment are subject to re-evaluation on each balance sheet date. When the book value of property, plant and equipment exceeds the recoverable value, the difference (impairment) is directly recorded as an expense in the income statement.

When the tangible assets are sold, differences between the consideration received and the book value are accounted for as profits or losses in the income statement. Repairs and maintenance costs are expensed in the period to which they relate.

Self-generated tangible assets constitute an addition to the acquisition cost of fixed assets at values which include direct payroll costs for staff involved in construction (the corresponding employer contributions), the cost of materials used and other general costs.

2.4.4 Intangible assets

2.4.4.1 Trademarks and licences

Trademarks and licenses acquired are initially recognized at their historical cost. Licenses have a limited useful life and they are presented at cost less accumulated depreciation. Depreciation is calculated using the useful life method to allocate the cost of trademarks and licenses over their estimated useful life.

Exclusive right/license to operate duty free shops:

By virtue of art 120 of L.2533/1997, the agreement between «HDFS S.A» and the Greek State granting the license (right) to exclusively operate duty free shops was signed and HDFS could sell duty free and tax free products in its existing and future shops in international airports, land border stations and ports of the country, for a 50-year period of time, starting from 1.1.1998.

Based on the concession of this right, HDFS S.A. acquired a strong advantage which solidifies its positions in the market.

Granting the license (right) to exclusively operate (Article 120 of Law 2533/1997) duty free shops is shown in the financial statements at fair value as estimated by an independent valuer using the discounted cash flow method in 2013 on the date that the travel retail company «FOLLI FOLLIE S.A.» was absorbed. Depreciation is estimated using the straight line method over the useful life of the assets amounting to 35 years until 1.1.2048.

2.4.5 Other intangible assets

This category includes the Group's leasing rights, which are initially recognized at their acquisition cost. After the initial recognition, intangible assets are measured at cost less accumulated depreciation and any impairment losses incurred. This category also includes software acquired and being used in production or management. The software licenses acquired are capitalized based on the costs incurred to acquire and install the specific software.

The expenditure associated with software maintenance is recognized as an expense in the period in which the expenditure is incurred. Expenditure which is capitalized is depreciated using the straight line method over the estimated useful life of the assets.

2.4.6 Goodwill

Goodwill represents the excess amount between the takeover value and the fair value of the group's share in the identifiable assets and liabilities of the acquiree at the date of acquisition. Gains or losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold. In the event that the fair value of the company's share in the net assets of the acquired subsidiary at the date of acquisition is higher than the acquisition cost, negative goodwill arises which is recognized immediately in the income statement.

Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. The allocation is made to the groups of CGUs expected to benefit from the business combinations, relating to which the goodwill arose, and it is recognized according to the operating segment. Goodwill is subject to impairment control every year or even sooner if there are relevant indications. Goodwill impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill has been allocated. When the recoverable amount (higher of value in use and fair value less costs to sell) of the CGU is less than its carrying amount including goodwill, an impairment loss is recognized. Impairment loss relating to goodwill cannot be reversed in future periods.

2.4.7 Non-financial asset impairment

The Company and the Group assess, at each reporting date, whether an indication of impairment exists. If any indication exists or an annual impairment testing for an asset is required, then, the asset's recoverable amount is assessed. Assets that have an indefinite useful life are not depreciated and they are tested annually for impairment

or more frequently if specific facts indicating the possible assets impairment. Assets subject to depreciation are tested for impairment when there are relevant indications that the carrying amount may not be recovered. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between fair value less costs to sell and value in use (current value of cash flows to be created based on management's assessment of future economic and operating conditions). For the purpose of assessing impairment loss, assets are grouped at the lowest cash-generating units, if possible. For non-financial assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indications exist, the Group estimates the asset's or CGU's recoverable amount. Any previously recognized impairment losses are reversed only if there have been changes in the estimates and assumptions made when the impairment loss was recognized. When, subsequently, the impairment loss is reversed, the carrying amount of the asset or cash-generating unit is increased to its revised estimated recoverable amount so that the increased carrying amount that is determined would not exceed that of the carrying amount whether any impairment loss on the asset (or cash-generating unit) had been recognized in previous years. The above reversal of the impairment loss is recognized directly as income in the income statement. Impairment resulting from the impairment of goodwill is recognized immediately in profit or loss and is not reversed in subsequent periods.

2.5 Financial Assets

2.5.1 Initial recognition and measurement

Financial assets can be classified, when initially recognized and depending on their nature and their characteristics, into the following four categories:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through profit or loss.
- Financial assets designated at fair value through OCI

All the financial assets are initially recognized at their fair value, which is usually the acquisition cost plus the direct transaction costs. Acquisitions and disposals are recognized on the date of the transaction which is the date on which the Company undertakes to purchase or sell the asset.

2.5.2 Subsequent measurement

i. Financial assets measured at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

1. the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
2. based on the contractual terms governing the financial asset, cash flows that are solely payments of principal and interest on the principal amount outstanding are generated at specific dates.

ii. Financial assets designated at fair value through OCI

Financial assets are designated at fair value through OCI if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved through the collection of contractual cash flows as well as the disposal of financial assets, and
- b) based on the contractual terms governing the financial asset, cash flows that are solely payments of principal and interest on the principal amount outstanding are generated at specific dates

iii. Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss, unless it is measured at amortized cost in accordance with paragraph i) or in fair value through OCI in accordance with paragraph ii). However, upon initial recognition, the Company may irrevocably elect for specific equity investments, which would otherwise be measured at fair value through profit or loss, to present the subsequent changes in fair value in OCI.

The realized and unrealized gains or losses resulting from the changes in the fair value of the financial assets measured at fair value through profit or loss, are recognized in the income statement of the period in which they occur.

2.5.3 Derecognition

The Company and the Group derecognize a financial asset if and only if the contractual rights on the cash flows of the financial asset have expired or they have transferred the financial asset and the transfer meets the conditions for derecognition.

2.5.4 Reclassification

Reclassification of financial assets takes place in rare cases and is due to the Company's and the Group's decision to modify the business model it applies for those financial assets management.

2.5.5 Impairment

Under IFRS 9 provisions, the impairment of financial assets measured at amortized cost or fair value through OCI, is carried out by recognizing expected credit losses (ECLs).

At each reporting date, IFRS 9 requires the estimation of a loss provision for a financial asset in an amount equal to the expected credit losses over its lifetime if the credit risk of the financial asset has increased significantly since initial recognition. Conversely, in case that the credit risk of a financial asset has not increased significantly on the reporting date since the initial recognition, IFRS 9 requires the estimation of the provision loss in an amount equal to the 12-month ECLs.

The risk parameters taken into account for the estimation of expected credit losses are the estimated probability of default, the percentage of loss on the outstanding capital given that the customer has failed to repay the amount due and the balance that the company is exposed to in case of default. In certain cases, the Company may assess for specific financial assets that there is a credit event when there is internal or external information indicating that the collection of the amounts specified under the relevant contract is not likely to be collected in full.

As a general rule, the stage classification is carried out at each reporting date.

Regarding the "Trade and other receivables", IFRS 9 requires the application of a simplified approach in calculating ECLs. Using this approach, the Company calculated the ECLs through the whole life of the receivables. For this purpose, a credit loss provision matrix was used based on the aging of the balances, which calculates the relevant loss provisions in a way that reflects the experience gained from historical events as well as provisions of the future financial status of the customers and the economic environment. A more detailed description of the accounting treatment is presented in Note 9.

2.6 Financial Liabilities

2.6.1 Initial recognition

Balances of trade and other payables are recognized at cost which is equal to the fair value of the future payment for the purchases of goods and services provided. Trade and other short-term liabilities are non-interest-bearing accounts and they are usually settled within 120 days.

All loan liabilities are initially recognized at cost, which reflects the fair value of the receivable amounts minus the relatively direct contract and transaction costs, if significant. After initial recognition, interest bearing loans are measured at unamortized cost using the effective interest method. Unamortized cost is calculated after taking into account issuance costs and the difference between initial and maturity amount. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired as well as through the amortization process.

2.6.2 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 arising when the transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach is applied
- c) financial guarantees contracts
- d) commitments to provide a loan at a below-market interest rate

The unamortized cost of loans is calculated after taking into account issuance costs and the difference between initial and maturity amount. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired as well as through the amortization process.

Loans are classified as short term liabilities, unless the Company has the right to defer the payment of the obligation for at least 12 months from the date of the financial statements.

2.6.3 Derecognition

An entity shall derecognize a financial liability (or a part thereof) from its financial statements if and only if it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled or expired. An exchange between an existing borrower and a lender of debt securities with substantially different terms shall be accounted for as elimination of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of an existing financial liability terms (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as a repayment of the original financial liability and recognition of a new financial liability. The difference between the book value of a financial liability (or part of a financial liability) fully repaid or transferred to another party and the consideration paid, including any non-cash assets transferred and liabilities assumed, shall be recognized in the income statement.

2.6.4 Offsetting of financial assets with financial liabilities

Offsetting financial assets with financial liabilities and presenting the resulting net amount in the financial statements are both allowed only if there is a legal right to offset as well as an intention to settle the net amount resulting from the offsetting or make a simultaneous settlement.

2.7 Inventories

Inventories are valued by type at the lower price between acquisition cost and net realizable value. The cost is determined using the weighted moving average cost method. The net realizable value is estimated based on the current selling prices of the inventory in the ordinary course of business less any selling expenses where applicable.

2.8 Loans, trade and other receivables

Loans and receivables are non-derivative financial assets with fixed and specified payments and they do not carry a market price in any active market. They are generated when the Group provides money, products or services directly to a debtor without any intention of commercial use. They are measured at unamortized cost using the effective interest rate method less any impairment provisions. Each change in the value of loans and receivables is recognized in the income statement when loans and receivables are written off or impaired in accordance with the effective interest rate method.

Trade receivables are initially recognized at fair value and are they are subsequently measured at the unamortized cost using the effective interest rate method. Provisions for the expected non-recoverable amounts are appropriately recognized in the income statement when there is an objective indication that the assets is impaired. The provision recognized is measured as the difference between the book value of the asset and the present value of the estimated future cash flows discounted with the effective interest rate in effect at the initial recognition. Impairment testing is carried out for certain receivables on an individual basis (for each distinct customer) in cases that the receivable collection is overdue on the date of the financial statements or in cases where there are objective indications of the need for impairment. Other receivables are grouped and tested for impairment on the whole.

Impairment loss is the difference between the book value of receivables and the estimated future cash flows and it is recognized in the income statement as an expense.

Loans and trade receivables are included in the current assets apart from those having maturity date after 12 months of the balance sheet date, which are included in the non-current assets. They are grouped as trade and other receivables on the balance sheet and they constitute the greater part of the Group and Company financial assets.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and the treasury as well as short-term investments of high liquidity, such as repos and bank deposits with a maturity of less than 3 months.

For the purpose of preparing the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above without including the outstanding balances of bank overdrafts.

2.10 Share capital

Ordinary shares are classified as equity. Direct issuance costs are presented after deducting the related income tax applied as a reduction of the issue proceeds. Direct costs related to the shares issue for business acquisition are included in the acquisition cost of the business acquired. The own shares' acquisition cost reduced by income tax (if applicable) is presented as a reduction in group equity until the own shares are sold or cancelled. Any profit or loss from sale of own shares, net of direct other transaction costs and income tax, if applicable, is presented as a reserve in equity.

2.11 Income tax

2.11.1 Current income tax

Current tax assets/liabilities include those liabilities or receivables from tax authorities related to current or previous reporting periods that have not been settled by the time of the balance sheet date. They are calculated in accordance with tax rates and laws in force and based on taxable profits of each financial year. All changes on current tax assets or liabilities are recognized as tax expense in profit or loss.

2.11.2 Deferred income tax

Deferred income tax is calculated using the liability method that focuses on temporary differences. This includes the comparison between the carrying amount of assets and liabilities in the consolidated financial statements and their tax bases.

Deferred tax assets are recognized to the extent that they are likely to offset against future income tax.

The Group and the Company account for a previously non-recognized deferred tax asset to the extent that a future taxable profit is probable.

Deferred tax asset is remeasured at each balance sheet date and is reduced to the extent that it is not deemed probable that there will be sufficient taxable profits against which part or all of the deferred income tax asset may be used.

Deferred tax liabilities are recognized for all taxable temporary differences. Taxable temporary differences relate to deductible temporary differences and carried forward unused tax losses to the extent that it is probable that a taxable profit will be available which will offset them.

Deferred tax assets and liabilities are calculated based on the tax rates expected to be in force in the period that the asset is recovered or the liability is settled, taking into account the tax rates (and tax laws) that are substantially in force on the Balance Sheet date.

Changes in deferred tax assets or liabilities are recognized as an income tax item in the income statement, other than those arising from specific changes in assets or liabilities, which are recognized directly in group equity and result in the relevant change in deferred tax assets or liabilities being charged/credited against the respective equity account.

The Company and its subsidiaries, given in paragraph 12.71 of IAS 12, present in the consolidated Statement of Financial Position the deferred tax liabilities and the deferred tax receivables.

2.12 Pension and short-term employee benefits

2.12.1 Short-term benefits

Short-term benefits to staff (except for termination of employment benefits) in cash and kind are recognized as an expense when accrued. Any unpaid amount is recorded as a liability, whereas in case the amount already paid exceeds the benefit amount, the entity recognizes the excessive amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a future payment decrease or refund.

2.12.2 Post-employment benefits

The Group and the Company have designated both defined benefit and defined contribution plans.

2.12.2.1 Defined contribution plans

Group and Company staff are primarily covered by the main public social security entity which concerns the private sector (Single Social Security Entity "EFKA") which provides pension and healthcare benefits. Each employee is required to contribute part of his monthly salary to the fund as well as part of the overall contribution is covered by the Group and the Company. Upon retirement, the pension fund is responsible for paying retirement benefits to employees. Consequently, the Group and the Company has no legal or constructive obligation to pay future benefits based on this scheme.

Based on the defined contribution plan, the Group's and Company's obligation (whether legal or constructive) is limited to the amount it has agreed to contribute to the fund which manages contributions and provides benefits. Consequently, the amount of benefits which the employee will receive is determined by the amount the Group (and/or the employee) pays and the paid investments on those contributions. The contribution payable by the Group and the Company towards a defined contribution plan is recognized as a liability after deducting the contribution paid as the corresponding expense.

2.12.2.2 Defined benefit plans – Defined benefit obligations

Obligations to pay retirement compensation are calculated on the discounted value of future benefits which have been accumulated at the end of the year based on the recognition of an employee's right to retirement benefits during his expected working life. These obligations are calculated based on the financial and actuarial assumptions which are explained in Note 13 and are determined annually by independent actuaries using the projected unit credit method. The net cost of retirement in the period is included in the payroll cost in the attached financial statements.

The obligation to compensate for retirement is recognized in the statement of financial position and is the present value of future cash outflows using interest rates of high quality corporate bonds or treasury bonds that their maturity is similar to that of the related pension obligation, as the discount rate.

The past service cost is recognized in the income statement at the earlier of:

- The date on which it is amended or curtailed and
- The date the Company and Group recognize costs for restructuring.

The financial cost is determined by applying the discount rate used to measure the defined benefit obligation (or receivable). The Company and the Group recognize the following changes in the defined benefit obligation in payroll expenses and financial expenses:

- Service costs consisting of current service costs and previous service costs, Profits and Loss from curtails and unusual modifications to the defined benefit plan,
- Net financial expense or income

Re-assessments to actuarial gains or losses are directly recognized in the statement of financial position by debiting or crediting the retained earnings account accordingly, through other comprehensive income for the period in which those gains or losses are incurred. The re-assessments are not reclassified in the income statement in subsequent periods.

2.13 Other provisions

Provisions are recognized when a present obligation is likely to lead to an outflow of resources embodying economic benefits for the Group and it can be reliably measured. The timing and size of the outflow may be uncertain. A present commitment arises from the presence of a legal or constructive obligation as a result of a past events. Every provision formed is only used for the expenses for which it had initially been formed. Provisions are reviewed at each reporting date and are adjusted accordingly in order to reflect the current best estimate.

Provisions are measured at the expected cost of the expenditure required to settle the current obligation based on the most reliable evidence available as at the balance sheet date including the risks and uncertainties relating to the current obligation. When the impact of the time value of money is significant, the amount of the provisions is the present value of the expenses expected to be required in order to settle the liability.

When the discounting method is used, the book value of a provision is increased in each period so as to reflect the passage of time. This increase is recognized as a financial expense in the income statement. When there are a number of similar obligations, the probability that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is also recognized even though the likelihood of outflow for any item may be small. If it is no longer likely that an outflow of resources embodying economic benefits will be required to settle the liability, the provision is reversed.

2.14 Contingent liabilities

Provisions are recognized when the Group or Company have a current legal or statutory obligation deriving from past events, which is likely to require an outflow of resources embodying economic benefits to settle the obligation and the size of the obligation (the liability) can be reliably measured. Provisions are revised at each reporting date and are adjusted to reflect the present value of the expenditure required to settle the liability.

If the impact of the time value of money is significant, the provisions are calculated by discounting expected future cash flows using a pre-tax rate, which expresses current market estimates for the time value of money and, where is considered necessary, the risks specifically associated with the liability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the likelihood of a resource outflow embodying economic benefits is minimal. Contingent assets are not recognized in the financial statements but are disclosed when there is likelihood of an inflow of economic benefits.

2.15 Contingent assets

Possible inflows from economic benefits for the Group which do not meet the criteria of an asset are considered contingent assets and are disclosed in the Notes of the financial statements.

2.16 IFRS 16: Leases

Right-of-use assets

The Group and the Company recognized right-of-use assets at the beginning of the lease (date when assets are made available for use). Right-of-use assets are measured at cost minus the accumulated impairment and depreciation and adapted as at the re-measurement of the respective lease obligations. The cost of right-of-use assets includes the amount of lease obligations recognized, the initial directly linked expenses and lease payments made on or before the starting date, minus discounts or other incentives. Apart from the cases when the Group and the Company are relatively certain that the leased assets will be acquired at the end of the lease agreement, the recognized right-of-use assets are impaired with the stable method against the shorter period between the

useful life of the underlying asset and the terms of the lease. Right-of-use assets are subject to a value impairment control, either each one separately, or as a unit generating cash flows.

Lease liabilities

On the lease commencement, the Group and the Company recognize lease liabilities equal to the present value of lease payments over the lease term. The lease payments include the contractual fixed lease payments, MAGs, less the amount of any subsidies offered, variable lease payments that depend on an index/rate and any expected residual value payments. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for a lease termination, if the lease terms reasonably indicate that the Group will exercise the option to terminate the contract. The variable lease payments that do not depend on an index/rate are recognized as expense in the period on which the event or the condition that triggers the payment occurs.

When calculating the present value of lease payments, the Group and the Company use the incremental borrowing rate at the lease commencement date if the annual percentage rate is not directly determined in the lease contract. After the lease commencement, the amount of lease liabilities is increased by the amount of interest expenses and reduced by the amount of lease payments. In addition, the carrying amount of lease liabilities is re-measured if there is a contract modification or any change in the lease term, the fixed lease payments or the assessment to purchase the underlying asset. These re-measurements are disclosed as modifications in a single line on the right-of-use assets.

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

(a) Short-term leases and leases of low-value assets

The Group applies the exception concerning the short-term leases (i.e. those leases that have a lease term of 12 months or less from the lease commencement date and do not contain a purchase option). In addition, it applies the exception of low valued assets (i.e. valued at less than €5.000). Lease payments for short-term and low-value assets are recognized as expenses with the stable method, throughout the duration of the lease.

(b) Significant estimates in determining the lease term of contracts with renewal options

The Group determines the lease term as the contractual term of the lease, including the period covered by (a) an option to extend the lease, if it is reasonably certain for the option to be exercised or (b) an option to terminate the lease, if it is reasonably certain for the option not to be exercised.

Regarding some of its leases, the Group has the option to extend the lease term. The Group evaluates whether it is reasonably certain to exercise the option to renew the lease, taking into consideration all the relevant factors that create an economic incentive to exercise the renewal option. After the lease commencement date, the Group reassesses the lease term and whether there is a significant event or a change in circumstances falling under its control and affecting the option to exercise (or not to) the option to renew (such as a change in group business strategy).

(c) Lease term determination

According to the Committee's decision issued, when assessing the notion of insignificant penalty as a part of establishing the lease terms, the relevant analysis should not only capture the fine as specified in the contract but using, instead, a broader economic consideration of the penalty and thus including all kinds of possible economic outflows related to the termination of the contract. The Group applies this decision and uses judgment in estimating the lease term, especially in cases where the agreements do not provide for a predetermined term. The Group considers all the relevant factors that create an economic incentive for it to exercise either the renewal or termination option.

2.16.1.1 Operating leases

All other leases are treated as operating leases. Payments under operating leases are recognized as expenses in the income statement using the straight line method (income for the year matched to expenses). The relevant expenses such as maintenance and insurance are recognized as expenses when incurred.

2.16.2 A company in the Group as lessor

2.16.2.1 Operating leases

Leases where the Group does not transfer substantially all the risks and rewards of the asset are classified as operating leases. Initial direct costs incurred by lessors in negotiating and arranging an operating lease are added to the book value of the leased asset and recognized throughout the lease term as lease revenues.

2.17 Revenue recognition

Revenue is recognized to the extent that it is likely that the economic benefits will accrue to the Group and the relevant amounts can be reliably measured. Revenues are net of VAT, discounts and refunds. Revenues generated in transactions among companies in the Group that are consolidated using the total consolidation method are fully eliminated. Revenue is recognized as follows:

- **Sales of goods:** Revenue is recognized when the substantial risks and rewards deriving from ownership of the goods have been transferred to the purchaser and collection of the receivable is reasonably secured. Goods sold on a wholesale basis are primarily sold on credit. If a contract / sale includes more than one contractual obligation, the total value of the contract is divided into individual obligations based on the individual sales values. The amount of revenue that is recognized is the amount that has been divided into the corresponding contractual obligation that has been fulfilled, based on the price that the Group expects to receive in accordance with the terms of the contract.
- **Provision of services:** : Revenue from fixed rate services agreements is recognized based on the stage of completion of the service on the reporting date. According to this method, revenue is recognized based on the proportion of the service provided up to the reporting date compared to the total services to be provided. When the result of the transaction relating to service provision cannot be reasonably calculated, the revenue is only recognized to the extent that the recognized expenses are recoverable. In cases where the initial revenue estimates, the expenses or the completion percentage change, those changes may lead to increases or decreases in the estimated revenue or expenses and are presented in the revenue for the period.
- **Dividends:** Dividends are recognized as revenue when the right to receive payment is established.
- **Interest income:** Interest income is recognized on a time proportion basis using the effective interest method.
- **Income from property leases** is accounted for on an accrued basis, in line with the points included in the relevant contracts / agreements.

2.18 Critical accounting estimates, assumptions and judgments

The basic accounting estimates and judgments that the Management has made during the implementation of the accounting policies and which have the most significant impact on the Financial Statements of the Company and the Group are the following:

Important crises in the implementation of accounting policies:

(a) Provision for bad debt: The Group makes provisions for risks, which may arise from legal cases that may lead to financial outflows for their resolution. These forecasts are recognized based on the value of the cases and the probabilities associated with the final outcome of the case.

(b) Determination of lease term: In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant: If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate) the lease. If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate) the lease. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment and that is within the control of the lessee.

(c) Provisions for bad debts: The Group's Management periodically reassesses the adequacy of the provision for bad debts in relation to its credit policy, taking into account reports from the legal department for recent developments in cases it handles.

Basic sources of estimation uncertainty:

(a) Income tax provision: According to IAS 12, income tax provisions are based on estimates related to taxes to be paid to the tax authorities and include the current income tax for each financial year, the provision for additional tax that may arise in future tax audits and the recognition of future tax benefits. The finalization of income tax may differ from the relative amounts included in these financial statements.

(b) Depreciation rates and useful life: The Group's fixed assets are depreciated according to their estimated useful economic life. The useful life in each case is reassessed periodically in order to determine if the initial period is still appropriate. The actual life of these fixed assets may vary depending on various factors, such as technological advances and maintenance programs.

(c) Goodwill and impairment test: The Group tests whether the goodwill has been impaired at least on an annual basis. This requires an estimate of the value in use of the cash generating unit to which goodwill is allocated. In order to estimate the value in use of this unit, the Group is required to estimate the amount of future cash flows and also to determine the appropriate discount rate so as to calculate the present value of future cash flows.

(d) Impairment of property, plant and equipment: The tangible assets are tested for impairment purposes when events or changes in circumstances indicate that the carrying amount may not be recoverable. To calculate the value in use, management assesses future cash flows from the asset or cash generating unit and selects the appropriate discount rate to calculate the present value of future cash flows.

(e) Deferred tax liabilities: Deferred tax liabilities are recognized for all tax losses to the extent that it is likely that there will be sufficient tax gains to be offset against those tax losses. Significant judgment is required on the part of management to determine the amount of deferred tax assets that can be recognized, based on the probable time and level of future taxable profits as well as future tax planning strategies.

(f) Provision for expected credit losses of receivables: The Group uses a provision matrix to calculate ECLs for trade receivables over their life. The provision matrix is based on the Group's historical credit loss experience calibrated to adjust the historical credit loss experience with forward-looking information specific to the debtors and the economic environment. At each year end, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The correlation among historical observed credit losses, future economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and to forecast of economic conditions. Moreover, the Group's historical credit loss experience and forecast of economic conditions may not be representative of customers' actual default in the future.

3. Segmental Reporting

For administrative purposes, the Group is organized into 4 main business segments: a) airports, b) ports, c) borders and d) wholesales. IFRS 8 – Operating Segments states that Management must monitor the operating result of business segments separately in order to take decisions about the distribution of resources and the performance evaluation. A segment's performance is evaluated based on operating results which are corrected to eliminate intra-group transactions.

Group operations, which do not meet the criteria and thresholds under IFRS 8 to be considered a separate operating segment, are combined and presented in the "Other" segment. This category includes the expenses of the headquarters as well. Group results per sector are analyzed as follows:

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS AT 31.12.2022

01.01 - 31.12.2022	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER OPER. SEGMENTS	HQ	TOTAL
Sales	235.505	9.907	56.208	6.992	4.321	-	312.932
Intercompany sales	-	-	-	(1.618)	-	-	(1.618)
Sales third	235.505	9.907	56.208	5.374	4.321	-	311.314
Advertising Income	3.791	58	756	3	2.353	-	6.962
Turnover	239.296	9.965	56.964	5.377	6.674	-	318.276
Cost of Sales	(110.227)	(4.490)	(23.257)	(5.722)	(2.505)	-	(146.201)
Intercompany cost of sales	-	-	-	1.610	-	-	1.610
Gross profit	129.069	5.475	33.706	1.265	4.169	-	173.684
Lease expenses	(46.220)	(533)	(2.933)	(17)	(596)	(494)	(50.793)
Personnel expenses	(20.522)	(1.524)	(4.294)	(585)	(3.241)	(4.410)	(34.576)
General expenses	(6.699)	(470)	(1.495)	(715)	-	(4.311)	(13.689)
Depreciation	(7.510)	(540)	(1.179)	(308)	(63)	(12.856)	(22.456)
Profits / Loss before interest and tax (EBIT)	48.118	2.408	23.805	(361)	270	(22.071)	52.170
Financial income	-	-	-	-	-	15	15
Financial expense	(71)	(75)	-	(9)	(11)	(2.020)	(2.186)
Other financial income	2	-	-	(1)	-	(316)	(315)
Profits / Loss before tax (EBT)	48.049	2.333	23.805	(371)	259	(24.393)	49.684
Adjusted EBITDA*	54.665	2.794	24.984	(344)	282	(9.575)	72.806

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS AT 31.12.2021

* The comparative amounts have been modified in relation to last year's published in order to make them comparable with the corresponding amounts of this year

01.01 - 31.12.2021	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER OPER. SEGMENTS	HQ	TOTAL
Sales	121.448	2.238	28.906	6.374	2.861	-	161.827
Intercompany sales	-	-	-	(723)	-	-	(723)
Sales third	121.448	2.238	28.906	5.651	2.861	-	161.104
Advertising Income	2.096	3	99	9	1.922	142	4.271
Turnover	123.543	2.241	29.005	5.660	4.784	142	165.375
Cost of Sales	(61.716)	(1.194)	(12.826)	(4.552)	(1.751)	535	(81.504)
Intercompany cost of sales	-	-	-	683	-	-	683
Gross profit	61.828	1.047	16.179	1.791	3.033	677	84.554
Lease expenses	(3.397)	(19)	(1.102)	(39)	(384)	(214)	(5.155)
Personnel expenses	(10.426)	(729)	(2.548)	(1.689)	(2.439)	(4.253)	(22.084)
General expenses	(2.740)	(239)	(641)	(432)	(32)	(4.701)	(8.765)
Depreciation	(19.008)	(544)	(1.225)	(364)	(44)	(12.847)	(34.030)
Profits / Loss before interest and tax (EBIT)	26.257	(484)	10.663	(723)	133	(21.338)	14.518
Financial income	-	-0	-	-	1	54	55
Financial expense	1.162	(72)	(3)	(6)	(14)	(3.342)	(2.275)
Other financial income	(1)	1	-	(2)	(1)	(256)	(259)
Profits /Loss before tax (EBT)	27.419	(555)	10.660	(732)	119	(24.882)	12.039
Adjusted EBITDA*	31.863	(57)	11.878	(660)	144	(8.819)	34.350

BREAKDOWN OF GROUP ASSETS – LIABILITIES PER OPERATING SEGMENT AS AT 31.12.2022

GROUP						
(Amounts in € '000)						
01.01 - 31.12.2022	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	TOTAL
Tangible and intangible assets	272.160	17.577	45.140	1.283	183.228	519.388
Other non current assets	25.862	32	1	4	520	26.419
Inventory	17.188	1.928	4.797	13.154	408	37.475
Trade and other receivables	-	-	332	4.127	10.549	15.008
Cash and cash equivalents	1.168	50	283	-	100.075	100.576
Total assets	316.378	19.587	50.553	18.568	294.780	698.866
Trade payables	4.179	497	78	240	9.898	14.892
Other liabilities	-	-	-	-	-	683.974
Total liabilities and equity	4.179	497	78	240	9.898	698.866

BREAKDOWN OF GROUP ASSETS – LIABILITIES PER OPERATING SEGMENT AS AT 31.12.2021

GROUP						
(Amounts in € '000)						
01.01 - 31.12.2021	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	TOTAL
Tangible and intangible assets	285.654	16.759	49.597	909	184.050	536.968
Other non current assets	30.842	29	1	-	228	31.100
Inventory	19.670	1.885	3.132	1.054	5.727	31.467
Trade and other receivables	-	-	-	4.410	21.936	26.346
Cash and cash equivalents	168	38	262	-	79.616	80.084
Total assets	336.334	18.710	52.992	6.373	291.557	705.965
Trade payables	17.968	271	731	824	12.298	32.092
Other liabilities	-	-	-	-	673.873	673.873
Total liabilities and equity	17.968	271	731	824	686.171	705.965

4. Property, plant and equipment (Consolidated and Separate)

The changes in Group and Company property, plant and equipment and investment property are outlined below:

Group							
	Land	Buildings – facilities	Machinery - mechanical equipment	Vehicles	Furniture & other equipment	Fixed assets under construction	Total
<u>Acquisition cost</u>							
Opening balance as at 01.01.2021	94	37.128	2.482	725	23.174	4.428	68.031
Additions	-	1.880	51	-	1.019	2.942	5.892
Transfers	-	4.003	129	-	3.021	(7.153)	-
Sales – Decreases	-	0	(2)	-	(2)	(10)	(14)
Balance as at 31.12.2021	94	43.011	2.660	725	27.212	207	73.909
Opening balance as at 01.01.2022	94	43.011	2.660	725	27.212	207	73.909
Additions	-	1.039	110	88	846	1.087	3.170
Transfers	-	523	-	-	437	(958)	2
Balance as at 31.12.2022	94	44.573	2.770	813	28.495	336	77.081
<u>Accumulated depreciation</u>							
Opening balance as at 01.01.2021	-	19.458	1.382	469	10.734	-	32.043
Depreciation for the year	-	4.721	268	77	2.323	-	7.389
Decrease in depreciation	-	-	(1)	-	(1)	-	(2)
Balance as at 31.12.2021	-	24.179	1.649	546	13.056	-	39.430
Opening balance as at 01.01.2022	-	24.179	1.649	546	13.056	-	39.430
Depreciation for the year	-	5.462	244	74	2.422	-	8.202
Balance as at 31.12.2022	-	29.641	1.893	620	15.478	-	47.632
<u>Net book value 31.12.2021</u>	94	18.832	1.011	179	14.156	207	34.477
<u>Net book value 31.12.2022</u>	94	14.932	877	193	13.017	336	29.449

Company							
	Land	Buildings – facilities	Machinery - mechanical equipment	Vehicles	Furniture & other equipment	Fixed assets under construction	Total
<u>Acquisition cost</u>							
Opening balance as at 01.01.2021	94	36.940	2.447	650	22.626	4.428	67.185
Additions	-	1.880	51	-	1.019	2.941	5.891
Transfers	-	-	-	-	-	(10)	(10)
Sales – Decreases	-	4.003	129	-	3.020	(7.152)	-
Balance as at 31.12.2021	94	42.823	2.627	650	26.665	207	73.068
Opening balance as at 01.01.2022	94	42.823	2.627	650	26.665	207	73.068
Additions	-	1.028	96	62	839	584	2.609
Sales – Decreases	-	-	-	-	-	-	-
Transfers	-	359	-	-	306	(664)	1
Balance as at 31.12.2022	94	44.210	2.724	712	27.811	127	75.678
<u>Accumulated depreciation</u>							
Opening balance as at 01.01.2021	-	19.317	1.358	429	10.277	-	31.381
Depreciation for the year	-	4.698	265	69	2.293	-	7.325
Opening balance as at 01.01.2022	-	24.015	1.623	498	12.570	-	38.706
Depreciation for the year	-	24.015	1.623	498	12.570	-	38.706
Balance as at 31.12.2022	-	5.432	240	65	2.394	-	8.131
<u>Net book value 31.12.2021</u>	-	29.447	1.863	563	14.966	-	46.839
<u>Net book value 31.12.2022</u>	94	18.808	1.005	152	14.096	207	34.362
Opening balance as at 01.01.2022	94	14.763	860	149	12.846	127	28.839

The depreciation charged to the results is presented in Note 23. There are no mortgages or mortgage liens or other encumbrances registered with respect to the tangible assets covered by loans.

5. Intangible assets (Consolidated and Separate)

The granting of a license (right) of exclusive exploitation (article 120 of Law 2533/1997) of duty-free shops appears in the financial statements as an intangible asset and its depreciation is carried out using the straight-line method during the useful life of the items, which amounts to 35 years until 1.1.2048. Intangible assets are broken down below:

	Computer software	Leases	Group Concessions & industrial property Rights	Assets under construction	Total	Goodwill
<u>Acquisition cost</u>						
Opening balance as at 01.01.2021	3.103	201	418.600	-	421.904	181.100
Additions	73	-	-	38	111	-
balance as at 31.12.2021	3.176	201	418.600	38	422.015	181.100
Opening balance as 01.01.2022	3.176	201	418.600	38	422.015	181.100
Additions	81	-	-	4	85	-
Transfers	42	-	-	(42)	-	-
balance as at 31.12.2022	3.299	201	418.600	-	422.100	181.100
<u>Accumulated depreciation</u>						
Opening balance as at 01.01.2021	1.370	116	92.383	-	93.869	-
Depreciation for the year	430	40	11.971	-	12.441	-
balance as at 31.12.2021	1.800	156	104.354	-	106.310	-
Opening balance as at 01.01.2022	1.800	156	104.354	-	106.310	-
Depreciation for the year	441	22	11.971	-	12.434	-
balance as at 31.12.2022	2.241	178	116.325	-	118.744	-
<u>Net Book value</u>						
<u>31.12.2021</u>	1.376	45	314.246	38	315.705	181.100
<u>31.12.2022</u>	1.058	23	302.275	-	303.356	181.100

Company						
	Computer software	Leases	Concessions & industrial property Rights	Assets under construction	Total	Goodwill
<u>Acquisition cost</u>						
Opening balance as at 01.01.2021	2.985	201	418.600	0	421.786	181.100
Additions	73	-	-	38	111	-
balance as at 31.12.2021	3.058	201	418.600	38	421.897	181.100
Opening balance as 01.01.2022	3.058	201	418.600	38	421.897	181.100
Additions	80	-	-	-	80	-
Transfers	38	-	-	(38)	-	-
balance as at 31.12.2022	3.176	201	418.600	-	421.977	181.100
<u>Accumulated depreciation</u>						
Opening balance as at 01.01.2021	1.261	116	92.383	-	93.760	-
Depreciation for the year	426	40	11.971	-	12.437	-
balance as at 31.12.2021	1.687	156	104.354	-	106.197	-
Opening balance as at 01.01.2022	1.687	156	104.354	-	106.197	-
Depreciation for the year	438	22	11.971	-	12.431	-
balance as at 31.12.2022	2.125	178	116.325	-	118.628	-
<u>Net Book value 31.12.2021</u>	1.371	45	314.246	38	315.700	181.100
<u>Net Book value 31.12.2022</u>	1.051	23	302.275	-	303.349	181.100

The depreciation charged to the results is presented in Note 23.

Goodwill and rights are assessed annually for impairment in December of each year or more often when circumstances indicate that the book value may have been impaired.

The annual impairment test on the net book value of the goodwill was determined on the basis of the calculation of net discounted cash flows expected to arise from the specific activity. Cash flow forecasts are based on economic forecasts approved by the Management and cover a period of five years. The discount rate applied to cash flow forecasts was 9,7% while cash flows for a period of more than five years grew by 2% per segment, which is the expected average growth rate for the industry.

The basic assumptions used to calculate the value in use of the above impairment tests are as follows:

Budgeted gross margins: The basis used to determine the budgeted gross margins is the average of the effective gross margins achieved by each cash generating unit over the previous five-year period.

Capital needs: All the expected needs for long-term capital as well as for working capital have been taken into account based on the real needs over the last five years, so that the cash generating units maintain their productivity and market share.

Discount rate: The discount rates represent the current risk assessment in the market with reference to each cash generating unit, taking into account the value of money and individual risks of the assets not included in the cash flow estimates. The calculation of the discount rate is based on specific conditions of the Company and its operating departments and comes from the weighted average cost of capital (WACC). The WACC takes into account both

loan obligations and equity. The cost of the equity comes from the expected return on investment by the Company's investors. The cost of debt is based on interest-bearing loans that the Company is required to service.

Reduction of sales: all necessary operations to reduce the risk of sales reduction due to the energy crisis and the increase of inflation in Greece and the main countries of origin of the travellers were realized.

There was no impairment of the goodwill and/or the exclusivity right to sell duty-free items in Greece, as a result of these impairment tests on the book values of Euro 181.1 million and Euro 302.3 million respectively on December 31, 2022. Management believes that a possible change in the basic assumptions on which the recoverable amount was based, will not cause the carrying amount of the cash flow unit to exceed the recoverable amount.

6. Right-of-use assets

The cost of the rights-of-use of fixed assets includes the amount of lease obligations that have been recognized in the Company's statement of financial position and is analyzed as follows:

Group					
	Stores	Buildings – facilities	Vehicles	Other	Total
<u>Acquisition cost</u>					
Balance as at 1.1.2021	124.572	4.193	805	614	130.184
Additions/ Modifications	3.141	870	597	-	4.608
Withdrawals	(124.891)	-	-	-	(124.891)
Balance as at 31.12.2021	2.822	5.063	1.402	614	9.901
Balance as at 1.1.2022	2.822	5.063	1.402	614	9.901
Additions/ Modifications	-	1.603	-	-	1.603
Withdrawals	(122)	-	-	-	(122)
Balance as at 31.12.2022	2.700	6.666	1.402	614	11.382
<u>Accumulated depreciation</u>					
Balance as at 1.1.2021	50.236	1.844	400	201	52.681
Depreciations for the year	12.895	965	257	83	14.200
Withdrawals	(62.664)	-	-	-	(62.664)
Balance as at 31.12.2021	467	2.809	657	284	4.217
Balance as at 1.1.2022	467	2.809	657	284	4.217
Depreciations for the year	110	1.353	257	83	1.803
Withdrawals	(121)	-	-	-	(121)
Balance as at 31.12.2022	456	4.162	914	367	5.899
<u>Net Book Value 31.12.2021</u>	2.355	2.254	745	330	5.685
<u>Net Book Value 31.12.2022</u>	2.244	2.504	488	247	5.483

In July 2021, the Company amended certain important concession agreements, with the abolition of the minimum guaranteed rents ("GRM") with retroactive effect for the whole of 2021, with the result that the rents become entirely variable. This fact led to the derecognition of the corresponding rights of use and the corresponding lease obligations as well as their monitoring outside the framework of IFRS 16.

Company					
	Stores	Buildings – facilities	Vehicles	Other	Total
<u>Acquisition cost</u>					
Balance as at 1.1.2021	123.314	3.556	758	614	128.242
Additions/ Modifications	3.141	870	597	-	4.608
Withdrawals	(123.634)	-	-	-	(123.633)
Balance as at 31.12.2021	2.822	4.426	1.355	614	9.217
Balance as at 1.1.2022	2.822	4.426	1.355	614	9.217
Additions/ Modifications	-	1.601	-	-	1.601
Withdrawals	(123)	-	-	-	(123)
Balance as at 31.12.2022	2.699	6.027	1.355	614	10.695
<u>Accumulated depreciation</u>					
Υπόλοιπο 1.1.2021	49.279	1.641	377	201	51.498
Depreciations for the year	12.756	863	245	83	13.947
Withdrawals	(61.569)	-	-	-	(61.569)
Balance as at 31.12.2021	466	2.504	622	284	3.876
Balance as at 1.1.2022	466	2.504	622	284	3.876
Depreciations for the year	110	1.252	245	83	1.690
Withdrawals	(123)	-	-	-	(123)
Balance as at 31.12.2022	453	3.756	867	367	5.443
<u>Net Book Value 31.12.2021</u>	2.356	1.922	733	330	5.341
<u>Net Book Value 31.12.2022</u>	2.246	2.271	488	247	5.252

7. Other non current receivables

(Amounts in € '000)	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Other non current assets				
Guarantees for rents	4.236	4.232	3.884	3.880
non current receivables from provision for staff loan	93	112	-	-
Advance payments to FRAPORT	22.090	26.756	22.090	26.756
Total non current assets	26.419	31.100	25.974	30.636

Advance payments to FRAPORT, refer to amounts paid by the company to FRAPORT in 2017 when the relevant lease agreements were signed in the 14 regional airports.

Said advance payment amounting initially to 50 mil € is depreciated against leases until 2027, according to the relevant agreement.

Follows the analysis of the long-term receivables from provision for staff loan.

(Amounts in €'000)	Staff loans	Staff loans
GROUP	01.01 - 31.12.2022	01.01 - 31.12.2021
Amounts recognized in Balance Sheet		
Current value of obligations	93	112
Net liability in the Statement	93	112
Amounts recognized in the Income Statement		
Current service cost	12	13
Cost of curtailment/settlements/termination of service	88	154
Total expenses in Income Statement	100	166
Change in the present value of Liability		
Present value of liability at the beginning of the period	112	105
Current service cost	12	13
Benefits paid to the employer	(111)	(157)
Cost of curtailment/settlements/termination of service	88	154
Actuarial loss / (gain) – financial assumptions	(19)	(3)
Actuarial loss / (gain) – Experience of the period	11	-
Net liability at the end of the year	93	112
Adjustments		
Adjustments in Liabilities from changes in assumptions	19	3
Empirical adjustments in Liabilities	(11)	-
Total actuarial gain / (loss) in Equity	8	3
Changes in Net Liability recognized in the Statement of Financial Position		
Net Liability	112	105
Change in accounting policy according to the interpretation with effect on Equity net of taxes	-	0
Benefits paid to the employer	(111)	(157)
Total expense recognized in Income Statement	100	166
Total amount recognized in Equity	(8)	(3)
Net liability at the end of the period	93	112
Cashflows		
Expected plan benefits over next financial year	22.146	33.847
Actuarial assumptions		
Discount rate	3,71%	0,46%
Future salary growth	-	-
Liability duration	5,69	5,24

8. Inventories

(Amounts in € '000)		Group		Company	
Inventories		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Inventories		39.454	34.220	37.154	32.133
Less: provisions for obsolete and damaged Inventories		(1.979)	(2.753)	(1.575)	(2.349)
Total Inventories		37.475	31.467	35.579	29.784

Group			
Inventory Slow Moving provision movement		31.12.2022	31.12.2021
Opening Balance		2.753	2.796
Reversal of Provision		(774)	(43)
Closing Balance		1.979	2.753
Company			
Inventory Slow Moving provision movement		31.12.2022	31.12.2021
Opening Balance		2.349	2.392
Reversal of Provision		(774)	(43)
Closing Balance		1.575	2.349

9. Trade receivables and other current assets

(Amounts in € '000)		GROUP		COMPANY	
Trade receivables		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Trade receivables - (customers)		4.009	4.544	1.773	2.667
Trade receivables - (related parties)		37	(76)	570	943
Trade receivables - (credit cards)		34	23	31	19
Cheques receivables (post-dated)		614	545	-	-
Provision for bad debt		(626)	(626)	(356)	(356)
Total		4.068	4.410	2.018	3.273

(Amounts in €'000)		GROUP		COMPANY	
Other current assets		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Advertising receivables		3.507	2.451	3.473	2.136
Prepaid expenses		161	176	139	174
Advances to employees		90	41	88	41
State receivables		1.839	1.500	1.837	1.498
Other receivables		295	178	292	145
Prepaid rent		4.716	17.392	4.716	17.396
Accrued income		332	198	332	198
Total		10.940	21.936	10.877	21.588

At each reporting date, the Group and the Company perform an impairment test using a table on the basis of which the expected credit losses are calculated. The maximum exposure to credit risk on the reporting day is the carrying amount of each category of receivables as mentioned above. Guarantees mainly include prenotations on debtors' property, personal guarantees and bank guarantees.

The adoption of IFRS 9 led to a change in the Company's accounting treatment as for dealing with impairment

losses on financial assets since it replaced the IAS 39 treatment for the recognition of incurred losses with the recognition of expected credit losses.

The provision for bad debt resulted from the individual assessment for each customer - debtor of the ability to repay its balance, taking into account its maturity. The trade receivables of the Company and most of the Group's trade receivables derive from marketing and promotion services revenues.

Below is an analysis of the maturity of other trade receivables:

COMPANY						
Due & not impaired						
Maturity of Trade Receivables (amounts in € '000)	0 - 3 months	3 - 6 months	6-12 months	> year	Not due & not impaired	Total
2022	70	54	22	539	12.210	12.895
2021	369	182	507	2.055	21.748	24.861

GROUP						
Due & not impaired						
Maturity of Trade Receivables (amounts in € '000)	0 - 3 months	3 - 6 months	6-12 months	> year	Not due & not impaired	Total
2022	70	54	22	539	14.323	15.008
2021	954	484	541	2.285	22.082	26.346

10. Cash and cash equivalents

Cash and cash equivalents are broken down as follows:

(Amounts in €'000)	GROUP		COMPANY	
Cash and cash equivalents	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Cash on hand	1.476	598	1.415	580
Deposits on demand and time deposits	99.100	79.486	88.512	68.788
Cash and cash equivalents	100.576	80.084	89.927	69.368

Income from deposits on demand interests appear in the books of the financial year in "Interest other income received" in the Income Statement.

11. Equity attributable to Group – Company shareholders

The Company's share capital initially stood at 500.000 €, divided into 10,000 nominal shares with a nominal value of € 50 each.

On November 15, 2012 the Company's Extraordinary General Meeting of Shareholders decided to increase the Company's share capital by € 11,000,000 by issuing 220,000 new shares with a nominal value of € 50 each.

The Board of Directors decision on January 24, 2013 partially certified the payment of the increase decided by the Extraordinary General Meeting on 15.11.2012, for the amount of € 6,500,000, through the issuance of 130,000 new, common, nominal shares, with a nominal value of € 50 each.

The Company's Extraordinary General Meeting decided on March 19, 2013 to increase the share capital by contribution in kind of the travel retail sector of the company with the trade name "Folli Follie Commercial Manufacturing And Technical Société Anonyme" and the distinctive title "Folli-Follie Group", in accordance with the provisions of Legislative Decree 1297/1972., with a value of € 390,534,600 plus a payment of € 400 in cash. This contribution in kind increases the Company's share capital to € 397,535,000 divided into 7,950,700 nominal shares, with a nominal value of € 50 each. The Share capital of the Company is fully paid up.

It is noted that within the Other Reserves are included capital increase costs of Euro 4,039 thousand and Euro 3,977 thousand respectively as at 31 December 2021 for the Group and the Company respectively.

Statutory reserves

Under Greek law, companies are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until this reserve is equal to one third of the outstanding share capital. This reserve cannot be distributed but can be used to offset accumulated losses.

Other Reserves

Other reserves include Actuarial gains / (losses) from defined benefit pension plans, derived from a) from empirical adjustments (the result of differences between previous actuarial assumptions and those that eventually occurred) and b) from changes in actuarial assumptions.

12. Borrowings

Borrowings are broken as follows:

(Amounts in € '000)				
	GROUP		COMPANY	
Borrowings	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Borrowings				
Intercompany loans	170	25.170	-	25.000
Less: loan arrangement feed	-	-	-	-
bank borrowings	49.284	65.712	49.284	65.712
Less: loan issuance expenses	(481)	(819)	(481)	(819)
Total	48.973	90.063	48.803	89.893
Long-term borrowings	32.6245	48.465	32.624	48.465
Out of which, Intercompany loans	-	-	-	-
Short-term borrowings	16.349	41.598	16.179	41.428
Out of which, Intercompany loans	170	25.170	-	25.000
Total	48.973	90.063	48.803	89.893
Maturity				
Over 5 years	-	-	-	-
From 1 – 5 years	32.624	48.465	32.624	48.465
Less than 1 year	16.349	41.598	16.179	41.428
Total	48.973	90.063	48.803	89.893

On April 11, 2013, with the absorption of the "Travel Trade" branch of the company "FOLLI FOLLIE ANONIMIKI EPORIKI BIOTECHNIKI AND TECHNICAL COMPANY", the Company assumed loans of Euro 335,000,000 which on April 22, 2013 were replaced by the issuance of a bond loan of the same amount. On December 12, 2013 with the completion of the acquisition of 100% of the Company's share capital by "DUFREY", the parent company issued to "KAE S.A." new loan in the amount of Euro 287,508,000, of which an amount of Euro 285,000,000 was used to repay the balance of the bond loan and an amount of Euro 2,508,000 concerns a charge for the expenses of the parent company for issuing the loan. The duration of the new loan was 4 years with an interest rate of Euribor + Margin 575 basis points.

The balance on December 31, 2021 amounted to Euro 25 million.

The Company within the year 2022 repaid the balance of the intra-group loan from the parent company Dufre in the amount of Euro 25 million.

Development Fund and the Greek government, and with the contribution of the Operational Program Competitiveness, Entrepreneurship and Innovation (EPANEK). The borrowing rate for the Bond loan of Euro 30 million is Euribor +2.2%, while the Bond loan of Euro 40 million is Euribor +2.1%. The flows from the mentioned financing gave the Company sufficient working capital to cover its operational needs. The repayment of the loans began in July 2021 with an amount of Euro 4.2 million, while the rest of the amounts are all payable within five years from their inception in predetermined installments. Within 2022, the loans amounting to Euro 16.4 million were repaid.

The table below illustrates changes in financial liabilities, including cash and non-cash changes. Liabilities from financing activities are those for which cash flows are shown or future cash flows will be shown in the consolidated Statement of Cash Flows as cash flows from financing activities.

<i>Group</i>	31/12/2021	Cash Flows from borrowings	Additions	Other	31/12/2022
Bank loans	64.893	(16.428)	-	338	48.803
Intercompany loans	25.170	(25.000)	-	-	170
Lease obligations	5.870	(1.860)	1.601	176	5.787
Total	95.933	(43.288)	1.601	514	54.759

<i>Company</i>	31/12/2021	Cash Flows from borrowings	Additions	Other	31/12/2022
Bank loans	64.893	(16.428)	-	338	48.803
Intercompany loans	25.000	(25.000)	-	-	-
Lease obligations	5.515	(1.741)	1.601	171	5.546
Total	95.408	(43.169)	1.601	5059	54.349

13. Staff Leave Indemnity

(Amounts in € '000)	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Amounts recognized in the Statement of Financial Position				
Present value of liabilities	1.683	1.780	1.493	1.561
Net liability in the Statement of Financial Position	1.683	1.780	1.493	1.561
Amounts recognized in the Income Statement				
Current service cost	194	181	171	159
Net interest on liability/(assets)	8	1	7	1
Recognition of past service cost	-	77	-	77
Cost of curtailment/settlements/termination of service	429	282	342	129
Total expenses in Income Statement	631	542	520	365
Change in the present value of Liability				
Present value of liability at the beginning of the period	1.780	1.622	1.561	1.426
Current service cost	195	182	171	157
Interest cost	8	1	7	1
Benefits paid by the employer	(534)	(364)	(423)	(207)
Intra-group transfers	-	-	12	-
Cost of curtailment/settlements/termination of service	428	282	342	129
Past service cost during the period	-	77	-	77
Actuarial loss / (gain) – financial assumptions	(268)	(42)	(235)	(37)
Actuarial loss / (gain) – experience of the period	74	22	58	15
Net liability at the end of the year	1.683	1.780	1.493	1.561
Adjustments				
Adjustments to liabilities from changes in assumptions	268	42	235	37
Empirical adjustments to liabilities	(74)	(22)	(58)	(15)
Total actuarial gain / (loss) in Equity	194	20	177	22
Changes in Net Liability recognized in the Statement of Financial Position				
Net Liability	1.780	1.622	1.561	1.426
Intra-group transfers	-	-	12	-
Benefits paid to the employer	(534)	(364)	(423)	(207)
Total expense recognized in Income Statement	631	542	520	364
Total amount recognized in Equity	(194)	(20)	(177)	(22)
Net liability at the end of the period	1.683	1.780	1.493	1.561
Cashflows				
Expected plan benefits over next financial year	464	381	430	347
Actuarial assumptions				
Discount rate	3,71%	0,49%	3,71%	0,49%
Future salary growth	-	-	-	-
Liability duration	4,50	5,15	4,50	5,15

In case of change of the discount rate by +0,50%, then the current value of the commitment of determined personnel benefits would decrease by -2%, while in the event of a change in this interest rate by -0.50%, then the present value of the commitment of determined staff benefits would increase by +2.1%.

14. Other long-term provisions

Other long-term provisions are broken down as follows:

(Amounts in €'000)	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Other non current provisions				
Provision for additional taxes & duties	1.930	2.064	1.930	2.064
Provisions for contingency risks & expenses	63	63	63	63
Other non current provisions	1.993	2.127	1.993	2.127

Provisions for additional taxes & duties

Provisions for pending customs cases.

Legal appeals and suspension requests of the Company and its executive) are pending before the Administrative First Instance Court/Appeal Court in Thessaloniki against imputation acts of the 5th Customs Office of Thessaloniki Airport regarding the allegedly improperly issued receipts of retail sale of duty free goods from the Company's store at Macedonia Airport during the period July 2001 – June 2005. The contested imputation acts have imposed on the Company and the accountable natural persons the corresponding tax charges as estimated by the issuing authority (excise duties and VAT) plus multiple attributable fees (three times the tax charges) as well as "Production and Quality Control Fund Spirits – Alcohol" and stamp duties, in accordance with the Law, amounting to the total of € 9,608 ths.

The Company has paid about € 9,1 mil. (including interests amounting to € 0.6 mil.) at the Customs, which, if not justified by the courts, it shall pursue to recover said amount. If the Customs are justified by the court, then the Company shall have to pay an additional amount of about € 1,5 mil. plus € 0.4 mil. reflecting an amount already reimbursed to the company after the issuance of a favorable decision by the administrative court. the total amount to be paid shall be € 1,9 mil. for which amount sufficient provision is formed.

In 2021, in five (5) cases the Administrative Court of Appeal of Thessaloniki has ruled in favor of the Company and the Greek State has filed applications for the reversal of these decisions. In one (1) of the above cases the Council of State ruled in favor of the Greek State and referred the case to the Administrative Court of Thessaloniki and after adjournment on October 13, 2021, finally the hearing took place on February 9, 2022. The Administrative Court of Thessaloniki issued its decision in relation to the above case and rejected the Company's appeal in its entirety. The rest of the Greek State's appeals against a series of decisions of the Administrative Court of Appeal of Thessaloniki, which upheld the Company's appeals, which were scheduled to be heard (i) on May 11, 2022, were initially postponed to November 30, 2022 and then to 3 May 2023 (ii) on 25 May 2022 were postponed first to 12 October 2022, then to 25 January 2023, 8 February 2023 and finally to 31 May 2023, while the case scheduled for hearing on 23 November 2022, postponed to May 17, 2023.

A number of other decisions of the Administrative Court of Appeal of Thessaloniki rejected the appeals of the Company and appealed them before the Council of State, which were heard. The Council of State issued a series of decisions rejecting the Company's appeals.

Given the negative outcome of these cases, the Company formed a relevant provision and charged the results of the current year with an amount of Euro 1.4 million (Note. 22).

	Amounts in €'000
Opening provision balance as at 1 January 2021	741
Creation of Provision	1.386
Closing balance as at 31 December 2021	2.127
Reversal of provision	(134)
Closing balance as at 31 December 2022	1.993

Provisions for risks & expenses

In December 31, 2022 and December 31, 2021 the Company had formed a provision for other disputed cases amounting to Euro 63 ths.

15. Trade and other short-term liabilities

Trade and other liabilities can be broken down as follows:

(Amounts in € '000)	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Trade and other liabilities				
Trade Payables	14.609	31.975	11.920	29.929
Cheques payable – notes & promissory notes payable	283	117	283	117
Trade Payables	14.892	32.092	12.203	30.046
Lease obligations	17.988	7.830	17.830	7.749
Other liabilities	5.928	9.427	5.527	9.092
Staff expenditure liabilities	3.355	3.110	3.100	2.889
Other tax liabilities	471	1.291	470	1.286
Other liabilities	27.742	21.658	26.927	21.016

Trade Payables include liabilities to related parties amounting to € 5.418 ths. For the Group and to €4.105 ths. For the Company as it is referred to in Note 26.

16. Income tax

The income tax expense/(income) shown in the attached consolidated and separate financial statements can be broken down as follows:

(Amounts in € '000)	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Income tax				
Current tax	(13.695)	(3.433)	(13.498)	(3.264)
Deferred tax	2.244	5.139	2.258	5.227
Total	(11.451)	1.706	(11.240)	1.963

The tax rate for Societes Anonymes in Greece for 2022 is 22% (in accordance with the provisions of Law 4799/2021, issued in May 2021.

The deferred taxes on temporary differences between the accounting and tax bases were calculated with the respective tax rate that is expected to be effective the year in which they will be in force.

The provision for the amount of income tax determined by the application of the Greek tax rate on the earnings before tax is summarized as follows:

(Amounts in € '000)	GROUP		COMPANY	
Income tax	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profits/Losse before tax	49.684	12.039	49.023	11.744
<i>Current tax rate</i>	22%	22%	22%	22%
Proportional tax	10.930	2.649	10.785	2.584
Impact of the tax rate change in Greece	-	(4.694)	-	(4.718)
Correction of final tax of the previous year	31	21	-	-
Tax impact from elimination of intra-group profit	(17)	(7)	-	-
Tax impact of non-taxable income and expenses that are not deductible for tax purposes	449	325	406	271
Use of tax losses for which no deferred tax asset was recognized	9	(100)	-	(100)
Effect of non-recognition of deferred tax on temporary differences	49	-	49	-
Dividends in bonus form to staff on which no tax was calculated but withheld in the liquidation	-	100	-	-
Provision for income tax	11.451	(1.706)	11.240	(1.963)
Effective income tax rate	23,05%	(14,17%)	22,93%	(16,72%)

Greek tax legislation and the relevant provisions are subject to interpretation by the tax authorities. Income tax returns are submitted annually and the profit or loss declared for taxation purposes are considered temporary until the tax authorities audit the tax returns and books of the taxpayer at which time the relevant tax obligations will be settled. Tax losses, to the extent it is recognized by tax authorities, may be used to offset the profits of the five years following the respective financial year.

Tax Compliance Report

For the years 2011 onwards, Greek companies that meet specific criteria may receive a "Tax Compliance Report", as provided for by Law 2238/1994, Article 82, par. 5 and Law 4174/2013, Article 65 A, from the regular certified auditors-accountants, in terms of their compliance with the provisions of the current tax legislation. The issuance of a Tax Compliance Report replaces, as long as the relevant conditions are met, the audit by the public authority, which however retains the right to a subsequent audit without reducing its tax obligations for the relevant management year. The Company has been audited by the respective statutory auditor and has received unqualified tax compliance reports with subject emphasis for the financial years 2013 to 2018, while for the 2019 and 2021 financial years it has received an unqualified tax compliance report.

Its subsidiary HELLENIC DISTRIBUTIONS SA has received tax compliance reports without reservation from 2013 to 2021. For the year 2022 the Company and its subsidiary have been subject to the tax audit of the Certified Auditors Accountants provided by the provisions of article 65A N 4174/2013. This audit is ongoing and the relevant Tax Compliance Report is expected to be issued after the publication of the financial statements for the year 2022. Upon completion of the tax audit, the Management of the Company and its subsidiary does not expect any significant tax liabilities to arise beyond those which were recorded and reflected in the financial statements. It is noted that the uses until 2016 are time-barred. The Subsidiary HDFs SKOPJE DOO is not subject to a regular tax audit, while the last one was carried out for the year 2018. Due to the inactivity of the subsidiary, the Group Management does not expect any significant tax liabilities to arise beyond those registered and reflected in the financial statements.

17. Deferred income tax

Deferred taxes are linked to provisional differences in book values and tax bases of both assets and liabilities; they are calculated by using established tax rates.

	GROUP		COMPANY	
	31-Dec		31-Dec	
	2022	2021	2022	2021
(Amounts in € '000)				
Opening balance (net deferred tax liability)	(51.727)	(56.860)	(51.896)	(57.116)
Debit / credit in the consolidated income statement	2.244	5.138	2.258	5.226
Directly charged to OCI	(40)	(5)	(38)	(6)
Closing balance (net deferred tax liability)	(49.523)	(51.727)	(49.676)	(51.896)

The deferred tax assets and liabilities recognized in the consolidated and separate statements of financial position and consolidated and separate income statements attached are broken down as follows:

Statement of Financial Position				
	GROUP		COMPANY	
	31-Dec		31-Dec	
	2022	2021	2022	2021
(Amounts in '000)				
Deferred tax liabilities				
- Intangible assets	(53.348)	(55.313)	(53.347)	(55.311)
- against liabilities	(498)	(498)	(498)	(498)
Gross deferred tax liabilities	(53.846)	(55.811)	(53.845)	(55.809)
Deferred tax assets				
- Property, Plant and Equipment	3.160	2.534	3.142	2.518
- Retirement benefit compensation	349	367	328	343
- Right-of-use and lease liabilities	67	40	65	38
- Provisions	710	1.006	576	872
- Other	37	137	58	142
Gross deferred tax assets	4.323	4.084	4.169	3.913
Net deferred tax liabilities	(49.523)	(51.727)	(49.676)	(51.896)

Income Statement				
	GROUP		COMPANY	
	31-Dec		31-Dec	
	2022	2021	2022	2021
(Amounts in '000)				
Deferred tax liabilities				
- Property, Plant and Equipment	(1.965)	(7.286)	(1.964)	(7.291)
- Loan expenses	-	(299)	-	(299)
- against liabilities	-	(46)	-	(45)
Deferred tax assets				
- Property, Plant and Equipment	(626)	(375)	(624)	(374)
- Retirement benefit compensation	(22)	38	(23)	38
- Right-of-use and lease liabilities	(27)	389	(27)	388
- Provisions	296	82	296	3
- of deferred discounted interest for next fin. year	-	336	-	336
- of tax loss	-	2.160	-	2.160
- Other	100	(137)	84	(142)
Deferred income tax expense/ (gain)				
in Income Statement	(2.244)	(5.138)	(2.258)	(5.226)
Amounts charged directly to OCI				
Actuarial (gains)/losses)	(40)	(5)	(38)	(6)

18. Sales

A breakdown of turnover by operating segment is shown in note 3 of the financial statements. The following table shows the analysis of sales by market category:

(Amounts in € '000)	GROUP		COMPANY	
	2022	2021	2022	2021
Sales				
Duty free retail sales	171.262	80.937	171.018	80.710
Duty paid retail sales	133.538	74.418	126.910	70.844
Wholesale	6.514	5.749	1.402	925
Total Sales	311.314	161.104	299.330	152.479

19. Cost of Sales

(Amounts in € '000)	GROUP		COMPANY	
	2022	2021	2022	2021
Cost of Sales				
Cost of Sales	(145.386)	(80.999)	(137.495)	(74.942)
Valuation differences	794	178	803	155
Total Cost of Sales	(144.592)	(80.821)	(136.692)	(74.787)

20. Lease expenses

(Amounts in € '000)	GROUP		COMPANY	
	2022	2021	2022	2021
Lease expenses	50.196	4.749	49.661	4.703
Ship leases	597	406	-	-
Total Lease Expenses	50.793	5.155	49.661	4.703

In July 2021, the Company amended specific important concession agreements, by abolishing the minimum annua guaranteed rents ("MAG"), with retroactive effect for the whole of 2021, with the consequence that the rents become completely variable. This event led to the derecognition of the respective rights of use and the corresponding lease obligations as well as the monitoring of these outside the IFRS 16 Leases

Given the fact that these MAGs were accounted for up to the date of the amendment in accordance with IFRS 16, with the amortization of the right of use and interest in the income statement, the amount of Euro 11.1 mil. was accounted for as income under the item "leases".

The tables here below reflect the rights-of-use in the long-term and short-term liabilities in the financial statements for the Group and for the company.

Group						Short-term lease	Long-term lease
	Stores	Buildings & facilities	Vehicles	Other	Total		
Opening balance as at 01.01.2021	76.023	2.413	413	416	79.265	25.483	53.782
Additions/modifications	3.141	870	597	-	4.608		
Derecognitions	(64.043)	-	-	-	(64.043)		
Financial cost	700	41	14	6	761		
Adjustments of MAG exemptions due to Covid-19	(11.403)	(388)	-	-	(11.791)		
Repayments	(1.968)	(612)	(263)	(86)	(2.929)		
Balance as at 31.12.2021	2.450	2.324	761	336	5.871	1.404	4.464
Additions/modifications	-	1.601	-	-	1.601		
Derecognitions	-	-	-	-	-		
Financial cost	74	88	10	4	176		
Repayments	(154)	(1.354)	(268)	(86)	(1.862)		
Balance as at 31.12.2022	2.370	2.659	503	254	5.786	1.820	3.966

Company						Short-term lease	Long-term lease
	Stores	Buildings & facilities	Vehicles	Other	Total		
<u>Acquisition value</u>							
Balance as at 01.1.2021	75.721	1.971	388	416	78.496	25.085	53.411
Additions/modifications	3.141	870	597	-	4.608		
Derecognitions	(63.883)	-	-	-	(63.883)		
Financial cost	691	39	14	6	749		
Adjustments of MAG exemptions due to Covid-19	(11.259)	(334)	-	-	(11.593)		
Repayments	(1.968)	(558)	(251)	(86)	(2.863)		
Balance as at 31.12.2021	2.442	1.988	748	336	5.514	1.290	4.224
Additions/modifications	-	1.601	-	-	1.601		
Financial cost	69	88	11	4	172		
Repayments	(153)	(1.246)	(256)	(86)	(1.741)		
Balance as at 31.12.2022	2.358	2.431	503	254	5.546	1.716	3.830

21. Staff expenses

(Amounts in €'000)		GROUP		COMPANY	
Staff expenses	2022	2021	2022	2021	
Salaries	27.392	17.270	24.121	14.368	
Social security contributions	5.469	3.326	4.931	2.901	
Post-employment benefits	474	391	486	380	
Staff benefits and expenses	1.241	1.097	1.159	1.066	
Total	34.576	22.084	30.697	18.715	

22. General expenses

(Amounts in €'000)		GROUP		COMPANY	
General expenses	2022	2021	2022	2021	
Repairs, maintenance and building facilities	4.018	2.192	3.920	2.125	
Electronic equipment costs	1.884	1.581	1.775	1.486	
Building and warehouse rents	133	57	133	57	
Legal and consulting services fees	1.459	1.184	1.277	1.075	
Travel, motor car and public relations expenses	809	590	745	557	
Bank expenses	137	114	105	83	
Insurance	268	240	257	231	
Other office expenses	898	765	868	750	
Tax & duties	580	650	571	635	
Commissions and advertising costs	1.106	487	996	471	
Credit card commissions	1.616	763	1.563	731	
Packaging materials	617	181	583	165	
Other marketing expenses	567	80	562	77	
Revenue from commissions	(545)	(186)	(545)	(186)	
Other advertising Revenue	(162)	(69)	(119)	(16)	
Other extraordinary expenses	487	1.713	469	1.675	
Other extraordinary revenue	(186)	(1.556)	(118)	(1.556)	
Prior periods revenues	(18)	-	(18)	-	
(Loss)/gains from impairment/sale of tangible assets	(15)	(81)	(8)	(28)	
Transportation costs & fees	36	16	36	16	
Receivables write-off	-	44	-	323	
Total	13.689	8.765	13.052	8.671	

Other extraordinary expenses for the year 2021 include an amount of Euro 1.4 million related to the creation of provisions for extraordinary risks related to court cases, as described in Note. 14.

The Other extraordinary income for 2021 includes an amount of Euro 1.5m which concerns the received state aid of the Company in the form of a subsidy for fixed costs, which was given to companies affected by the Covid-19 pandemic.

23. Depreciation

Depreciation is broken down as follows:

(Amounts in €'000) Depreciation	GROUP		COMPANY	
	2022	2021	2022	2021
Depreciation of tangible assets	8.202	7.391	8.131	7.326
Amortization of intangible assets)	12.451	12.441	12.431	12.437
Depreciation of right-of-use assets	1.803	14.200	1.690	13.948
Total	22.456	34.032	22.252	33.711

24. Financial income and expenses

Financial income and expenses are analyzed as follows:

(Amounts in €'000) Financial income	GROUP		COMPANY	
	2022	2021	2022	2021
Interest on cash	15	55	14	48
Other interests	-	-	-	-
Total	15	55	14	48

(Amounts in €'000) Financial expenses	GROUP		COMPANY	
	2022	2021	2022	2021
Loan Interest and borrowing costs	2.002	3.333	1.989	3.318
Lease Interests -IFRS16	177	(1.059)	171	(1.070)
Actuarial study financial costs	7	1	7	1
Total	2.186	2.275	2.167	2.249

(Amounts in €'000) financial expenses	GROUP		COMPANY	
	2022	2021	2022	2021
Foreign exchange rate differences - gains	98	24	72	23
Foreign exchange rate differences - losses	(413)	(283)	(433)	(277)
Total	(315)	(259)	(361)	(254)

25. Earnings per share

(Amounts in €'000) Earnings per share	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Net profit / loss for the period	38.380	13.755	37.922	13.722
Allocated to:				
Parent company shareholders	38.380	13.755	37.922	13.722
Minority interests	-	-	-	-
Weighted average number of shares	7.951	7.951	7.951	7.951
Total	4,83	1,73	4,77	1,73

26. Transactions and balances with related parties

The transactions below are transactions with related parties, as defined in IAS 24.
The transactions below are transactions between the parent company and its subsidiaries.

Transactions between parent company and subsidiaries		
(Amounts in €'000)	01.01 - 31.12.2022	01.01 - 31.12.2021
Sales of goods		
- HELLENIC DISTRIBUTIONS S.A.	1.438	723
Sales of services		
Leases - Other		
- HELLENIC DISTRIBUTIONS S.A.	2	1
Purchase of goods		
- HELLENIC DISTRIBUTIONS S.A.	180	111
Services received – other expenses		
- HELLENIC DISTRIBUTIONS S.A.	(1)	

Transactions between parent company and other related parties		
(Amounts in € '000)	01.01 - 31.12.2022	01.01 - 31.12.2021
Sales of goods		
- Dufry International AG	118	26
- Dufry Hellas ΕΠΕ	1	1
- DUFY d.o.o. Beograd	1	-
- Urtat Gümrüksüz Magaza ISL	1	-
Purchase of goods		
- Dufry International AG	64.768	35.685
- The Nuance Group AG CH	-	19
Sales of services – other income		
- Dufry International AG	1.890	2.605
- Dufry Financial Services BV	267	123

Group transactions with other related parties		
(Amounts in €'000)	01.01 - 31.12.2022	01.01 - 31.12.2021
Sale of goods		
- - DUFY d.o.o. Beograd	26	
- Urtat Gümrüksüz Magaza ISL	129	
Sale of services – other income		
- Dufry International AG	118	26
- Dufry Hellas EPE	1	1
Purchase of goods		
- Dufry International AG	65.726	36.581
- The Nuance Group AG CH	-	19
Services rendered – other expenses		
- Dufry International AG	1.990	2.605
- Dufry Financial Services BV	381	176
Closing balances		
	31.12.2022	31.12.2021
<u>Parent company</u>		
From subsidiaries		
Receivables		
- HDFS SKOPJE DOO	90	190
- Hellenic Distributions SA	381	783
Liabilities		
- HELLENIC DISTRIBUTIONS S.A.	-	29
From other related parties		
Receivables		
- Dufry International AG	6	-
- WDFG UK LTD	-	-
- Dufry Hellas EPE	6	5
- DUFY d.o.o. Beograd	1	
- Urtat Gümrüksüz Magaza ISL	129	
Liabilities		
- Dufry International AG	3.838	52.512
- The Nuance Group AG CH	-	-
- Dufry Financial Services BV	267	123
<u>Group</u>		
From other related parties		
Receivables		
- Dufry International AG	6	17
- WDFG UK LTD	-	-
- Dufry Hellas EPE	12	5
Liabilities		
- Dufry International AG	5.037	53.634
- The Nuance Group AG CH	-	19
- Dufry Financial Services BV	381	176

Management fees for the years 2022 and 2021 amounted to: for the Group: € 4.180 ths. and € 3.856 ths and for the company 4.013 ths and € 3.674 ths, respectively.

27. Contingent liabilities and liens

Letters of guarantee of Euro 21.5 million and Euro 18.3 million respectively have been assigned by the Group and the Company to third parties to secure potential liabilities to these parties which are not reflected in the consolidated Statement of Financial Position. They mainly concern letters of guarantee to the customs to secure the E.F.K. and to the lessors of the premises where the Group's stores operate.

There are no mortgages nor prenotations nor any other lien or other encumbrances registered in respect of the assets to cover loans.

28. Number of staff employed

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Permanent Staff	1.005	1.057	899	952
Seasonal Staff	152	30	151	29
Total	1.157	1.087	1.050	981

29. Market risk

i) Market Risk:

O This risk derives from the loan HDFS obtained from the parent company DUFY, as well as from the bank loans, and specifically from the fact that this agreement is expressed in variable interest rate, linked to the EURIBOR index. Therefore, the Group is exposed to the risk of interest rate changes. However, the Company does not run a significant risk of interest rate fluctuations since financial risks and, in particular, interest rates are managed centrally by the DUFY Group's Cash Management Division.

ii) Exchange rate risk:

The risk arises from the fact that the consumer behavior of customers is affected by the appreciation and depreciation of the currencies of their country of origin against the Euro. With regard to commodity purchases, the largest volume of them (98% for 2022) is made in Euros and therefore the Company does not run a significant exchange rate risk. The commercial departments take into account the risk of exchange rate changes when determining the retail prices of the goods.

iii) Price risk:

In Management's opinion, the Group does not run any risk of price fluctuations, as it does not hold a major securities portfolio and the prices of tradable products do not fluctuate significantly.

30. Risk management objectives and policies

The main financial liabilities of the Group and the Company as at 31 December 2022 and 31 December 2021 consist of liabilities to suppliers, short-term loans and other parts. The Company also has customers and other receivables as well as cash that comes directly from its activities.

30.1 Credit risk

This is the risk that a counterparty will breach its contractual obligations. The Group does not run any major credit risk since 98% of its turnover concern retail sales while marketing revenues (2% of turnover) come from customers who are also suppliers. In terms of dealing with credit risk from wholesales, Group ensures that, in the majority of cases, most wholesale operations relate to selected customers.

The Company generally does not require additional or other guarantees against customers' receivables. Income for the year ended on 31.12.2022 include revenues from customers, none of which exceeds 9% of the total income.

30.2 Inventory risk

This risk arises from retaining obsolete inventory and being unable to sell off those inventories or having to sell them at prices below their value. The Group has valued its old inventory at net realizable value, assessed in line with the DUFY Group's international policy and actual market data. Management considers that this valuation method (which in fact realizes provisions about inventory valuation) fully ensures against inventory risk.

30.3 COVID-19 spread risk

On March 11, 2020, the World Health Organization declared a COVID-19 pandemic. Government agencies have taken various steps to combat the spread of COVID-19, including placing orders at home and restricting the activities of many companies for specific periods of time. The Group is in the business of travel retail which was significantly affected by complications in its smooth operation due to COVID-19, and more specifically by the travel restrictions from and into Greece as they have been imposed both by the Greek and foreign governments. The aforementioned restrictions have led to a significant reduction in passenger travel, resulting in a sharp reduction in passenger traffic and correspondingly to both the Company's and the Group's sales. Within 2022 the Company shows a 93% recovery in sales due to increased tourist traffic and the extension of the tourist season.

The Company closely monitors developments regarding the spread of the coronavirus, in order to adapt to the specific conditions that arise while fully complying with the official instructions of the competent authorities for the operation of its physical stores and headquarters.

It is noted that the management's assessment of the smooth operation of the company and the Group and the preparation of financial statements in accordance with the principle of continuing activity, is reinforced by the existence of the exclusive right of the Company to sell duty-free items within the Greek territory. a right that further strengthens its market position

30.4 Liquidity risk

Despite the unprecedented financial crisis and the limited liquidity worldwide, the Group maintains high liquidity thanks to the retail nature of most of its sales and ensures for further enhancement of its liquidity by retaining costs and successfully managing inventories.

Prudent management of liquidity risk requires:

- a) adequate cash collateral and
- b) the availability of financing via adequate credit facilities.

Due to the dynamic nature of its activities, the Group maintains flexibility in financing, carrying high unused credit limits derived from short-term bank loan contracts. The Treasury prepares expected cash flow statements, which are reviewed by Management, in order to have a better planning of liquidity management

The table below summarizes the maturity profile of financial liabilities as at 31 December 2022 and 2021, respectively, based on the contractual non-discounted payments.

Borrowings and other liabilities of the Group and the Company, classified by payments' maturity date, are presented in the table below:

Group					
Liquidity analysis					
(Amounts in € '000)					
As at 31.12.22	Average interest rate	Less than 1 year	From 1 to 5 years	Over 5 years	total
Variable rate loans	2.2%	16.598	32.375	-	48.973
Suppliers, etc., interest-free liabilities		42.724	-	-	42.634
		59.322	32.375	0	91.607

Company					
Liquidity analysis					
(Amounts in € '000)					
As at 31.12.22	Average interest rate	Less than 1 year	From 1 to 5 years	Over 5 years	total
Variable rate loans	2.2%	16.428	32.375	-	48.803
Suppliers, etc., interest-free liabilities		39.130	-	-	39.130
		55.558	32.375	0	87.933

30.5 Capital management

The objective of the Group's capital management is the smooth operation of its business activities and the achievement of its development plans in combination with its creditworthiness. For the purpose of capital management, the Group and the Company monitor the indicators "Net borrowing to Earnings before taxes, financing, investment results and depreciation ("EBITDA") and "Net borrowing to Total Equity". As net borrowing, the Group and the Company define the totality of interest-bearing loan obligations minus the totality of its reserves. The Group and the Company manage the indices in such a way as to ensure creditworthiness compatible with its development strategy.

For the fiscal years ending on December 31, 2022 and 2021, respectively, the indices developed as follows:

(Amounts in € '000)		GROUP		COMPANY	
Leverage ratio		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Total borrowings		48.973	90.063	48.803	89.893
Less: Cash & cash equivalents		100.576	80.084	89.927	69.368
Net debt		(51.603)	9.979	(41.124)	20.525
Earnings before interest, tax, depreciation and amortization (EBITDA)		74.626	48.550	73.789	47.910
Equity		535.682	497.302	530.078	492.156
Net Debt / EBITDA		(0,7)	0,21	(0,6)	0,43
Net Debt / Equity		(0,1)	0,02	(0,08)	0,04

30.6 Financial instruments

The amounts presented on the statement of financial position as cash and cash equivalents, receivables and short-term liabilities approximate their respective fair values due to the short-term maturity of these financial instruments. Loans and overdrafts have a fixed interest rate and their book values approximate their respective fair values. There is a comparison per category of book values and fair values for all financial instruments presented in the financial statements in the table below:

(Amounts in €'000)	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Customers and other trade receivables	4.068	4.410	2.018	3.273
Other receivables	10.940	21.936	10.877	21.588
Short-term loan liabilities	16.349	41.598	16.179	41.428
Suppliers and other liabilities	14.892	32.092	12.203	30.046

Fair value hierarchy

Both the Group and the Company use the following scale to determine and disclose the fair value of financial instruments as per valuation technique:

- Level 1 - Quoted prices (non-adjusted) in active markets for identical assets or liabilities
- Level 2 - Techniques for which the data with a major impact on recorded fair value are directly or indirectly observable
- Level 3 – Techniques for which the data with a major impact on recorded fair value not based on observable market data

The amounts presented on the statement of financial position for cash and cash equivalents, receivables and short-term liabilities approximate their respective fair values due to the short-term maturity of these financial instruments.

Fair value hierarchy as at 31 December 2022								
	Group				Company			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents and bank deposits	100.576	-	-	100.576	89.927	-	-	89.927
Total	<u>100.576</u>	<u>-</u>	<u>-</u>	<u>100.576</u>	<u>89.927</u>	<u>-</u>	<u>-</u>	<u>89.927</u>
Financial liabilities								
<i>Financial liabilities at amortized cost:</i>								
Borrowings	48.973	-	-	48.973	48.803	-	-	48.803
Total	<u>48.973</u>	<u>-</u>	<u>-</u>	<u>48.973</u>	<u>48.803</u>	<u>-</u>	<u>-</u>	<u>48.803</u>

31. Events occurring after the end of the reporting period

There are no significant events subsequent to the date of the Statement of Financial Position, which concern either the Group or the Company and require modification or disclosure in the financial statements.

THE CHAIRMAN

Michael Hadjipavlou
Pass.No. L00185547

THE VICE CHAIRMAN

Luis Marin Mas – Sarda
Pass.No. XDC841850

THE GENERAL MANAGER

Maria Ioannidou
I.D. No. Φ045430

THE FINANCE DIRECTOR

Ioannis Savvidis
I.D. No. AK215854

THE ACCOUNTING MANAGER

Emmanouil Apostolakis
I.D.No. AE604843