



"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 2020
prepared in accordance with the International Financial Reporting Standards (IFRS)
as they were adopted by the European Union
for the financial years ended on December 31, 2020**

It is hereby confirmed that the attached financial statements for the period 01.01.2020 - 31.12.2020 are those approved by the Company's Board of Directors on 12.04.2021 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 01.01.2020–31.12.2020

To the Ordinary General Meeting of Shareholders

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 01.01.2020 to 31.12.2020 for approval. The Board would also like to report on events occurring during the year.

Major events of the closing financial year

2020 was a difficult year for travel retail. The results of the Company were greatly affected by COVID-19, with the turnover reaching 80.7 million with the organic reduction amounting to (72%). Our company was called to face the temporary and alternating interruptions of its most important activity, throughout 2020. Due to the constant restrictions on the smooth operation of the Company, travel restrictions and the economic impact of the pandemic on the economy and consumption, we had to react quickly and decisively at all levels of the organization and in close cooperation with our stakeholders, such as suppliers, employees, banks. Throughout 2020, the Company's management worked on various strategies and future flow forecasts. In March, we immediately implemented an action plan that included initiatives to accelerate sales volume, stop stockpiling, reduce payroll costs and other expenses, and renegotiate to ensure profitability by reducing lease payments. Despite these challenges, we managed to significantly reduce the costs of the Company and through financing and the management of the existing working capital we managed to create a strong financial liquidity at the end of December 2020.

Air passenger traffic amounted to 9.6 mil. passengers compared to 32.1 mil. passengers in 2019 recording a decrease of (70.2)% while there was also a significant decrease in the number of customers of +72.6% reaching 2 mil. compared to 7.3 mill. in 2019. Sales of the "AIRPORTS" operating sector stood at €52.5 mill in 2020 recording a decrease of 73.4% while the Group (including "HELLENIC DISTRIBUTIONS" S.A.) sales reached € 53.5 mil. recording a decrease of 73.5%.

Sales of the "PORTS" operating sector stood at €1.1 mill. In 2020 recording a decrease of 91.3%. Sales of the "BORDERS" operating sector stood at €24.2 mill. in 2020 recording a decrease of 68.4%.

A. Overview of the closing financial year 2020

Consolidated Results

Amounts in mil. €

	1/1-31/12/2020	1/1-31/12/2019
Sales	86.7	298.2
EBIT	(14.6)	60.1
EBT	(19.3)	52.9
Profits /(losses) net of tax and minority interests	(15.5)	43.1

Sales per operating segment

For administrative purposes, the Group is organized into 4 main business segments: a) Airports, b) Ports, c) Borders and d) Wholesales. Group operations, which do not meet the criteria to be considered a separate operating segment, are combined and presented into the "Other" segment.

Group results per segment can be broken down as follows:

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS AT 31.12.20

01.01 - 31.12.2020	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
Sales	53.478	1.136	24.163	6.619	2.067	87.463
Intra-group Sales	-	-	-	(737)	-	(737)
Marketing Revenues	1.095	2	127	73	2.161	3.458
Turnover	54.573	1.138	24.290	5.955	4.228	90.184
Cost of Goods Sold	(28.212)	(638)	(10.191)	(5.282)	(1.216)	(45.539)
Intra-group Cost of Goods Sold	-	-	-	737	-	737
Gross profit	26.361	500	14.099	1.410	3.012	45.382
Depreciation	(41.589)	(1.751)	(2.570)	(637)	(272)	(46.819)
Profits/(loss) before interest and tax (EBIT)	(8.792)	(2.301)	7.186	307	(10.992)	(14.592)
Financial Income	-	-	-	-	103	103
Financial Expenses	(1.548)	(75)	(2)	5	(3.220)	(4.840)
Other Financial Results	13	-	2	(3)	(40)	(28)
Profits/loss) before tax (EBT)	(10.327,00)	(2.376,00)	7.186,00	309,00	(14.149,00)	(19.357,00)

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS AT 31.12.19

01.01 - 31.12.2019	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
Sales	202.131	12.640	76.632	9.009	849	301.261
Intra-group Sales	-	-	-	(3.010)	-	(3.010)
Marketing Revenues	8.132	59	884	155	120	9.350
Turnover	210.263	12.699	77.516	6.154	969	307.601
Cost of Goods Sold	(97.338)	(5.556)	(31.907)	(7.420)	(51)	(142.272)
Intra-group Cost of Goods Sold	-	-	-	2.978	-	2.978
Gross profit	112.925	7.143	45.609	1.712	918	168.307
Depreciation	(38.448)	(1.204)	(3.110)	(100)	(493)	(43.355)
Profits/(loss) before interest and tax (EBIT)	36.561	2.889	30.879	642	(10.897)	60.074
Financial Income	-	-	-	5	96	101
Financial Expenses	(1.846)	(76)	(8)	(7)	(5.371)	(7.308)
Other Financial Results	(6)	1	-	(181)	6	(180)
Profits/loss) before tax (EBT)	34.709	2.814	30.871	459	(16.166)	52.687

- Group financial position data and ratios

The breakdown of the Group operations and performance is set out in the ratios shown below.

GROUP						
Liquidity			31.12.2020		31.12.2019	
Current	Current Assets		107.295	1,14	79.240	0.57
	Current Liabilities		93.860		139.793	
Quick	(Current Assets - Inventory)		83.760	0.89	43.830	0.31
	Current Liabilities		93.860		139.793	
Cash and cash equivalents	(Cash + cash equivalents)		58.665	62.50%	22.623	16.20%
	Current Liabilities		93.860		139.793	
Adjusted Working Capital	(Receivables + Inventory)		48.630	19.541	56.617	6.478
	(Suppliers + other current liabilities)		29.089		50.139	
Activity ratios						
Current assets turnover ratio	Net Sales		86.726	0.81	298.251	3.76
	Current Assets		107.295		79.240	
Inventory turnover ratio	Cost of goods sold		44.802	1.52	139.294	3.83
	Average inventory		29.473		36.411	
Inventory days	Average inventory	365	29.473	240	36.411	95
	Cost of goods sold		44.802		139.294	
Financial Leverage Ratios						
Debt to Equity ratio	Total Debt		113.754	0.24	65.000	0.13
	Total Equity		482.024		497.847	
Profitability Ratios						
Gross Profit	Gross Profit		45.382	52.33%	168.307	56.43%
	Sales		86.726		298.251	
Return on Assets	Net Profits		(15.510)	(2.03%)	42.926	5.48%
	Total Assets		765.391		783.961	
Return on Equity	Net Profits		(15.510)	(3.22%)	42.926	8.62%
	Total Equity		482.024		497.847	

B. Key risks and uncertainties

In Management's opinion, the key risks are as follows:

Macroeconomic conditions in Greece

The macroeconomic and financial environment in Greece for the year 2021 focuses on the favorable prospects regarding the second semester, since the developments in the field of COVID-19 with the increased rate of vaccinations and the expected lifting of travel restrictions, are expected to lead to a significant increase in the activities of the Company which is estimated to reach 55% by the end of 2021 compared to 2019 sales. In this uncertain economic environment, management constantly assess the situation and its possible future effects in order to ensure that all necessary actions and initiatives are taken to minimize the impact on the Group's domestic activities.

Market Risk

ii) Interest rate risk:

This risk derives from the loan HDFS obtained from the parent company DUFY and specifically from the fact that this agreement is expressed in floating 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 stems from the fact that consumer behavior of customers is affected by the revaluation and devaluation of the home country currency against Euro. Regarding the purchase of goods, the largest volume is paid in euros and consequently the Company does not run a significant risk of exchange rate fluctuations. Commercial divisions take into account the risk of changes in exchange rates when determining the retail prices of their goods.

iii) Price – Inflation 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. The rise in inflationary pressures internationally, coupled with the disruption of the international financial system, may modify consumer behavior thereby affecting the Group's sales and profitability.

Credit Risk

This is the risk that a counterparty will breach its contractual obligations. The Group does not run any major credit risk since 90% of its turnover concern retail sales while marketing revenues (3% 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.

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 retaining 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 has valued its old inventory at net realizable value, assessed in line with the DUFY Group's international policy and actual market data. Management consider that this valuation method (which in fact realizes provisions about inventory valuation) fully ensures 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 have taken various steps to combat the spread of COVID-19, including lock downs and closing down businesses deemed

"unnecessary" 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 the Group's sales. As a result, the Group's revenues decreased in 2020 compared to the same period in 2019 by approximately 70%. In response to the COVID-19 pandemic, the Group 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.

Regarding the financial data of the Dufry Group, of which the Company is a 100% subsidiary, in March 2021 the consolidated financial statements for the year ended 31 December 2020 were published, and the relevant auditors' audit report included a substantial uncertainty regarding the continuation of the business activity due to conditions arising from the pandemic. The management estimates that the financial position of the parent company will not affect the operation of the Company locally on the basis that both its loan agreements with financial institutions and its commercial agreements with third parties do not in any way include the parent company, while in cases of weakness or delays in product deliveries it can address directly either the Greek market or the foreign companies. The quantitative and qualitative effects of the phenomenon on the operation of the Group and the Company as well as the actions taken, can be summarized as follows:

1. Reduction of the Group's sales in the year 1/1 / 2020-31 / 12/2020 by 70%. compared to the previous year and a 6% decrease in gross profit margin for the same period mainly due to the change in the composition of the goods sold.
2. Increase of the Group's cash and cash equivalents in the year 1/1 / 2020-31 / 12/2020 by € 36 million compared to the previous year from the issuance of two bond loans amounting to € 40 million and € 30 million, respectively, with the start of repayments for the € 40 million bond loan starting after 18 months and for the second € 30 million after 12 months. More precisely, the Company issued two five-year bond loans in July 2020 amounting to € 30 million and € 40 million respectively from Greek financial institutions with the guarantee of the COVID-19 Credit Guarantee Fund of the Hellenic Development Bank "EAT" established in accordance with Ministerial Decision 2500/6/2020 and is co-financed by the European Regional Development Fund and the Greek state, and with the contribution of the Operational Program Competitiveness, Entrepreneurship and Innovation (EPANEK)). The repayment of the loans starts in July 2021 with an amount of € 4.2 million, while in total the remaining amounts are payable within five years with predetermined installments. The flows from this financing gave the company sufficient working capital to cover its operating needs.
3. Amendment of loan liabilities to the parent company by transferring a repayment liability of € 35 million in 2021 and € 10 million in 2022.
4. As at 31 December 2020, the Group has a working capital surplus of € 12.7 million while the Company has a surplus of € 1.8 million.
5. As at 31 December 2020, the Group and the Company have cash and cash equivalents of € 58.6 million and € 49.1 million respectively, amounts sufficient to cover 62% and 54% of current liabilities respectively.
6. Profits before interest and depreciation taxes (Fixed and Intangibles excluding right-of-use assets) amounted to € 3.5 million, indicating that even in a difficult year the Company was able to maintain a profitability.
7. Reduction of the Group's operating expenses for the year 1/1 / 2020-31 / 12/2020 by € 22 million compared to the previous year and specifically reduction of the salary costs by € 17.3 million, and other expenses by € 4.5 million.
8. Reduction of lease payments by 69%, ie € 25.6 million.
9. The Group utilized in Greece the state support measures to deal with the consequences of the pandemic, whether they concerned wage costs and reduction of lease payments, or securing "freeze" agreements of payments to its main suppliers during the period of suspension of the operation of the Shops, and amended terms of payment for the period after the end of the suspension.
10. The availability of goods during the year 2020 was not significantly affected compared to the previous year.
11. The Group has implemented teleworking.

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.

C. Labor and Environmental Issues

Diversification and equal opportunities policy

The core value of both the DUFY Group and the HDFS SA is respect for humans. HDFS SA and its subsidiaries are non-discriminatory on the basis of "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 to the treatment of our visitors, customers and customers – suppliers by our employees as well as the treatment of our employees by these third parties. 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.

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 for representing employees of the company in which everyone has the right to participate.

Environmental issues

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

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 an 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. In this context, it will also take into account the possible repercussions of the spread of coronavirus in order to adapt to the specific conditions that arise exclusively for the treatment and limitation of its spread.

Trends – Prospects

The prospects of incoming tourism in Greece for the 1st semester of 2021 seem problematic, while, on the contrary, prospects for the 2nd semester seem to be encouraging according to the vaccination plan established and implemented in Greece and in Europe.

An important role for the course of Greek tourism in the summer period of 2021 will play:

- The effect of Covid 19 epidemic
- The course of vaccination in Europe
- The crisis in Turkey
- Exchange rates (Ruble, Sterlina, Turkish Lira)

For 2021, the Company is proceeding with the completion of the renovation and reorganization projects in existing stores (AIA –Extra Schengen, airports of Thessaloniki, Santorini, Samos, Kos, Corfu – Extra Schengen and Mykonos – Extra Schengen). These investments are estimated to amount to a total of €8 mil.

With the implementation of the aforementioned projects, together with marketing activities as well as many differentiations in the product mix and the meticulous and more extensive and comprehensive presentation of Greek products with presence in more airports, significant increases are expected in all indicators compared to those of 2020.

In this context, the Group and the Company will make, as always, every effort to achieve the economic targets for 2021.

The Chairman of the BoD

Yorgos Velentzas



THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of HELLENIC DUTY FREE SHOPS SINGLE MEMBER SA

Report on the Audit of the separate and consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of HELLENIC DUTY FREE SHOPS SINGLE MEMBER SA (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2020, the separate and consolidated statement of comprehensive income, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of HELLENIC DUTY FREE SHOPS SINGLE MEMBER SA and its subsidiaries (the Group) as at December 31, 2020 and its consolidated financial performance and cash flows for the year then ended in accordance with IFRS.

Basis for Opinion

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

Emphasis of matter

We draw your attention to Note 2.1 on the financial statements, which describes the effects, risks and uncertainties arising from the COVID-19 pandemic to the Company and the Group to which belongs, as well as the Company's estimates and actions in order to address these issues. Our opinion is not modified with respect to this matter.

Other information

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

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

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance 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, 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 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 ISAs, as incorporated in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 the 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 the 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.

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

Report on Other Legal and Regulatory Requirements

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

- a) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 and 153 of Law 4548/2018 and the content of the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2020.
- b) Based on the knowledge and understanding concerning HELLENIC DUTY FREE SHOPS Single member SA and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

Athens, 15 April, 2021
The Certified Auditor Accountant
SOEL N. 19321
Vassilis Kaplanis
Ernst & Young (Hellas) Certified Auditors Accountants S.A.
8B Chimarras St., Maroussi
151 25, Greece
Company SOEL R.N. 107

III. Annual Financial Statements

1. Statement of Financial Position (Consolidated and Separate)

		GROUP		COMPANY	
(Amounts in € '000)	Note	31.12.2020	31.12.2019 Reclassification*	31.12.2020	31.12.2019 Ανακατάταξη *
Assets					
Non-current assets					
Property, Plant and Equipment	4	35.987	37.445	35.806	37.200
Intangible assets	5	328.036	339.384	328.027	339.370
Right-of-use assets	6	77.502	101.780	76.744	100.642
Goodwill	5	181.100	181.100	181.100	181.100
Investments in subsidiaries		-	-	6.296	6.296
Other long-term assets	7	35.471	45.012	34.771	44.272
Total non-current assets		658.096	704.721	662.744	708.880
Current assets					
Inventories	8	23.535	35.410	21.934	33.575
Customers & other trade receivables	9	2.407	3.818	926	924
Other receivables	9	22.688	17.389	21.833	15.611
Cash and cash equivalents	10	58.665	22.623	49.067	14.847
Total current assets		107.295	79.240	93.760	64.957
Total assets		765.391	783.961	756.504	773.837
Equity & Liabilities					
Equity					
Share Capital		397.535	397.535	397.535	397.535
Other Reserves		9.055	9.400	8.795	9.101
Results carried forward		75.434	90.912	70.215	85.084
Equity attributed to parent company shareholders		482.024	497.847	476.545	491.720
Non-controlling interests		-	-	-	-
Equity		482.024	497.847	476.545	491.720
Long-term liabilities					
Long term loan liabilities	12	74.466	-	74.466	-
Long term lease liabilities	20	53.783	77.776	53.411	77.166
Deferred tax liabilities	17	56.353	60.610	56.625	60.894
Staff termination liabilities	13	4.164	6.436	3.659	5.916
Other long-term liabilities	14	741	1.499	741	1.499
Long-term liabilities		189.507	146.321	188.902	145.475
Short-term liabilities					
Short-term loan liabilities	12	4.288	-	4.288	-
Short term lease liabilities	20	25.483	24.654	25.085	24.112
Suppliers and other liabilities	15	12.581	31.619	11.217	30.390
Current tax liabilities		58	-	-	-
Long-term liabilities payable next year	12	35.000	65.000	35.000	65.000
Other short-term liabilities	15	16.450	18.520	15.467	17.140
Short-term liabilities		93.860	139.793	91.057	136.642
Total Liabilities		283.367	286.114	279.959	282.117
Equity & Liabilities		765.391	783.961	756.504	773.837

* The reclassifications to the funds as of December 31, 2019 are described in Note 2.19

* The reclassifications to the funds as of December 31, 2019 are described in Note 2.19

2. Statement of Comprehensive Income (Consolidated and Separate)

(Amounts in € '000)	Note	GROUP		COMPANY	
		01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Sales	18	86.726	298.251	79.564	284.299
Marketing revenues	3	3.458	9.350	1.175	5.700
Turnover		90.184	307.601	80.739	289.999
Cost of Goods Sold	19	(44.802)	(139.294)	(39.778)	(130.230)
Gross profit		45.382	168.307	40.961	159.769
Lease payments	20	15.570	(14.181)	15.495	(13.330)
Staff expenses	21	(21.400)	(38.754)	(17.397)	(33.539)
General expenses	22	(7.325)	(11.943)	(7.076)	(11.461)
Depreciation	23	(46.819)	(43.355)	(46.192)	(42.624)
Profits /(Loss) before interest and tax (EBIT)		(14.592)	60.074	(14.209)	58.815
Financial income	24	103	101	99	90
Financial expense	24	(4.840)	(7.308)	(4.792)	(7.281)
Other financial results	24	(28)	(180)	(3)	(194)
Profits /(Loss) before tax (EBT)		(19.357)	52.687	(18.905)	51.430
Income tax	16	3.847	(9.761)	4.036	(9.398)
Profits /(Loss) net of tax		(15.510)	42.926	(14.869)	42.032
Other comprehensive income / (loss) :					
Directly in Equity					
Actuarial gains/(losses) in equity	13	(413)	(246)	(403)	(238)
Deferred income tax	17	100	59	97	57
Other comprehensive income / (loss) after tax		(313)	(187)	(306)	(181)
Total comprehensive income net of tax		(15.823)	42.739	(15.175)	41.851
Consolidated comprehensive income attributable to:					
Parent company shareholders		(15.823)	42.739	(15.175)	41.851
Non-controlling interests		-	-	-	-
Total		(15.823)	42.739	(15.175)	41.851
yearProfits /(Loss) per share					
Basic and diluted (in €) :		(1,9901)	5,3753	(1,9086)	5,2636
Weighted average number of shares		7.951	7.951	7.951	7.951

3 Statement of Changes in Equity (Consolidated and Separate)

3.1 Statement of Changes in Equity (Consolidated)

(Amounts in € '000)	Group						
	Share Capital	Statutory reserves	Share capital issue expenses	Staff retirement compensation	Results carried forward	Total equity attributable to company shareholders	Non-controlling Interests
Balance as at 1st January 2019	397.535	11.879	(4.039)	(399)	50.132	455.108	-
Profits net of tax	-	-	-	-	42.926	42.926	-
Actuarial gain / (loss) in Equity	-	-	-	(246)	-	(246)	-
Income tax relating to comprehensive income items	-	-	-	59	-	59	-
Consolidated comprehensive income net of tax	-	-	-	(187)	42.926	42.739	-
Transfer to Reserves	-	2.146	-	-	(2.146)	-	-
Transactions with parent company shareholders	-	2.146	-	-	(2.146)	-	-
Balance as at 31st December 2019	397.535	14.025	(4.039)	(586)	90.912	497.847	-
Balance as at 1st January 2019	397.535	14.025	(4.039)	(586)	90.912	497.847	-
Profits/(Loss) net of tax	-	-	-	-	(15.510)	(15.510)	-
Actuarial gains/(losses) in Equity	-	-	-	(413)	-	(413)	-
Income tax relating to comprehensive income items	-	-	-	100	-	100	-
Consolidated comprehensive income net of tax	-	-	-	(313)	(15.510)	(15.823)	-
Transfer to Reserves	-	(42)	-	10	32	-	-
Total	-	(42)	-	10	32	-	-
Balance as at 31st December 2020	397.535	13.983	(4.039)	(889)	75.434	482.024	-

3.2 Statement of Changes in Equity (Separate)

Company								
(Amounts in € '000)	Share Capital	Statutory reserves	Share capital issue expenses	Staff retirement compensation	Results carried forward	Total equity attributable to company shareholders	Non-controlling interests	Total Equity
Balance as at 1 st January 2019	397.535	11.566	(3.977)	(409)	45.154	449.869	-	449.869
Profits net of tax	-	-	-	-	42.032	42.032	-	42.032
Actuarial gains/(losses) in Equity	-	-	-	(238)	-	(238)	-	(238)
Income tax relating to comprehensive income items	-	-	-	57	-	57	-	57
Consolidated comprehensive income net of tax	-	-	-	(181)	42.032	41.851	-	41.851
Transfer to Reserves	-	2.102	-	-	(2.102)	-	-	-
Total	-	2.102	-	-	(2.102)	-	-	-
Balance as at 31 st December 2019	397.535	13.668	(3.977)	(590)	85.084	491.720	-	491.720
Υπόλοιπα κατά την 1η Ιανουαρίου 2020	397.535	13.668	(3.977)	(590)	85.084	491.720	-	491.720
Profits net of tax	-	-	-	-	(14.869)	(14.869)	-	(14.869)
Actuarial gains/(losses) in Equity	-	-	-	(403)	-	(403)	-	(403)
Income tax relating to comprehensive income items	-	-	-	97	-	97	-	97
Consolidated comprehensive income net of tax	-	-	-	(306)	(14.869)	(15.175)	-	(15.175)
Total	-	-	-	-	-	-	-	-
Balance as at 31 st December 2020	397.535	13.668	(3.977)	(896)	70.215	476.545	-	476.545

4 Statement of Cash Flows (Consolidated and Separate)

(Amounts in € '000)	Notes	GROUP		COMPANY	
		01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Operating activities					
Profits/(Loss) before tax		(19.357)	52.687	(18.905)	51.430
Depreciation	4,5,6,23	46.819	43.355	46.192	42.624
Reversal of MAG leases to reduce lease expenses	20	(18 048)	-	(17 663)	-
Staff compensation provisions	7,13	1.014	282	1006	257
Reversal of risk provisions	14	(758)	52	(758)	52
Inventory obsolescence provisions	8	(931)	100	(931)	-
Depreciation of loan expenses		190	-	190	-
Financial income	24	(103)	(101)	(99)	(90)
Financial expense	24	4.595	7.308	4.547	7.281
Loss /(Profits) from impairment/sale of assets		661	82	661	112
Loss /(Profits) from foreign exchange differences		28	180	3	194
Operating profit before changes in working Capital		14.110	103.945	14.243	101.860
(Increase) / Decrease in:					
Inventories	8	12.806	1.902	12.572	1.801
Customers and other receivables	9	(3.888)	7	(6.223)	69
Increase / (Decrease) in:					
Suppliers	15	(19.037)	10.203	(19.173)	9.177
Accrued and other short-term liabilities	15	(1.986)	1.396	(1.413)	1.216
Changes in working capital		(12.105)	13.508	(14.237)	12.263
Tax paid		-	(14.904)	-	(14.321)
Payments for staff compensation	13	(3.666)	(50)	(3.666)	(50)
Interest paid	24	(3.323)	(5.296)	(3.291)	(5.219)
(Increase)/decrease in other long-term receivables	7	9.541	1.440	9.501	1.357
Total inflows from operating activities		4.557	98.643	2.550	95.890
Investing Activities					
Purchases of property, plant and equipment	5	(5.938)	(8.233)	(5.937)	(8.195)
Additions of intangible assets	6	(966)	(133)	(966)	(121)
Interest and related income received	24	103	90	99	90
Total net outflows from investing activities		(6.801)	(8.276)	(6.804)	(8.226)
Financing Activities					
Short and long-term loan payments	12	(20.000)	(51.812)	(20.000)	(51.812)
Loans proceeds	12	68.564	-	68.564	-
Lease liabilities payments – capital	20	(10.278)	(26.180)	(10.090)	(25.543)
Total inflows /(outflows) from financing activities		38.286	(77.992)	38.474	(77.355)
Net (decrease) / increase in cash and cash equivalents					
		36.042	12.375	34.220	10.309
Cash and cash equivalents – Opening Balance		22.623	10.248	14.847	4.538
Cash and cash equivalents – Closing Balance		58.665	22.623	49.067	14.847

IV. Notes to the Annual Financial Statements

1. General Information

"Hellenic Duty Free Shops S.A." (hereinafter "HDFS S.A.") 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.

These financial statements, which cover the period from 1st January 2020 till 31st December 2020, include the financial statements of "Hellenic Duty Free Shops S.A." and its subsidiary "Hellenic Distribution S.A" (collectively referred as the Group) and were approved by the Company's Board of Directors on XX April 2021.

1.1 Major events of the closing financial year

2020 was a difficult year for travel retail. The results of the Company were greatly affected by COVID-19, with the turnover reaching 80.7 million with the organic reduction amounting to (72%). Our company was called to face the temporary and alternating interruptions of its most important activity, throughout 2020. Due to the constant restrictions on the smooth operation of the Company, travel restrictions and the economic impact of the pandemic on the economy and consumption, we had to react quickly and decisively at all levels of the organization and in close cooperation with our stakeholders, such as suppliers, employees, banks. Throughout 2020, the Company's management worked on various strategies and future flow forecasts. In March, we immediately implemented an action plan that included initiatives to accelerate sales volume, stop stockpiling, reduce payroll costs and other expenses, and renegotiate to ensure profitability by reducing lease payments. Despite these challenges, we managed to significantly reduce the costs of the Company and through financing and the management of the existing working capital we managed to create a strong financial liquidity at the end of December 2020.

Air passenger traffic amounted to 9.6 mil. passengers compared to 32.1 mil. passengers in 2019 recording a decrease of (70.2)% while there was also a significant decrease in the number of customers of +72.6% reaching 2 mil. compared to 7.3 mill. in 2019. Sales of the "AIRPORTS" operating sector stood at €52.5 mill in 2020 recording a decrease of 73.4% while the Group (including "HELLENIC DISTRIBUTIONS" S.A.) sales reached € 53.5 mil. recording a decrease of 73.5%.

Sales of the "PORTS" operating sector stood at €1.1 mill. In 2020 recording a decrease of 91.3%. Sales of the "BORDERS" operating sector stood at €24.2 mill. in 2020 recording a decrease of 66.3%.

1.2 Group Structure

"Hellenic Duty Free Shops S.A." and its subsidiary "Hellenic Distribution S.A" are 100% directly owned by DUFY INTERNATIONAL AG. The consolidated financial statements include the financial statements of the Parent Company and its wholly-owned subsidiary, "Hellenic Distributions S.A.", which is 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." on December 31, 2020, covering the entire fiscal year 2020, have been prepared in accordance with the historical cost basis as amended by re-adjusting specific assets and liabilities in current values, the going concern basis and in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and their interpretations as issued by the International Financial Reporting Interpretations Committee (I.F.R.I.C.) and approved by the European Union («EU»). The Management examined the impact of the COVID-19 pandemic until the date of approval of the Consolidated and Separate Financial Statements while closely monitoring the developments related to the current pandemic and has taken and continues to take measures to mitigate potential risks, while reaching the conclusion that the principle of continuing activity is the appropriate basis for their training. Having

reached this conclusion, the Management reassessed its plan taking into account the estimates for the course of the economy, the financial results of 2020 and the measures to reduce operating expenses and increase liquidity received (see Note 30) . Management believes that the actions taken to date are sufficient to mitigate substantial uncertainty and concluded that the Group is able to meet all its obligations on time, at least for a period of 12 months from the Balance Sheet date and that there are no substantial uncertainties that may call into question its ability to operate on an ongoing basis.

The Company has received confirmation from the parent company Dufry International AG for its financial support by extending the repayment of the installments of this loan if and when deemed necessary. 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 & Interpretations

A) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those adopted in the previous financial year except for the following standards that the Group / Company have adopted since 1 January 2020.

Conceptual Framework of International Financial Reporting Standards

The IASB issued the revised the conceptual framework for financial reporting on 29 March 2018. The IASB issued the revised the conceptual framework for financial reporting on 29 March 2020. The conceptual framework sets out a comprehensive set of concepts for financial reporting. These concepts contribute to the determination of standards, the guidance for preparers in developing consistent accounting policies and the support to the preparers' efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References of the Conceptual Framework, which sets out the amendments to the standards affected in order for the references to the revised conceptual framework to be updated. The document's objective is to support the transition to the revised conceptual framework for companies that adopt the conceptual framework in order to develop accounting policies when no IFRS Standard has a relative reference. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

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

To The IASB issued amendments in the definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date falls on the first annual reporting period beginning on or after 1 January 2020 as well as assets acquisition occurring on or after the beginning of that period, with earlier application being permitted. European Union has not yet adopted the amendments. The Group/Company Management estimates that this amendment will not affect the financial statements.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, changes in accounting estimates and errors: Definition of materiality (Amendments)**

The amendments are effective for annual accounting periods beginning on or after 1 January 2020 with earlier application being permitted. The amendments clarify the definition of materiality and how it should be applied. The new definition states that "information is considered to be material since when omitted, concealed or being inaccurate, it could reasonably be expected to influence the decisions of the financial statements' primary users made on the basis of those financial statements which provide financial information about the specific reporting entity". In addition, the explanations accompanying the materiality definition have been improved. The amendments ensure that the materiality definition is consistent across all IFRS Standards. The Group/Company Management estimates that this amendment will not affect the financial statements.

- **Reference interest rate reform – IFRS 9, IAS 39 and IFRS 7 (Amendments)**

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, under which the first phase of its work on the impact of the benchmark interbank interest rate reform on financial reporting is completed. The amendments refer to issues arising in financial reporting in periods preceding the replacement of an existing reference rate with an alternative interest rate and address the impact on specific hedge accounting requirements of IFRS 9 "Financial instruments" and IAS 39 "Financial instruments: Recognition and measurement". The amendments provide for temporary facilitations applicable to existing hedging relationships affected by the reference rates reform, allowing the hedge accounting application to continue during the uncertainty period before the replacement of an existing reference rate with an alternative zero risk rate. In addition, the amendments enter into IFRS 7 "Financial instruments: Disclosures" additional disclosures about the uncertainty arising from the interest rate benchmark reform. The Amendments are retrospectively effective for annual accounting periods beginning on or after 1 January 2020. The second phase focuses on issues affecting financial reporting when an existing reference rate is replaced by a zero risk rate. The Group/Company Management estimates that this amendment will not affect the financial statements.

B) Standards issued but not effective in the current fiscal year and not previously adopted by the Company / Group

- **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Amendment: Sale or Assets Contribution between an investor and their associate or joint venture**

The amendments address an acknowledged inconsistency between IFRS 10 requirements and IAS 28 ones when dealing with the sale or assets contribution between an investor and their associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when the transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB indefinitely postponed the effective date of this amendment expecting the outcome of its research project on the equity method of accounting. European Union has not yet adopted the amendments. The Group/Company Management estimates that this amendment will not affect the financial statements.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, changes in accounting estimates and errors: Definition of materiality (Amendments)**

The amendments are effective for annual accounting periods beginning on or after 1 January 2022 with earlier application being permitted. However, due to the Covid-19 pandemic, the IASB postponed the implementation date by one year, ie from 1 January 2023, giving companies more time to identify any changes in the classification of liabilities. The amendments are intended to be consistent in applying the requirements of the standard, helping companies determine whether borrowing and other liabilities with an uncertain settlement date are classified as current or long-term liabilities in the Statement of Financial Position. The amendments affect the presentation of liabilities in the Statement of Financial Position, while they do not change the existing requirements regarding the measurement or the time of recognition of an asset, liability, income or expense or the disclosures on these items. The amendments also specify the classification requirements for borrowing, which a company can settle by issuing equity securities. European Union has not yet adopted the amendments. The Group/Company Management estimates that this amendment will not affect the financial statements.

- **IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Upgrades 2018-2020 IFRS (Amendments)**

The amendments are effective for annual accounting periods beginning on or after 1 January 2022 with earlier application being permitted. The IASB issued, to a lesser extent, amendments to standards as follows:

- **IFRS 3 Business Combinations:** the amendments update a reference to IFRS 3 in the Conceptual Framework for Financial Reporting without changing the accounting requirements of the business combination standard.

- **IAS 16 Property, Plant and Equipment:** the amendments prohibit the reduction of the cost of property, plant and equipment by amounts received from the sale of items produced while the company prepares the asset for its intended use. Sales revenue and related costs are recognized in profit or loss.
- **IAS 37 Contingencies, Contingent Liabilities and Contingent Assets:** Amendments determine the cost of performing a contract, in assessing whether the contract is onerous.
- Minor modifications were made in the **Annual Improvements 2018-2020** to the standards **IFRS 1- Annual Improvements 2018-2020, IFRS 9- Annual Improvements 2018-2020, IAS 41- Agriculture** and to the indicative examples accompanying **IFRS 16-Leases**

European Union has not yet adopted the amendments. The Group/Company Management estimates that this amendment will not affect the financial statements.

- **IFRS 16 Leases –lease discounts associated with Covid-19 (Amendments)**

The amendments are effective retroactively for annual accounting periods, beginning on or after 1 June 2020. Earlier application is permitted, including the financial statements that were not yet approved for issuance on 28 May, 2020. The IASB amended the standard exempting lessees from applying the IFRS 16 requirements for lease accounting, for lease deductions arising as a direct consequence of the Covid-19 pandemic. The amendment provides a practical facility to lessee in order to enter in the accounting any change or discount made to the lease payments as a consequence of Covid-19, in the same way, based on the requirements of IFRS 16, even if the change or amendment is not considered as an amendment to the lease, provided that all the following conditions are met:

- The change in the lease payments results in a revised lease consideration which is practically equal to or less than the lease consideration immediately prior to the change,
- Any reduction in lease payments affects payments due on or before 30 June 2021,
- There is no substantial change in other terms and conditions of the lease agreement

The Group/Company Management estimates that this amendment will not affect the financial statements.

- **Reference interest rate reform – Phase 2 - IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16 (Amendments)**

In August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, by which its work on the impact of the benchmark interbank interest rate reform on financial reporting is completed. The amendments provide for temporary facilitations dealing with impact on financial reporting when an existing interbank interest rate is replaced by an alternative, almost zero risk rate. More precisely, the amendments provide for a practical facility to depict changes in the accounting, on the basis of the determination of contractual cash flows of financial assets and liabilities, requiring the adjustment of the real interest rate, as in the case of a change in the market interest rate. In addition, the amendments introduce facilities for non-termination of the hedging relationship, including a temporary relief from the requirement of distinct recognition of an almost zero-risk alternative interest rate, defined as the hedging of a risk element. The amendments to IFRS 4 also allow insurance companies that continue to apply IAS 39 to receive the same benefits as those provided for in the amendments to IFRS 9. In addition, the amendments enter into IFRS 7 "Financial instruments: Disclosures" that allow users of financial statements to understand the implications of reforming interbank lending rates on financial instruments and the entity's risk management strategy. The Amendments are effective for annual accounting periods beginning on or after 1 January 2021 with earlier application being permitted. The amendments do not require the entity to revise prior reference periods.

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 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).

(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 OCI.

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	Useful economic life (years)
- Buildings & technical installations on third party property	10
- Furniture & machinery	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 on the date that the travel retail sector 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 Αοινό 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 Group assesses, at each reporting date, whether an indication of impairment exists. If any indication exists or an annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. 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. The reversal is allowed to the extent that the book value of the asset does not exceed its recoverable amount nor the book value.

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 designated at fair value through profit or loss,
- 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 derecognizes a financial asset if and only if the contractual rights on the cash flows of the financial asset have expired or it has 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 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

Inventory is measured at the lower between acquisition cost and net realizable value. Cost is determined using the weighted average cost method. 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 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 accounts 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. Tax losses that may be transferred in subsequent periods are recognized as deferred tax assets.

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.

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 has designated both defined benefit and defined contribution plans.

2.12.2.1 Defined contribution plans

Group staff are primarily covered by the main public social security entity which concerns the private sector (Single Social Security Entity "ΕΦΚΑ") 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. Upon retirement, the pension fund is responsible for paying retirement benefits to employees. Consequently, the Group has no legal or constructive obligation to pay future benefits based on this scheme.

Based on the defined contribution plan, the Group'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 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 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 is 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 recognizes 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 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 uses 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.

(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).

The IFRS Interpretations Committee (the "Committee") issued a summary of the decisions reached in its public meetings in order to clarify the IFRS 16 interpretations on the following topics:

(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 rents 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 estimates and assumptions that are at risk of causing a significant correction in the amounts shown in the assets and liabilities amounts within the upcoming financial year are as follows:

(a) Provision for bad debt: The Group's Management periodically assesses the adequacy of the provision for bad debt according to its credit policy, taking into account reports from the legal department for recent developments in cases it handles.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) Provisions: The Group makes provisions for risks and extraordinary events, which may arise from legal cases that may lead to outflows for their resolution. These provisions are recorded on the basis of the amount of the court case and the probabilities related to the final outcome of the case.

(h) 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.

(i) 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.

2.19 Reclassifications

Comparative data have been reclassified to be in line with changes in the presentation of financial information with respect to the actual financial year, where necessary.

By the year ended on 31.12.2019, Group has included in the tangible assets those regarding the new operating system of the Company amounting to € 903 and € 900 respectively. Such funds appear on the benchmark period as intangible assets.

Group	Recast 31.12.2019	Reclassifications Total	31.12.2019
Tangible assets	37.445	(903)	38.348
Intangible assets	339.384	903	338.481

Company	Recast 31.12.2019	Reclassifications Total	31.12.2019
Tangible assets	37.200	(900)	38.100
Intangible assets	339.370	900	338.470

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 31.12.20

01.01 - 31.12.2020	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	TOTAL
Sales	53.478	1.136	24.163	6.619	2.067	87.463
Intra-group sales	-	-	-	(737)	-	(737)

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Marketing revenues	1.095	2	127	73	2.161	3.458
Turnover	54.573	1.138	24.290	5.955	4.228	90.184
Cost of Goods Sold	(28.212)	(638)	(10.191)	(5.282)	(1.216)	(45.539)
Intra-group cost of goods sold	-	-	-	737	-	737
Gross profit	26.361	500	14.099	1.410	3.012	45.382
Depreciation	(41.589)	(1.751)	(2.570)	(637)	(272)	(46.819)
Profits / Loss before interest and tax (EBIT)	(8.792)	(2.301)	7.186	307	(10.992)	(14.592)
Financial income	-	-	-	-	103	103
Financial expense	(1.548)	(75)	(2)	5	(3.220)	(4.840)
Other financial income	13	-	2	(3)	(40)	(28)
Profits / Loss before tax (EBT)	(10.327)	(2.376)	7.186,00	309	(14.149)	(19.357)

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS 31.12.19

01.01 - 31.12.2019	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	TOTAL
Sales	202.131	12.640	76.632	9.009	849	301.261
Intra-group sales	-	-	-	(3.010)	-	(3.010)
Marketing revenues	8.132	59	884	155	120	9.350
Turnover	210.263	12.699	77.516	6.154	969	307.601
Cost of Goods Sold	(97.338)	(5.556)	(31.907)	(7.420)	(51)	(142.272)
Intra-group cost of goods sold	-	-	-	2.978	-	2.978
Gross profit	112.925	7.143	45.609	1.712	918	168.307
Depreciation	(38.448)	(1204)	(3.110)	(100)	(493)	(43.355)
Profits / Loss before interest and tax (EBIT)	35.561	2.889	30.879	642	(20.897)	60.074
Financial income	-	-	-	5	96	101
Financial expense	(1.846)	(76)	(8)	(7)	(5.371)	(7.308)
Other financial income	(6)	1	-	(181)	6	(180)
Profits / Loss before tax (EBT)	34.709	2.814	30.871	459	(16.166)	52.687

BREAKDOWN OF GROUP ASSETS – LIABILITIES PER OPERATING SEGMENT AS AT 31.12.20

GROUP						
(Amounts in € '000)						
01.01 - 31.12.2020	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	ZYNOAO
Tangible and intangible assets	367.558	19.609	50.746	346	184.366	622.625
Other long-term assets	34.660	39	2	-	770	35.471
Inventory	11.423	1.367	3.229	6.923	593	23.535
Customers and other receivables	-	-	-	3.148	21.947	25.095
Cash and cash equivalents	155	51	115	-	58.344	58.665
Total	413.796	21.066	54.092	10.417	266.020	765.391
Suppliers						
Other non-allocated liabilities	5.980	699	1651	3.760	492	12.581
						270.786
Total	5.980	699	1.651	3.760	492	283.367

BREAKDOWN OF GROUP ASSETS – LIABILITIES PER OPERATING SEGMENT AS AT 31.12.19

GROUP						
(Amounts in € '000)						
01.01 - 31.12.2019	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	ZYNOAO
Tangible and intangible assets	410.183	22.089	55.745	82	171.608	659.709
Other long-term assets	45.504	-	-	-	(492)	45.012
Inventory	19.348	1.906	5.453	7.783	920	35.410
Customers and other receivables	-	-	-	3.817	17.390	21.207
Cash and cash equivalents	343	104	238	-	21.938	22.623
Total	475.378	24.100	61.437	11.682	211.365	783.961
Suppliers	17.277	1.702	4.868	6.950	822	31.619
Other non-allocated liabilities						254.495
Total	17.277	1.702	4.869	6.950	822	286.114

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

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

(Amounts in € '000)	Group						Total
	Land	Buildings – facilities	Machinery – mechanical equipment	Vehicles	Furniture & other equipment	Fixed assets under construction	
<u>Acquisition cost</u>							
Opening balance as at 01.01.2019	94	33,282	2,041	677	19,355	2,044	57,494
Additions	-	1,487	500	25	1,132	4,185	7,329
Sales – Decreases	-	(225)	(12)	-	-	-	(237)
Transfers	-	2,804	105	-	2,762	(5,671)	-
Balance on 31.12.2019	94	37,348	2,634	702	23,249	559	64,586
Opening balance as at 01.01.2020	94	37,348	2,634	702	23,249	559	64,586
Additions	-	283	28	25	200	5,402	5,938
Sales – Decreases	-	(1,266)	(184)	-	(949)	-	(2,399)
Transfers	-	699	25	-	809	(1,533)	-
Assets derecognition	-	66	(21)	-	(126)	-	(81)
Balance as at 31.12.2020	94	37,130	2,482	727	23,183	4,428	68,044
<u>Accumulated depreciation</u>							
Opening balance as at 01.01.2019	-	12,497	1,003	304	7,096	-	20,900
Depreciation for the year (Note 23)	-	3,815	267	82	2,232	-	6,396
Decrease in depreciation	-	(139)	(4)	-	(13)	-	(156)
Balance as at 31.12.2019	-	16,173	1,266	386	9,315	-	27,140
Opening balance as at 01.01.2020	-	16,173	1,266	386	9,315	-	27,140
Depreciation for the year (Note 23)	-	4,160	263	84	2,197	-	6,704
Decrease in depreciation	-	(938)	(127)	-	(642)	-	(1,707)
Assets derecognition	-	66	(21)	-	(125)	-	(80)
Balance as at 31.12.2020	-	19,461	1,381	470	10,745	-	32,057
<u>Net book value as at 31.12.2019</u>							
	94	21,175	1,368	316	13,934	559	37,445
<u>Net book value as at 31.12.2020</u>							
	94	17,669	1,101	257	12,438	4,428	35,987

Company							
(Amounts in € '000)	Land	Buildings – facilities	Machinery – mechanical equipment	Vehicles	Furniture & other equipment	Fixed assets under construction	Total
<u>Acquisition cost</u>							
Opening balance as at 01.01.2019	94	33.124	2.008	599	18.839	2.037	56.701
Additions	-	1.487	498	25	1.132	4.152	7.294
Sales – Decreases	-	(226)	(12)	-	(30)	-	(268)
Transfers	-	2.773	105	-	2.753	(5.631)	-
Balance as at 31.12.2019	94	37.158	2.599	625	22.694	558	63.727
Opening balance as at 01.01.2020	94	37.158	2.599	625	22.694	558	63.727
Additions	-	283	28	25	199	5.402	5.937
Sales – Decreases	-	(1.266)	(184)	-	(949)	-	(2.399)
Transfers	-	698	25	-	809	(1.532)	-
Assets derecognition	-	66	(21)	-	(126)	-	(81)
Balance as at 31.12.2020	94	36.939	2.447	649	22.627	4.428	67.184
<u>Accumulated depreciation</u>							
Opening balance as at 01.01.2019	-	12.394	984	279	6.731	-	20.388
Depreciation for the year (Note 23)	-	3.795	264	74	2.161	-	6.294
Decrease in depreciation	-	(138)	(4)	-	(13)	-	(155)
Balance as at 31.12.2019	-	16.051	1.244	353	8.879	-	26.527
Opening balance as at 01.01.2020	-	16.051	1.244	353	8.879	-	26.527
Depreciation for the year (Note 23)	-	4.137	260	76	2.165	-	6.638
Decrease in depreciation	-	(938)	(127)	-	(642)	-	(1.707)
Assets derecognition	-	66	(21)	-	(125)	-	(80)
Balance as at 31.12.2020	-	19.316	1.356	429	10.277	-	31.378
Net book value as at 31.12.2019	94	21.107	1.355	271	13.815	558	37.200
Net book value as at 31.12.2020	94	17.623	1.091	220	12.350	4.428	35.806

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)

	Group					
(Amounts in € '000)	Computer software	Leases	Concessions & Industrial property Rights	Assets under construction	Total	Goodwill
<i>Acquisition cost</i>						
Opening balance as at 01.01.2019	1.178	123	418.600	-	419.901	181.100
Additions	56	78	-	903	1.037	-
Balance as at 31.12.2019	1.234	201	418.600	903	420.938	181.100
Opening balance as at 01.01.2020	1.234	201	418.600	903	420.938	181.100
Additions	965	-	-	-	965	-
Sales – Decreases	-	-	-	(1)	(1)	-
Transfers	902	-	-	(902)	-	-
Balance as at 31.12.2020	3.101	201	418.600	-	421.902	181.100
<i>Accumulated amortization</i>						
Opening balance as at 01.01.2019	1.002	43	68.440	-	69.485	-
Amortization for the year (Note 23)	65	32	11.972	-	12.069	-
Balance as at 31.12.2019	1.067	75	80.412	-	81.554	-
Opening balance as at 01.01.2020	1.067	75	80.412	-	81.554	-
Amortization for the year (Note 23)	301	40	11.971	-	12.312	-
Balance as at 31.12.2020	1.368	115	92.383	-	93.866	-
<i>Net book value as at 31.12.2019</i>						
	167	126	338.188	903	339.384	181.100
<i>Net book value as at 31.12.2020</i>						
	1.733	86	326.217	-	328.036	181.100

	Company					
(Amounts in € '000)	Computer software	Leases	Concessions & Industrial property Rights	Assets under construction	Total	Goodwill
<i>Acquisition cost</i>						
Opening balance as at 01.01.2019	1.075	123	418.600	-	419.798	181.100
Additions	44	78	-	900	1.022	-
Balance as at 31.12.2019	1.119	201	418.600	900	420.820	181.100
Opening balance as at 01.01.2020	1.119	201	418.600	900	420.820	181.100
Additions	966	-	-	-	966	-
Sales – Decreases	-	-	-	(1)	(1)	-
Transfers	899	-	-	(899)	-	-
Balance as at 31.12.2020	2.984	201	418.600	-	421.785	181.100
<i>Accumulated amortization</i>						
Opening balance as at 01.01.2019	899	43	68.439	-	69.381	-
Amortization for the year (Note 23)	64	32	11.973	-	12.069	-
Balance as at 31.12.2019	963	75	80.412	-	81.450	-
Opening balance as at 01.01.2020	963	75	80.412	-	81.450	-
Amortization for the year (Note 23)	297	40	11.971	-	12.308	-
Balance as at 31.12.2020	1.260	115	92.383	-	93.758	-
<i>Net book value as at 31.12.2019</i>						
	156	126	338.188	900	339.370	181.100
<i>Net book value as at 31.12.2020</i>						
	1.724	86	326.217	-	328.027	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 7,2% while cash flows for a period of more than five years grew by 2-4% per category, 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 coronavirus impact were realized, and the company did not face any essential risk with regard to the impairment of its intangible assets.

Management did not identify any goodwill impairment, as a result of these impairment tests.

6. Right-of-use assets

The impact from the application of IFRS 16 on the attached financial statements is analyzed as follows:

GROUP					
	Stores	Buildings – facilities	Vehicles	Other	Total
Acquisition cost					
Opening balance as at 01.01.2019	113.147	3.857	784	118	117.906
Additions/ Modifications	8.765	189	21	-	8.975
Withdrawals	(158)	(65)	-	-	(223)
balance as at 31.12.2019	121.754	3.981	805	118	126.658
balance as at 1.1.2020	121.754	3.981	805	118	126.658
Additions/ Modifications	2.817	213	-	496	3.526
Withdrawals	-	(1)	-	-	(1)
balance as at 31.12.2020	124.571	4.193	805	614	130.183
Accumulated depreciation					
Opening balance as at 01.01.2019	-	-	-	-	-
Additions/ Modifications	23.671	901	197	118	24.887
Withdrawals	(7)	(2)	-	-	(9)
balance as at 31.12.2019	23.664	899	197	118	24.878
balance as at 1.1.2020	23.664	899	197	118	24.878
Impairment	26.572	945	203	83	27.803
balance as at 31.12.2020	50.236	1.844	400	201	52.681
Net book value as at 31.12.2019	98.090	3.082	608	-	101.780
Net book value as at 31.12.2020	74.335	2.349	405	413	77.502

Company					
	Stores	Buildings – facilities	Vehicles	Other	Total
Acquisition cost					
Opening balance as at 01.01.2019	112.533	3.220	737	118	116.608
Additions/ Modifications	8.299	189	21	-	8.509
Withdrawals	(158)	(65)	-	-	(223)
balance as at 31.12.2019	120.674	3.344	758	118	124.894
balance as at 1.1.2020	120.674	3.344	758	118	124.894
Additions/ Modifications	2.640	213	-	496	3.349
Withdrawals	-	(1)	-	-	(1)
balance as at 31.12.2020	123.314	3.556	758	614	128.242
Accumulated depreciation					
Opening balance as at 01.01.2019	-	-	-	-	-
Additions/ Modifications	23.157	800	186	118	24.261
Withdrawals	(7)	(2)	-	-	(9)
balance as at 31.12.2019	23.150	798	186	118	24.252
balance as at 1.1.2020	23.150	798	186	118	24.252
Impairment	26.129	843	191	83	27.246
balance as at 31.12.2020	49.279	1.641	377	201	51.498
Net book value as at 31.12.2019	97.524	2.546	572	-	100.642
Net book value as at 31.12.2020	74.035	1.915	381	413	76.744

The Group has few guaranteed lease agreements that fall within the framework of IFRS 16 and are depicted as right-of-use assets in the category "Stores". The other leases that have been calculated and accounted for right-of-use assets relate to the rental of buildings, stores, warehouses and vehicles.

7. Other long-term receivables

(Amounts in '000)	GROUP		COMPANY	
	31.12.2020	31.12.2019	Other long-term assets	31.12.2020
Other long-term assets				
Guarantees for rents	4.234	4.235	3.881	3.882
Long-term receivables from provision for staff loan	347	381	-	-
Other guarantees	-	6	-	-
Advance payments to FRAPORT	30.890	40.390	30.890	40.390
Total	35.471	45.012	34.771	44.272

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.

The Group		
Amounts in ('000)	Staff loans	Staff loans
	01.01. - 31.12.2020	01.01. - 31.12.2019
Amounts recognized in Balance Sheet		
Current value of obligations	347	381
Net liability in the Statement	347	381
Amounts recognized in the Income Statement		
Current service cost	20	24
Net interest on liability/(asset)	4	7
Recognition of past service cost	-	-
Cost of curtailment/settlements/termination of service	246	66
Total expenses in Income Statement	270	97
Change in the present value of Liability		
Present value of liability at the beginning of the period	381	364
Current service cost	20	24
Interest cost	4	7
Benefits paid to the employer	(330)	(89)
Cost of curtailment/settlements/termination of service	246	67
Intra-group transfers	-	-
Past service cost during the period	-	-
Actuarial loss / (gain) – financial assumptions	27	51
Actuarial loss / (gain) – demographic assumption	-	-
Actuarial loss / (gain) – Experience of the period	(1)	(42)
Net liability at the end of the year	347	381
Adjustments		
Adjustments in Liabilities from changes in assumptions	27	51
Empirical adjustments in Liabilities	(1)	(42)
Total actuarial gain / (loss) in Equity	26	9
Total amount recognized in Equity	26	9
Changes in Net Liability recognized in the Statement of Financial Position		
Net Liability at the beginning of the period	381	364
Intra-group transfers	-	-
Benefits paid to the employer	(330)	(89)
Total expense recognized in Income Statement	270	97
Total amount recognized in Equity	26	9
Net liability at the end of the period	347	381
Cashflows		
Expected plan benefits over next financial year	-	-
Actuarial assumptions		
Discount rate	0,51%	1,04%
Future salary growth	0,00%	0,00%
Liability duration	18	18,43

8. Inventories

Inventories are measured at the lower of acquisition cost or net realizable value, as specified in IAS 2.

(Amounts in '000)	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Inventory				
Merchandise	26.331	39.137	24.326	36.898
Less: provisions for obsolete and damaged merchandise	(2.796)	(3.727)	(2.392)	(3.323)
Total	23.535	35.410	21.934	33.575

group

provisions for obsolete and damaged merchandise	31.12.2020	31.12.2019
Provision opening	3.727	3.627
Reverse provision	(931)	-
Used provision	-	100
Provision ending	2.796	3.727

9. Trade receivables and other current assets

(Amounts in '000)	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Trade receivables				
Trade receivables - (customers)	1.859	3.097	418	780
Trade receivables - (related parties)	544	290	532	160
Trade receivables - (credit cards)	8	17	9	17
Cheques receivables (post-dated)	641	1.059	-	-
Provision for bad debt	(645)	(645)	(33)	(33)
Total	2.407	3.818	926	924

(Amounts in '000)	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Other current assets				
Marketing services receivables	3.084	2.944	2.257	2.944
Advances to suppliers	1.628	643	1.628	643
Prepaid expenses	147	1.730	141	1.721
Advances to employees	57	88	54	81
State receivables	1.542	1.675	1.541	1.549
Other receivables	263	1.813	245	261
Prepaid rent	15.782	8.075	15.782	8.075
Accrued income	185	421	185	337
Total	22.688	17.389	21.833	15.611

The total Trade Receivables and Other Current Assets for the Group of the years ending 31 December 2020 and 31 December 2019 amount to 25.095 and 21.207 respectively.

The total Trade Receivables and Other Current Assets for the Company of the years ending 31 December 2020 and 31 December 2019 amount to 22.759 and 16.535 respectively.

At each reporting date, the Group performs 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:

GROUP						
	Due & not impaired				Not due & not impaired	Total
	0 - 3 μήνες	3 - 6 μήνες	6-12 μήνες	> έτος		
Maturity of Trade Receivables (amounts in '000)						
2020	2.163	528	240	1.510	20.654	25.095
2019	5.282	447	280	1.104	14.094	21.207

COMPANY						
	Due & not impaired				Not due & not impaired	Total
	0 - 3 μήνες	3 - 6 μήνες	6-12 μήνες	> έτος		
Maturity of Trade Receivables (amounts in '000)						
2020	1.899	139	-	1.322	19.399	22.759
2019	2.661	151	232	767	12.724	16.535

10. Cash and cash equivalents

Cash and cash equivalents are broken down as follows as at 31 December 2020 and 31 December 2019:

(Amounts in '000)	GROUP		COMPANY	
	31.12.2020	31.12.2019	Cash and cash equivalents	31.12.2020
Cash on hand	342	692	323	672
Deposits on demand and time deposits	58.323	21.931	48.744	14.175
Total	58.665	22.623	49.067	14.847

Income from deposits on demand interests appear in the books of the financial year in "credit interests and related income" 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.

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)				
Borrowings	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Borrowings				
Intercompany loans	45.000	65.000	45.000	65.000
Less: loan arrangement feed	-	-	-	-
Short-term bank borrowings	70.000	-	70.000	-
	1.246	-	1.246	-
Total				
Long-term borrowings	113.754	65.000	113.754	65.000
Short-term borrowings	74.466	-	74.466	-
Total	39.288	65.000	39.288	65.000
Maturity	113.754	65.000	113.754	65.000
Over 5 years				
From 1 – 5 years	-	-	-	-
Less than 1 year	74.466	-	74.466	-
Total	39.288	65.000	39.288	65.000
	113.754	65.000	113.754	65.000

On April 11, 2013 when the travel retail sector of Folli-Follie S.A. was absorbed, the Company assumed loans of € 335,000,000 but on April 22, 2013 these were substituted by a corporate bond of the same amount. On December 12, 2013 when the Company's entire share capital was acquired by DUFY, the parent company issued a new loan of € 287,508,000 to HDFS S.A., € 285,000,000 of which was used to repay the outstanding balance of the corporate

bond and € 2,508,000 relates to the parent company's expenses for issuing the loan. The duration of the new loan is 4 years at the Euribor rate plus a margin of 575 basis points.

On 31 December 2017 the parent company Dufry renewed the expiration date of the initial loan and set a new expiration date on 31 December 2018 without any other changes.

On 31 December 2018 the parent company Dufry renewed the expiration date of the initial loan and set a new expiration date on 31 December 31 December 2019 without any other changes.

Στις 31 December 2019 the parent company Dufry renewed the expiration date of the initial loan and set a new expiration date on 31 December 31 December 2020 with interest rate of 3,5% compared to the interest rate of 2018 which was 3 months Euribor plus a spread of 575 basis points. The balance as at 31 December 2019 amounted to € 65 mil. And within 2020 the Company repaid the total amount of 20 mil.

On 10 December 2020 the parent company Dufry renewed the expiration date of the initial loan and set a new expiration date on 31 December 2022 without any other changes in the terms of the loan. The balance as at 31 December 2020 amounted to € 45 mil. While the respective interests burdening the financial year amounted to € 2.2 mil.

This is how the parent company Dufry supported the Company in the act.

Within July 2020 two bond loans were issued, € 40 mil. and € 30 mil. Respectively; The bond loan of 40 mil. Will start to be repaid after 18 months and the second, of 30 mil. After 12 months.

More precisely, in July 2020, the Company issued two 5-year bond loans, for € 30 mil. and € 40 mil. Respectively, from financial institutions in Greece, guaranteed by the COVID-19 Loan Guarantee Fund of the Hellenic Development Bank "HDB" established by virtue of Ministerial Decision 2500/6/2020 and co-funded by the European Regional Development Fund and the Greek State, along with the contribution of the Operational Program Competitiveness, Entrepreneurship and Innovation (EPANEK). The interest rate for the €30mil bond loan is Euribor +2.2% and the interest rate for the €40 mil. bond loan is Euribor +2.1%. Repayment of the loans begins in July 2021 with € 4.2 mil and in total, the balance is to be paid within 5 years by predetermined installments. The cash flow from these loans gave the company enough working capital to cover its operational needs.

13. Staff retirement liabilities

(Amounts in € '000)	Group		Company	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Amounts recognized in the Statement of Financial Position				
Present value of liabilities	4.164	6.436	3.659	5.916
Fair value of plan assets	-	-	-	-
Net liability in the Statement of Financial Position	4.164	6.436	3.659	5.916
Amounts recognized in the Income Statement				
Current service cost	235	225	208	195
Net interest on liability/(assets)	59	97	54	88
Recognition of past service cost	-	-	-	-
Cost of curtailment/settlements/termination of service	990	99	744	32
Total expenses in Income Statement	1.284	421	1.006	315
Change in the present value of Liability				
Present value of liability at the beginning of the period	6.436	5.899	5.916	5.421
Present value of liability from sector absorption	-	-	-	-
Current service cost	235	225	208	195
Interest cost	59	97	54	88
Benefits paid by the employer	(3.666)	(50)	(3.666)	(50)
Benefits paid by the employer and rebilled	(330)	(89)	-	-
Intra-group transfers	-	-	-	(8)
Cost of curtailment/settlements/termination of service	990	99	744	32
Past service cost during the period	-	-	-	-
Actuarial loss / (gain) – financial assumptions	270	428	229	364
Actuarial loss / (gain) – demographic assumption	-	(162)	-	(162)
Actuarial loss / (gain) – experience of the period	170	(11)	174	36
Net liability at the end of the year	4.164	6.436	3.659	5.916
Adjustments				
Adjustments to liabilities from changes in assumptions	(270)	(266)	(229)	(202)
Empirical adjustments to liabilities	(170)	11	(174)	(36)
Total actuarial gain / (loss) in Equity	(440)	(255)	(403)	(238)
Other adjustments in Equity	-	-	-	-
Total amount recognized in Equity	(440)	(255)	(403)	(238)
Changes in Net Liability recognized in the Statement of Financial Position				
Present value of liability from sector absorption	6.436	5.899	5.916	5.421
Intra-group transfers	-	-	-	(8)
Benefits paid to the employer	(3.996)	(139)	(3.666)	(50)
Total expense recognized in Income Statement	1.284	420	1.006	315
Total amount recognized in Equity	440	256	403	238
Net liability at the end of the period	4.164	6.436	3.659	5.916
Cashflows				
Expected plan benefits over next financial year	163	123	143	123
Actuarial assumptions				
Discount rate	0,92%	1,66%	0,92%	0,93%
Inflation	0,00%	0,00%	0,00%	0,00%
Future salary growth	0,00%	0,00%	0,00%	0,00%
Liability duration	9,23	10,56	9,23	9,23

	Change of assumption	Increase of assumption	Decrease of assumption
Discount rate	0,50%	-7,3	8,1

In case of change of the discount rate by +0,50%, then the current value of the commitment of determined personnel benefits and staff benefits would decrease by -7.3%, 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 +8,1%.

14. Other long-term provisions

Other long-term provisions are broken down as follows:

(Amounts in '000)	GROUP		COMPANY	
Other long-term provisions	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Provision for additional taxes & duties	678	1.436	678	1.436
Provisions for contingency risks & expenses	63	63	63	63
Total	741	1.499	741	1.499

Provisions for additional taxes & duties

A) Provisions for pending customs cases

I. 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, being compliant with the law, appealed for suspension of the collection of 70% of the imposed multiple fees and 50% of the imposed tax charges and paid to the Greek State the total amount of € 4,666 ths. in relation to the imputation acts, with the amount of € 4,980 ths. having been provided for covering any contingent losses derived from the above actions.

Furthermore, with regard to the additionally audited months February, March and May 2001, the 5th Customs Office of Thessaloniki Airport fully accepted the Company's positions and attributed significantly less tax charges than those already specified by the relevant audit reports issued by the Customs Office in Thessaloniki.

It is noted that it was not considered expedient to file further requests for suspension given on one hand the publication of Law 3900/2010 and on the other hand the non-manifest financial inability of the Company to pay the multiple fees and tax charges imposed and not legally suspended.

Finally, it is noted that in 2014, 18 out of the 48 cases were tried in which the courts confirmed that the company had, at the right and crucial time, the right to make tax-free sales to passengers with direct destination within EU and final destination outside the EU and, in one of these cases, the court accepted the company's appeal. Following the above, the Management of the Company believes that the cancellation of the imputation acts issued against the company will be successful and considers that the amount that should be ultimately paid will not exceed the 30% of the total amount attributed in court. Therefore, the Company reversed the provision amount of € 2,882 ths. in the income statement for the financial year 2015. Two decisions of the Administrative Court of Appeal of Thessaloniki were issued in 2016, which respectively rejected two of the Company's appeals. As a result, the Company paid € 544 ths. in favor of the Customs Office of Thessaloniki Airport.

Subsequently, 15 decisions of the Administrative Court of Appeal of Thessaloniki were issued in 2017 dismissing, thereby, the Company's appeals, while a decision was also issued which accepted the company's appeal. As a result, the company proceeded with the payment of € 2,607 ths. in favor of the Customs Office of Thessaloniki Airport. Subsequently, in January 2018, 8 decisions of the Administrative Court of Appeal of Thessaloniki were issued dismissing, thereby, the Company's appeals. As a result, the Company paid € 977 ths. in favor of the Customs Office of Thessaloniki Airport. This amount was charged to the results of 2017 recognizing the necessary provision amount. Moreover, 7 decisions of the Administrative Court of Appeal of Thessaloniki were issued in 2020, dismissing the respective Company's appeals. The Company proceeded with the payment of € 1,077 ths. in favor of the Customs Office of Thessaloniki Airport with the amount of € 334 ths. being charged to the results of 2018 and the remainder being net off with the relevant provisions made by the Company. Also, in 2018 the Company made additional provisions for contingently adverse court decisions amounting to € 1,383 ths. that was charged to the results for the year 2018. Within 2019, 9 decisions were issued in total, 5 of which were against and the other 4 were in favor of the company. With regard to the adverse decisions, the Company paid an amount of € 349 ths., € 11 ths. of which was charged to the results of 2019 and the rest was net off with the relevant provisions made by the Company. Finally, within 2019 were made for the full coverage of the risk amounting to € 390 ths., which was charged to the results of 2019.

Within 2020 the Management officially made the request for refund of the €440 ths which was already paid due to the favorable decisions of the Administrative Court of Appeal of Thessaloniki and in April 2020, upon request of the Custom's Office, 4 letters of guarantee for the refund of the such paid amount of €440 ths. were issued as refund. Out of said amount, € 397 ths were collected within 2020 and the remaining € 43 ths. were collected in January 2021. In its financial results, the Company reversed the provision of €797 ths for these 4 cases and created a new provision for the remaining €40 ths; as a result, existing provisions currently amount to €741 ths. Existing provisions cover the contingency of the company regarding the cases still pending in their entirety.

The Greek State launched an appeal against these 4 decisions.

	Amounts in '000 €
Opening provision balance as at 1 January 2019	1.447
Reversals	(338)
Provisions for the period	390
Closing balance as at 31 December 2019	1.499
Opening provision balance as at 1 Ιανουαρίου 2020	1.499
Reversals	(797)
Provisions for the period	40
Closing balance as at 31 December 2020	741

B) Provisions for contingent tax liabilities.

Within 2014, unqualified Tax Compliance Report with emphasis of matter was issued, according to par. 5 of article 82 of Law 2238/94, with regard to the tax audit of the financial year 2013, whereas within the next financial years unqualified Tax Compliance Reports with emphasis of matter were issued, according to provisions of Article 65A of Law 4174/2013, for the tax audit of the fiscal periods from 2014 to 2020. The emphasis of matter states that in the context of the segregation of the travel retail sector from Follie S.A. ("The contributor") and its contribution to the Company ("the absorber"), the sector's assets were valued in accordance with the provisions of Law 1297/1972 and Article 9 of Codified Law 2190/1920. In the valuation report prepared by statutory auditors, the accounts of the provision for staff compensation (approximately € 5.7 mil.) and deferred tax liability (approximately € 7.1 mil.) were also included, among others, which, however, did not exist at the time of the segregation and the contribution to tax books of the contributor. The aforementioned accounts were integrated in the tax books of the absorber but they were not valued as at 31 December 2013 and subsequently, since the Company considers that this is not required by any provision of the tax Law and no present or future contingent tax liability would arise from any valuation made. Given that the emphasis of matter concerns events occurred in 2013, the Company's management considers that, based on the developments regarding the limitation period of the State's claim for imposing taxes and fines, it could be argued that the State's right to impose taxes and fines for the years up to 2013 has expired.

Provisions for contingency risks & expenses

The company has made a provision for various disputed cases amounting to the total of € 63 ths.

15. Trade and other short-term liabilities

Trade and other liabilities can be broken down as follows:

(Amounts in '000)	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Trade and other liabilities				
Trade liabilities	12.354	31.619	10.990	30.390
Cheques payable – notes & promissory notes payable	227	-	227	-
Trade liabilities	12.581	31.619	11.217	30.390
Lease liabilities	7.141	7.741	7.101	7.660
Other liabilities	5.239	5.003	5.026	4.348
Staff expenditure liabilities	3.718	3.744	3.006	3.334
Other tax liabilities	352	2.032	334	1.798
Other short-term liabilities	16.450	18.520	15.467	17.140

Trade liabilities include liabilities to related parties amounting to € 8.086 ths. 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	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Income tax				
Current tax	(310)	(16.348)	(136)	(15.928)
Deferred tax	4.157	6.587	4.172	6.530
Total	3.847	(9.761)	4.036	(9.398)

In accordance with article 22 of Law 4646/2020 (Government Gazette A '201 / 12.12.2020) voted on December 12, 2019, the tax rate for the year 2020 onwards is changed again and is set at 24%. 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:

	GROUP		COMPANY	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
(Amounts in € '000)				
Earnings / (Losses) before tax	(19.357)	52.687	(18.905)	51.430
Proportional tax	(4.646)	12.645	(4.537)	12.343
Impact of the tax rate change in Greece	-	(3.497)	-	(3.503)
Correction of final tax of the previous year	173	-	136	-
Tax impact from elimination of intra-group profit	(11)	(8)	-	-
Tax impact of non-taxable income and expenses that are not deductible for tax purposes	434	509	365	524
Dividends in bonus form to staff on which no tax was calculated but withheld in the liquidation	203	112	-	34
Provision for income tax	(3.847)	9.761	(4.036)	9.398
Effective income tax rate	19,87%	18,53%	21,34%	18,27%

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:

Effective from fiscal years ending 31 December 2011 onwards, Greek companies meeting certain criteria can obtain an "Annual Tax Compliance Report" as provided for by par. 5, article 82 of Law 2238/1994 and article 65A of Law 4174/2013 from their statutory auditor in respect of compliance with tax law. The issuance of a Tax Compliance Report under certain conditions, substitutes the full tax audit by the tax authorities, however the tax authorities reserve the right of future tax audit without fulfilling its tax obligations for the relevant period. The Company has been audited by the respective statutory auditor and has received unqualified Tax Compliance Reports with emphasis of matter for fiscal years from 2013 to 2018 inclusive and for 2019 the tax compliance report is issued without any reservations. The subsidiary of the company has received tax compliance reports without reservations from 2013 to 2019 inclusive. For the financial year 2020, the Company and its subsidiary have been subject to the tax audit by Chartered accountants, as provided by the provisions of art. 65A L. 4174/2013. The tax audit is in progress and the relevant Tax Compliance Report is expected to be issued after the publication of the financial statements for the year 2020. Upon completion of the tax audit, Management of the Company and the Subsidiary does not expect significant tax liabilities to incur other than those recorded and presented 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	
	2020	2019	2020	2019
(Amounts in '000)				
Opening balance (net deferred tax liability)	(60.610)	(67.256)	(60.894)	(67.481)
Impact from new accounting standards (IFRS 9)	-	-	-	-
Debit / credit in the consolidated income statement	4.157	6.587	4.172	6.530
Directly charged to OCI	100	59	97	57
Closing balance (net deferred tax liability)	(56.353)	(60.610)	(56.625)	(60.894)

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				
(Amounts in '000)	GROUP		COMPANY	
	31-Dec		31-Dec	
	2020	2019	2020	2019
Deferred tax liabilities				
- Property, Plant and Equipment	-	-	-	-
- Intangible assets	62.599	64.744	62.602	64.749
- Loan expenses	-	-	-	-
- against liabilities	543	569	543	543
Gross deferred tax liabilities	63.142	65.313	63.145	65.292
Deferred tax assets				
- Property, Plant and Equipment	2.159	1.718	2.144	1.705
- Retirement benefit compensation	916	1.451	878	1.420
- Right-of-use and lease liabilities	429	209	426	155
- Provisions	1.088	1.322	875	1.109
- of deferred discounted interest for next fin. year	37	-	37	-
- of tax loss	2.160	-	2.160	-
- Other	-	3	-	9
Gross deferred tax assets	6.789	4.703	6.520	4.398
Net deferred tax liabilities	56.353	60.610	56.625	60.894

Income Statement				
(Amounts in '000)	GROUP		COMPANY	
	31-Dec		31-Dec	
	2020	2019	2020	2019
Deferred tax liabilities				
- Property, Plant and Equipment	-	-	-	-
- Intangible assets	(2.145)	(6.256)	(2.147)	(6.258)
- Loan expenses	-	-	-	-
- against liabilities	(26)	(25)	-	(23)
Gross deferred tax liabilities	(441)	(53)	(439)	(52)
Deferred tax assets	(441)	(53)	(439)	(52)
- Property, Plant and Equipment	635	(77)	639	(77)
- Retirement benefit compensation	(220)	(209)	(271)	(155)
- Right-of-use and lease liabilities	234	28	234	35
- Provisions	(37)	-	(37)	-
- of deferred discounted interest for next fin. year	(2.160)	-	(2.160)	-
- of tax loss	3	5	9	-
Deferred income tax expense/ (gain) in Income Statement	(4.157)	(6.587)	(4.172)	(6.530)
Amounts charged directly to OCI				
Actuarial (gains)/losses	100	59	97	57

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	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Sales				
Duty free retail sales	38.138	152.601	38.138	152.601
Duty paid retail sales	42.409	138.153	39.476	128.630
Wholesale	6.179	7.497	1.950	3.068
Total	86.726	298.251	79.564	284.299

19. Cost of Goods Sold

(Amounts in € '000)	GROUP		COMPANY	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Cost of Goods Sold				
Cost of goods sold	(45.426)	(138.005)	(40.491)	(129.122)
Goods valuation differences	879	(1.039)	961	(910)
Transportation expenses & fees	(255)	(250)	(248)	(198)
Total	(44.802)	(139.294)	(39.778)	(130.230)

20. Leases

(Amounts in € '000)	GROUP		COMPANY	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Leases	15.570	(14.181)	15.495	(13.330)
Total	15.570	(14.181)	15.495	(13.330)

Within 2020 the Company agreed and was exempted from MAGs in the basic lease agreements. Given that such agreements about MAG enter the books as lease expenses as per IFRS 16, and are included in the "impairments" in the Financial Statements, such exemptions were entered as income under "leases". The relevant total amount of the MAG exemption amounted to € 25.3 mil.

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 01.01.2020	98.699	3.118	613	-	102.430	24.654	77.776
Additions/modifications	2.805	213	-	495	3.513		
Withdrawals	-	-	-	-	-		
Impairments	-	-	-	-	-		
Financial cost	1.583	50	9	7	1.649		
Adjustments of MAG exemptions due to Covid-19	(17.725)	(323)	-	-	(18.048)		
Repayments	(9.338)	(645)	(209)	(86)	(10.278)		
Balance as at 31.12.2020	76.024	2.413	413	416	79.266	25.483	53.783

Company						Short-term lease	Long-term lease
Stores	Buildings & facilities	Vehicles	Other	Total			
Opening balance as at 01.01.2020	98.124	2.577	577	-	101.278	24.112	77.166
Additions/modifications	2.627	213	-	495	3.335		
Withdrawals	-	-	-	-	-		
Impairments	-	-	-	-	-		
Financial cost	1.578	41	8	7	1.634		
Adjustments of MAG exemptions due to Covid-19	(17.376)	(287)	-	-	(17.663)		
Repayments	(9.232)	(573)	(197)	(86)	(10.088)		
Balance as at 31.12.2020	75.721	1.971	388	416	78.496	25.085	53.411

21. Staff expenses

(Amounts in '000)	GROUP		COMPANY	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Employee costs	15.766	30.083	12.611	25.887
Salaries	3.287	6.860	2.807	5.969
Employees insurance contributions	1.289	602	952	503
Employee benefits and expenses	1.058	1.209	1.027	1.180
Total	21.400	38.754	17.397	33.539

22. General expenses

(Amounts in '000)	GROUP		COMPANY	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
General expenses				
Repairs, maintenance and building facilities	1.861	2.485	1.808	2.400
Electronic equipment costs	1.997	369	1.983	359
Building and warehouse rents	-	2	-	-
Legal and consulting services fees	989	1.201	937	1.117
Travel, motor car and public relations expenses	524	1.077	493	1.030
Bank expenses	148	170	145	133
Insurance	257	311	247	291
Other office expenses	845	1.095	826	1.046
Tax & duties	284	548	263	538
Commissions and advertising costs	367	1.710	344	1.603
Credit card commissions	338	1.028	329	997
Packaging materials	(10)	82	(19)	43
Other marketing expenses	163	659	161	644
Revenue from commissions	(43)	(400)	(43)	(391)
Other marketing revenue	(23)	(155)	(13)	(123)
Other extraordinary expenses	500	1.737	490	1.698
Other extraordinary revenue	(1.305)	(15)	(1.305)	(2)
Incidental revenue from services to third parties	-	(4)	-	(4)
Prior periods revenues	(257)	(163)	(253)	(74)
(Loss)/gains from impairment/sale of tangible assets	661	108	661	108
Transportation costs & fees	29	48	22	48
Receivables write-off	-	50	-	-
Total	7.325	11.943	7.076	11.461

Other Extraordinary Income includes the amount of €797ths from the reversal of extraordinary contingencies provisions; similarly for the amount of € 440 ths. regarding the recognition of the receivables from the customs authorities, as described in Note 14.

23. Depreciation

Depreciation is broken down as follows:

(Amounts in '000)	GROUP		COMPANY	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Depreciation				
Depreciation of tangible assets (Note 4)	6.704	6.396	6.638	6.295
Amortization of intangible assets (Note 5)	12.312	12.070	12.308	12.068
Depreciation of right-of-use assets (Note 6)	27.803	24.889	27.246	24.261
Total	46.819	43.355	46.192	42.624

24. Financial income and expenses

Financial income and expenses are analyzed as follows:

(Amounts in '000)	GROUP		COMPANY	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Financial income				
Interest on cash	91	101	87	90
Other interests	12	-	12	-
Total	103	101	99	90

(Amounts in '000)	GROUP		COMPANY	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Financial expenses				
Loan Interest and borrowing costs	(3.136)	(5.274)	(3.104)	(5.274)
Lease Interests -IFRS16 (Note 20)	(1.649)	(1.944)	(1.634)	(1.919)
Actuarial study financial costs (Note13)	(55)	(90)	(54)	(88)
Total	(4.840)	(7.308)	(4.792)	(7.281)

(Amounts in '000)	GROUP		COMPANY	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Other financial income/expense				
Other financial income	-	-	-	-
Foreign exchange rate differences - gains	14	32	14	19
Foreign exchange rate differences - losses	(42)	(212)	(17)	(213)
Total	(28)	(180)	(3)	(194)

25. Earnings per share

(Amounts in € '000)	GROUP		COMPANY	
	01.01 - 31.12.2020	01.01 - 31.12.2019	01.01 - 31.12.2020	01.01 - 31.12.2019
Earnings per share				
Net profit / loss for the period	(15.823)	42.739	(15.175)	41.851
Allocated to:				
Parent company shareholders	(15.823)	42.739	(15.175)	41.851
Minority interests	-	-	-	-
Weighted average number of shares	7.951	7.951	7.951	7.951
Total	(1,99)	5,38	(1,91)	5,26

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 subsidiary.

Transactions between parent company and subsidiaries		
(Amounts in '000)	01.01 - 31.12.2020	01.01 - 31.12.2019
Sales of goods	690	2.699
- HELLENIC DISTRIBUTIONS S.A.	690	2.752
- HDFS SKOPJE DOO	-	-53
Sales of services	-	-
Leases - Other	9	47
- HELLENIC DISTRIBUTIONS S.A.	9	47
Purchase of goods	48	429
- HELLENIC DISTRIBUTIONS S.A.	48	429
Services rendered – other expenses	-	126
- HELLENIC DISTRIBUTIONS S.A.	-	126

Transactions between parent company and other related parties		
(Amounts in '000)	01.01 - 31.12.2020	01.01 - 31.12.2019
Sales of goods	211	211
- Dufry International AG	139	211
- WDFG UK LTD	72	-
Sales of services – other income	1	45
- Dufry International AG	-	44
- Dufry Hellas EPE	1	1
Purchase of goods	12.646	45.623
- Dufry International AG	12.646	45.623
Services rendered – other expenses	3.914	5.732
- Dufry International AG	3.914	5.732
Group transactions with other related parties		
(Amounts in '000)	01.01 - 31.12.2020	01.01 - 31.12.2019
Sale of goods	211	211
- Dufry International AG	139	211
- WDFG UK LTD	72	-
Sale of services – other income	1	45
- Dufry International AG	-	44
- Dufry Hellas EPE	1	1
Purchase of goods	12.784	45.623
- Dufry International AG	12.784	45.623
Services rendered – other expenses	3.914	5.732
- Dufry International AG	3.914	5.732
Closing balances		
	31.12.2020	31.12.2019
Parent company		
From subsidiaries		
Receivables	189	159
- HDFS SKOPJE DOO	189	159
Liabilities	9	130
- HELLENIC DISTRIBUTIONS S.A.	9	130
From other related parties		
Receivables	215	646
- Dufry International AG	139	643
- WDFG UK LTD	72	-
- Dufry Hellas EPE	4	3
Liabilities	52.888	82.408
- Dufry International AG	52.888	82.408
	8	
Group		
From other related parties		
Receivables	215	646
- Dufry International AG	139	643
- WDFG UK LTD	72	-
- Dufry Hellas EPE	4	3
Liabilities	53.026	82.408
- Dufry International AG	53.026	82.408
	6	

Management fees for the years 2020 and 2019 amounted to: for the Group: € 6.340 ths and for the company: 5.778 ths ; for the Company: € 6.148ths and € 5.485 mil., respectively.

27. Contingent liabilities and liens

Both the Group and the Company have assigned letters of guarantee of 11,9 € mil. and 8,7€ mil. respectively, to third parties to ensure for any contingent liabilities against them which are not reflected in the consolidated balance sheet. These are primarily letters of guarantee to customs offices to secure the excise duty and to lessors of premises where the Group operates its shops.

There are no mortgages or mortgage liens or other encumbrances registered in respect of the assets to cover loans.

28. Number of staff employed

Active	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Permanent Staff	453	1.110	339	975
Seasonal Staff	1	134	-	131
Total	454	1.244	339	1.106

In suspension	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Permanent Staff	689	-	689	-
Seasonal Staff	11	-	11	-
Total	700	-	700	-
Total	1.154	1.244	1.039	1.106

29. Market risk

i) Interest rate risk:

This risk arises from the loan that HDFS has received from the parent company DUFY and specifically from the fact that this agreement is expressed in terms of a floating interest rate which is 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 stemmed from interest rate fluctuations since financial risks as specifically expressed in terms of interest rate changes are centrally managed centrally by the DUFY Group's Cash Management Division DUFY.

i) Exchange rate risk:

The risk stems from the fact that consumer behavior is affected by revaluations and devaluations of the home country currency against Euro. The largest volume of goods purchases is paid in euros and, consequently, the Company does not run a significant risk of exchange rate fluctuations. Commercial divisions take into account the risk of changes in exchange rates when determining the retail prices of goods.

i) Price - inflation risk:

According to management, the Group does not run any risk of price fluctuations since it does not hold a significant securities portfolio and the prices its tradable products do not remarkably fluctuate. The rise in inflationary pressures internationally, coupled with the disruption of the international financial system, may modify consumer habits thereby affecting the Group's sales and profits.

30. Risk management objectives and policies

The main financial liabilities of the Group and the Company as at December 31, 2020 and 2020 consist of liabilities to suppliers, short-term loans and liabilities against other parties. The Company's trade and other receivables as well as cash and cash equivalents are directly derived from its activities.

30.1 Credit risk

This is the risk derived from the fact that the counterparty may breach the contractual obligations. The Group does not run any major credit risk since 93% of its turnover concern retail sales while marketing revenues (3,8% of turnover) come from customers who are also suppliers. In terms of dealing with credit risk from wholesales, the group makes most of such sales to selected customers.

In general, the company does not require any additional or other guarantees for the obligations to the customers. Earnings for the year ended on 31 December 2020 include income originating from important customers with a total income rate of:

<u>Customer</u>	<u>2020</u>
A	10%

30.2 Inventory risk

This risk arises from retaining obsolete inventory and, subsequently, being unable to sell it off or selling such inventory at a price below the actual value. The Group has valued its old inventory at net realizable value as assessed in line with the DUFYR Group's international policy and actual market data. Management consider that this valuation method (essentially forecasts about inventory valuation), fully deals with the 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 lock downs and closing down businesses deemed "unnecessary" 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 the Group's sales. As a result, the Group's revenues decreased in 2020 compared to the same period in 2019 by approximately 70% περίπου. In response to the COVID-19 pandemic, the Group 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.

Regarding the financial data of the Dufry Group, of which the Company is a 100% subsidiary, in March 2021 the consolidated financial statements for the year ended 31 December 2020 were published, and the relevant auditors' audit report included a substantial uncertainty regarding the continuation of the business activity due to conditions arising from the pandemic. The management estimates that the financial position of the parent company will not affect the operation of the Company locally on the basis that both its loan agreements with financial institutions and its commercial agreements with third parties do not in any way include the parent company, while in cases of weakness or delays in product deliveries it can address directly either the Greek market or the foreign companies.

The quantitative and qualitative effects of the phenomenon on the operation of the Group and the Company as well as the actions taken, can be summarized as follows:

1. Reduction of the Group's sales in the year 1/1 / 2020-31 / 12/2020 by 70%. compared to the previous year and a 6% decrease in gross profit margin for the same period mainly due to the change in the composition of the goods sold.

2. Increase of the Group's cash and cash equivalents in the year 1/1 / 2020-31 / 12/2020 by € 36 million compared to the previous year from the issuance of two bond loans amounting to € 40 million and € 30 million, respectively, with the start of repayments for the € 40 million bond loan starting after 18 months and for the second € 30 million after 12 months. More precisely, the Company issued two five-year bond loans in July 2020 amounting to € 30 million and € 40 million respectively from Greek financial institutions with the guarantee of the COVID-19 Credit Guarantee Fund of the Hellenic Development Bank "EAT" established in accordance with Ministerial Decision 2500/6/2020 and is co-financed by the European Regional Development Fund and the Greek state, and with the contribution of the Operational Program Competitiveness, Entrepreneurship and Innovation (EPANEK)). The repayment of the loans starts in July 2021 with an amount of € 4.2 million, while in total the remaining amounts are payable within five years with predetermined installments. The flows from this financing gave the company sufficient working capital to cover its operating needs.
3. Amendment of loan liabilities to the parent company by transferring a repayment liability of € 35 million in 2021 and € 10 million in 2022.
4. As at 31 December 2020, the Group has a working capital surplus of € 12.7 million while the Company has a surplus of € 1.8 million.
5. As at 31 December 2020, the Group and the Company have cash and cash equivalents of € 58.6 million and € 49.1 million respectively, amounts sufficient to cover 62% and 54% of current liabilities respectively.
6. Profits before interest and depreciation taxes (Fixed and Intangibles excluding right-of-use assets) amounted to € 3.5 million, indicating that even in a difficult year the Company was able to maintain a profitability.
7. Reduction of the Group's operating expenses for the year 1/1 / 2020-31 / 12/2020 by € 22 million compared to the previous year and specifically reduction of the salary costs by € 17.3 million, and other expenses by € 4.5 million.
8. Reduction of lease payments by 69%, i.e. € 25.6 million.
9. The Group utilized in Greece the state support measures to deal with the consequences of the pandemic, whether they concerned wage costs and reduction of lease payments, or securing "freeze" agreements of payments to its main suppliers during the period of suspension of the operation of the Shops, and amended terms of payment for the period after the end of the suspension.
10. The availability of goods during the year 2020 was not significantly affected compared to the previous year.
11. The Group has implemented teleworking.

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

Regardless of the financial crisis and the liquidity limitations worldwide, the Group retains high liquidity due to the retail nature of the largest part of its sales, and seeks to further increase its liquidity by managing its inventories successfully and by retaining expenses.

The table below summarizes the maturity profile of financial liabilities as at 31 December 2020 and 2019, 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 31.12.20	Average interest rate	Less than 1 year	From 1 to 5 years	Over 5 years	total
Floating rate loans	2.2%	4.288	64.466		68.754
Fixed rate loans	3.5%	35.000	10.000		45.000
Suppliers, etc., interest-free liabilities		54.717			54.717
		94.005	74.466		168.471

Company					
Liquidity analysis (Amounts in € '000)					
As at 31.12.20	Average interest rate	Less than 1 year	From 1 to 5 years	Over 5 years	total
Floating rate loans	2.2%	4.288	64.466		68.754
Fixed rate loans	3.5%	35.000	10.000		45.000
Suppliers, etc., interest-free liabilities		54.717			54.717
		94.005	74.466		168.471

30.5 Capital management

The Group's capital management objective is to ensure the continuously smooth operation of its business activities and the achievement of the development plans combined with its creditworthiness. The Group monitors the Net Debt / EBITDA and Net Debt / Total Equity ratios for the purpose of capital management. Group net debt is defined as all interest-bearing loan obligations less total cash assets. The Group monitors the ratios in such a way that it ensures creditworthiness consistent with its growth strategy.

The ratios for the years ended on 31 December 2020 and 2019, respectively, were as follows:

(Amounts in '000)		GROUP		COMPANY	
Leverage ratio		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Total borrowings		113.754	65.000	113.754	65.000
Less: Cash & cash equivalents		58.665	22.623	49.067	14.847
Net debt		55.089	42.377	64.687	50.153
Earnings before interest, tax, depreciation and amortization (EBITDA)		32.227	103.429	31.983	101.439
Equity		482.024	497.847	476.545	491.720
Net Debt / EBITDA		1,71	0,41	2,02	0,49
Net Debt / Equity		0,11	0,09	0,14	0,10

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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Customers and other trade receivables	2.407	3.818	926	924
Other receivables	22.688	17.389	21.833	15.611
Short-term loan liabilities	-	-	-	-
Suppliers and other liabilities	12.581	31.619	11.217	30.390
Long-term liabilities payable next year	39.288	65.000	39.288	65.000

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 2020								
	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	58.665	-	-	58.665	49.067	-	-	49.067
Total	58.665	-	-	58.665	49.067	-	-	49.067
Financial liabilities								
<i>Financial liabilities at amortized cost:</i>								
Borrowings	113.754	-	-	113.754	113.754	-	-	113.754
Total	113.754	-	-	113.754	113.754	-	-	113.754

31. Events occurring after the end of the reporting period

There have been no other events subsequent to financial statements relating to either the Group or the Company, with a specific reference to which being required according to International Financial Reporting Standards.

CHAIRMAN OF THE BOARD
GEORGIOS VELENTZAS
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THE GENERAL MANAGER
ALBERTO IGLESIAS
PASS No: AAI 335772

THE ALT. GENERAL MANAGER
PANTELIS VELENTZAS
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THE CFO
KOUμποURAS THOMAS
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THE FINANCE DIRECTOR
MANOS APOSTOLAKIS
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