



**"HELLENIC DUTY FREE SHOPS S.A. "**

**GENERAL COMMERCIAL REGISTER No.: 006287501000**

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

**23<sup>RD</sup> KM. ATHENS -LAMIA NATIONAL ROAD, AGIOS STEFANOS, ATTICA GR-145 65**

**Annual Financial Statements  
for the fiscal year 1 January – 31 December 2019  
prepared in accordance with the International Financial Reporting  
Standards (IFRS)**

**It is hereby confirmed that the attached financial statements for the period 01.01.2019 - 31.12.2019 are those approved by the Company's Board of Directors on 27.04.2020 and they have been published by posting then on the internet at [www.shopdutyfree.com](http://www.shopdutyfree.com).**

## **Contents**

<b>I.</b>	<b>Annual Report of the Board of Directors for the year 01.01.2019 – 31.12.2019 .....</b>	<b>5</b>
<b>II.</b>	<b>Audit Report prepared by Independent Certified Public Accountant .....</b>	<b>12</b>
<b>III.</b>	<b>Annual Financial Statements .....</b>	<b>15</b>
<b>1.</b>	<b>Statement of Financial Position (Consolidated and Separate) .....</b>	<b>15</b>
<b>2.</b>	<b>Statement of Comprehensive Income (Consolidated and Separate).....</b>	<b>16</b>
<b>3</b>	<b>Statement of Changes in Equity (Consolidated and Separate).....</b>	<b>17</b>
<b>3.1</b>	<b>Statement of Changes in Equity (Consolidated) .....</b>	<b>17</b>
<b>3.2</b>	<b>Statement of Changes in Equity (Separate) .....</b>	<b>18</b>
<b>4</b>	<b>Statement of Cash Flows (Consolidated and Separate) .....</b>	<b>19</b>
<b>IV.</b>	<b>Notes to the Annual Financial Statements.....</b>	<b>20</b>
<b>1.</b>	<b>General Information.....</b>	<b>20</b>
<b>1.1</b>	<b>Major events of the closing fiscal year .....</b>	<b>20</b>
<b>1.2</b>	<b>Group Structure.....</b>	<b>20</b>
<b>2.</b>	<b>Important accounting policies used by the Group.....</b>	<b>20</b>
<b>2.1</b>	<b>Basis of preparation of the Financial Statements .....</b>	<b>20</b>
<b>2.2</b>	<b>New Standards &amp; Interpretations .....</b>	<b>21</b>
<b>2.3</b>	<b>Consolidation.....</b>	<b>26</b>
<b>2.3.1</b>	<b>Subsidiaries.....</b>	<b>26</b>
<b>2.3.2</b>	<b>Foreign exchange currency conversion.....</b>	<b>26</b>
<b>2.4</b>	<b>Summary of main accounting policies .....</b>	<b>26</b>
<b>2.4.1</b>	<b>Business combinations and goodwill.....</b>	<b>26</b>
<b>2.4.2</b>	<b>Participation in associates .....</b>	<b>27</b>
<b>2.4.3</b>	<b>Property, plant and equipment.....</b>	<b>28</b>
<b>2.4.4</b>	<b>Intangible assets .....</b>	<b>29</b>
<b>2.4.4.1</b>	<b>Trademarks and licences.....</b>	<b>29</b>
<b>2.4.5</b>	<b>Other intangible assets .....</b>	<b>29</b>
<b>2.4.6</b>	<b>Goodwill.....</b>	<b>29</b>
<b>2.4.7</b>	<b>Non-financial asset impairment.....</b>	<b>29</b>
<b>2.5</b>	<b>Financial Assets.....</b>	<b>29</b>
<b>2.5.1</b>	<b>Initial recognition and measurement .....</b>	<b>29</b>
<b>2.5.2</b>	<b>Subsequent measurement.....</b>	<b>29</b>
<b>2.5.3</b>	<b>Derecognition .....</b>	<b>30</b>
<b>2.5.4</b>	<b>Reclassification.....</b>	<b>30</b>
<b>2.5.5</b>	<b>Impairment.....</b>	<b>30</b>
<b>2.6</b>	<b>Financial Liabilities .....</b>	<b>31</b>
<b>2.6.1</b>	<b>Initial recognition.....</b>	<b>31</b>
<b>2.6.2</b>	<b>Subsequent measurement.....</b>	<b>31</b>

2.6.3	Derecognition .....	31
2.6.4	Offsetting of financial assets with financial liabilities .....	31
2.7	Inventories .....	32
2.8	Loans, trade and other receivables .....	32
2.9	Cash and cash equivalents .....	32
2.10	Share capital.....	32
2.11	Income tax .....	32
2.11.1	Current income tax.....	32
2.11.2	Deferred income tax.....	33
2.12	Pension and short-term employee benefits.....	33
2.12.1	Short-term benefits .....	33
2.12.2	Post-employment benefits .....	33
2.12.2.1	Defined contribution plans.....	33
2.12.2.2	Defined benefit plans – Defined benefit obligations .....	33
2.13	Other provisions.....	34
2.14	Contingent liabilities.....	34
2.15	Contingent assets.....	35
2.16	Leases – IAS 17 applicable up to 31 December 2018.....	35
2.16.1	A company in the Group as lessee.....	35
2.16.1.1	Finance leases .....	35
2.16.1.2	Operating leases .....	35
2.16.2	A company in the Group as lessor.....	35
2.16.2.1	Operating leases .....	35
2.17	Revenue recognition .....	36
2.18	Reclassifications .....	36
2.19	Critical accounting estimates, assumptions and judgements.....	38
3.	Segmental Reporting .....	39
4.	Property, plant and equipment (Consolidated and Separate).....	40
5.	Intangible assets (Consolidated and Separate) .....	43
6.	Right-of-use assets.....	44
7.	Other long-term receivables .....	45
8.	Inventories .....	46
9.	Trade receivables and other current assets .....	47
10.	Cash and cash equivalents .....	49
11.	Equity attributable to Group – Company shareholders .....	49
12.	Borrowings .....	49
13.	Staff retirement liabilities .....	49
14.	Other long-term provisions.....	50

15.	Trade and other liabilities.....	52
16.	Income tax .....	52
17.	Deferred income tax.....	53
18.	Sales.....	54
19.	Cost of Goods Sold.....	56
20.	Leases .....	56
21.	Staff expenses .....	56
22.	General expenses.....	57
23.	Depreciation .....	57
24.	Financial income and expenses.....	57
25.	Earnings per share.....	58
26.	Transactions and balances with related parties.....	58
27.	Contingent liabilities and liens.....	59
28.	Number of staff employed.....	59
29.	Market risk.....	59
30.	Risk management objectives and policies.....	59
30.1	Credit risk.....	59
30.2	Inventory risk.....	59
30.3	COVID-19 spread risk.....	59
30.4	Liquidity risk.....	59
30.5	Capital management.....	60
30.6	Financial instruments .....	60
31.	Events occurring after the end of the reporting period .....	63

## **I. Annual Report of the Board of Directors for the year 01.01.2019 – 31.12.2019**

**To the Ordinary General Meeting of Shareholders on 30.06.2020**

**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 01.01.2019 to 31.12.2019 for approval. The Board would also like to report on events occurring during the year.

### **Major events of the closing financial year**

2019 was a prosperous financial year for the company since the consolidated turnover amounted to € 307.6 mil. compared to € 290.2 mil. in 2018 recording an increase of 6%. Consolidated sales in 2019 amounted to € 298.3 mil. compared to € 280.8 mil. in 2018 recording an increase of 6.2%.

Air passenger traffic amounted to 32.1 mil. passengers compared to 31.2 mil. passengers in 2018 recording an increase of 2.9% while there was also a significant increase in the number of customers of 4.5% reaching 7.3 mil. compared to 6.98 mil. in 2018. Sales of the "AIRPORTS" operating sector stood at € 195.8 mil. in 2019 recording an increase of 7.8% while the Group (including "HELLENIC DISTRIBUTIONS" S.A.) sales reached € 200.5 mil. recording an increase of 7.7%.

The normalization of the political crisis in Turkey as well as the refugee flows in the Greek islands had a positive impact in 2019 with regard to the passenger traffic and the performance of ports and border stations. Sales in the "PORTS" operating sector amounted to € 12.6 mil. in 2019 recording an increase of 27.4% (€ +3 mil.). Sales in the "BORDERS" operating sector amounted to € 71.9 mil. in 2019 recording an increase of 13.9% (€ +8.7 mil.).

### **A. Overview of the closing fiscal year 2019**

#### **Consolidated Results**

***Amounts in mil. €***

	<b>1/1-31/12/2019</b>	<b>1/1-31/12/2018</b>
Sales	298	281
EBIT	60	53
EBT	53	45
Earnings net of tax and minority interests	43	41

#### **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 31.12.19**

<b>01.01 - 31.12.2019</b>	<b>AIRPORTS</b>	<b>PORTS</b>	<b>BORDERS</b>	<b>WHOLESALE</b>	<b>OTHER</b>	<b>GROUP</b>
<b>Sales</b>	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
<b>Turnover</b>	<b>210.263</b>	<b>12.699</b>	<b>77.516</b>	<b>6.154</b>	<b>969</b>	<b>307.601</b>
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
<b>Gross profit</b>	<b>112.925</b>	<b>7.143</b>	<b>45.609</b>	<b>1.712</b>	<b>918</b>	<b>168.307</b>
Depreciation	(28.821)	(624)	(1.345)	(100)	(12.465)	(43.355)
<b>Earnings before interest and tax (EBIT)</b>	<b>46.187</b>	<b>3.469</b>	<b>32.644</b>	<b>642</b>	<b>(22.868)</b>	<b>60.074</b>
Financial Income	-	-	-	5	96	101
Financial Expenses	(1.846)	(76)	(8)	(7)	(5.371)	(7.308)
Other Financial Results	(6)	1	-	(181)	6	(180)
<b>Earnings before tax (EBT)</b>	<b>44.335</b>	<b>3.394</b>	<b>32.636</b>	<b>459</b>	<b>(28.137)</b>	<b>52.687</b>

### **BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS AT 31.12.18**

<b>01.01 - 31.12.2018</b>	<b>AIRPORTS</b>	<b>PORTS</b>	<b>BORDERS</b>	<b>WHOLESALE</b>	<b>OTHER</b>	<b>GROUP</b>
<b>Sales</b>	186.571	9.920	76.255	10.682	517	283.945
Intra-group Sales	-	-	-	(3.119)	-	(3.119)
Marketing Revenues	8.518	89	716	32	1	9.356
<b>Turnover</b>	<b>195.089</b>	<b>10.009</b>	<b>76.971</b>	<b>7.595</b>	<b>518</b>	<b>290.182</b>
Cost of Goods Sold	(86.188)	(4.309)	(32.085)	(8.975)	(167)	(131.724)
Intra-group Cost of Goods Sold	-	-	-	3.154	-	3.154
<b>Gross profit</b>	<b>108.901</b>	<b>5.700</b>	<b>44.886</b>	<b>1.774</b>	<b>351</b>	<b>161.612</b>
Depreciation	(3.234)	(424)	(1.404)	(34)	(12.269)	(17.365)
<b>Earnings before interest and tax (EBIT)</b>	<b>43.584</b>	<b>2.322</b>	<b>30.541</b>	<b>333</b>	<b>(24.241)</b>	<b>52.539</b>
Financial Income	17	-	-	-	49	66
Financial Expenses	(2)	-	-	-	(7.231)	(7.233)
Other Financial Results	10	1	-	(27)	7	(9)
<b>Earnings before tax (EBT)</b>	<b>43.609</b>	<b>2.323</b>	<b>30.541</b>	<b>306</b>	<b>(31.416)</b>	<b>45.363</b>

In the comparative data of 2018, reclassifications have been made for comparability reasons.

## - Group financial position data and ratios

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

GROUP					
Liquidity		31.12.2019		31.12.2018	
Current	Current Assets	79.240	0.57	70.344	0.45
	Current Liabilities	139.793		155.196	
Quick	(Current Assets - Inventory)	43.830	0.31	32.932	0.21
	Current Liabilities	139.793		155.196	
Cash and cash equivalents	(Cash + cash equivalents)	22.623	16.2%	10.248	6.6%
	Current Liabilities	139.793		155.196	
Adjusted Working Capital	(Receivables + Inventory)	56.617	6.478	60.096	21.712
	(Suppliers + other current liabilities)	50.139		38.384	
Activity ratios					
Current assets turnover ratio	Net Sales	298.251	3.76	280.826	3.99
	Current Assets	79.240		70.344	
Inventory turnover ratio	Cost of goods sold	139.294	3.83	128.570	3.28
	Average inventory	36.411		39.154	
Inventory days	Average inventory	36.411	95	39.154	111
	Cost of goods sold	139.294		128.570	
Financial Leverage Ratios					
Debt to Equity ratio	Total Debt	65.000	0.13	116.812	0.26
	Total Equity	497.847		455.108	
Profitability Ratios					
Gross Profit	Gross Profit	168.307	56.43%	161.612	57.55%
	Sales	298.251		280.826	
Return on Assets	Net Profits	42.926	5.48%	40.625	5.93%
	Total Assets	783.961		684.906	
Return on Equity	Net Profits	42.926	8.62%	40.625	8.93%
	Total Equity	497.847		455.108	

## **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 presented for the year 2020 extremely favorable prospects before the outbreak of the COVID-19 epidemic. The impact and consequences of the epidemic are described in paragraph B of this report and will be examined in detail at a later stage.

In addition, Group and Company borrowing is entirely related to the outside Greece parent entity, DUFY, and Group as well as Company operations in Greece depend significantly on foreign suppliers. 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.

Cash and cash equivalents are also considered assets with high credit risk since the current macroeconomic conditions in Greece exert significant pressure on domestic banks.

### **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**



The Group is closely monitoring the latest updates regarding the spread of coronavirus in order to adapt to the specific conditions that arise solely to address and limit the spread of COVID-19 disease. It complies with the official instructions of the competent authorities for the suspension of the operation of its physical stores in the countries in which it operates. It is in compliance with the applicable law and ready to continue its commercial operations in physical stores according to the instructions. Recent updates have significantly affected the operation of the Company. As this phenomenon is in full swing, its quantitative and qualitative effects on the operation of the Group and the Company are under evaluation and will be presented in the Interim Financial Statements of the Dufry Group, where the entity's results are consolidated, as well as the Annual Financial Statements of the year ended in December 2020.

## **C. Labor and Environmental Issues**

### **Diversification and equal opportunities policy**

The core value of both the DUFY Group and the HDFSA is respect for humans. HDFSA 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 2020 seem problematic, since there is a series of imponderable and difficult-to-predict factors that can reverse the initial forecasts.

An important role for the course of Greek tourism in the summer period of 2020 will play:

- The effect of the coronavirus epidemic
- The crisis in Turkey and the increase in refugee flows
- The economic and political situation in Greece
- Exchange rates (Ruble, Sterlina, Turkish Lira)

- The impact of Thomas Cook's bankruptcy

For 2020, the Company is proceeding with the completion of the renovation and reorganization projects in existing stores (AIA – Reorganization Extra Schengen, airports of Thessaloniki, Corfu, Mykonos, Samos, Mytilene and Kefalonia). These investments are estimated to amount to a total of € 16.4 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 2019.

In this context, the Group and the Company will make, as always, every effort to achieve the economic targets for 2020.

#### **D. Subsequent Events**

From the end of the closing fiscal year until the date of the Financial Statements signed, no other events have occurred that have a significant impact on the Financial Statements of the fiscal year ended and should be referred to apart from the outbreak of Coronavirus disease or COVID-19.

With the recent and rapid development of Coronavirus disease (COVID-19), the global economy has entered a period of unprecedented crisis, which has already caused significant global upheaval in business and everyday life.

Many countries have adopted emergency and costly restriction measures. Some countries have required companies to limit or even suspend their usual business operations. Governments, including the Hellenic Republic, have imposed restrictions on traffic and travel as well as strict quarantine measures.

Industries such as retail, tourism, hospitality or entertainment are expected to be directly affected by these measures. Other industries such as construction and financial services are expected to be indirectly affected with their results to be negatively affected as well.

The economic impact of the current crisis on the global economy and overall business activity cannot be assessed with reasonable certainty at this stage due to the rate of outbreak expansion and the high level of uncertainty resulting from the inability to reliably predict the outcome. The incident is regarded as a non-adjusting event and, therefore, it is not reflected in the recognition and measurement of assets and liabilities in the financial statements for the year ended 31 December 2019.

On March 11, the World Health Organization (WHO) declared the Coronavirus disease (COVID-19) pandemic and consequently the Greek government announced the implementation of measures taking into account the uncertain situation as it evolves daily, the growing spread of COVID-19 and data from the World Health Organization on the situation. Since March 20, measures have been gradually taken to safeguard public health and ensure the economic survival of employees, businesses, vulnerable groups and the economy in general. The measures include, among others:

- suspension of operation in a significant number of private companies for a specific period,
- prohibition of all unnecessary travel (excluding certain cases such as those relating to work, the purchase of basic supplies, doctor appointments and transition to a pharmacy),
- prohibition of access to parks, playgrounds, outdoor sports areas, squares, dams, excursion sites, marinas and beaches etc.

The above measures, based on current data, are to apply until April 27, 2020. The aim of these public policy measures is to reduce the spread of COVID-19 and is not expected to lead to a disruption of the Company's operation, except for the effects on the most recent revenue estimates, which, however, are not expected to create liquidity scarcity for the Company. In this context, the Company's Management has examined the special conditions that could have a significant impact on its business activities and the risks to which it is exposed as follows:

- Health and staff availability. The spread of COVID-19 in the workplace can cause delays in the daily operation of the Company and additional costs. The guidelines for hygiene (staff and buildings), remote working (work from home) and other tools were approved immediately, as deemed appropriate. The Company's response plan includes the immediate preparation of a strategy on a case-by-case basis, the creation of virtual meetings or video calls, and the prioritization of issues to the highest levels of management.
- Sufficiency of critical supplies for the Company's operation and purchase of inventory for the smooth operation when it becomes possible.
- Disruptions and restrictions on transportation as a result of government measures. Depending on the duration of the effects caused by the virus, the Company's financial performance will be affected by the reduced number of travelers to airports, ports and border stations, thus reducing its revenues and cash flows. At the date of the financial statements' preparation, the loss of revenue cannot be quantified given the evolution of the effects of COVID-19 and the possible increase in the duration of the Greek Government's restriction measures.

The Company is in the process of evaluating its cash flows using revised assumptions and incorporating negative scenarios into the assessment of real and potential financing needs. In this context, an analysis was carried out for additional liquidity needs and no risks were identified that are not manageable and in addition there are no effects on financial contractual terms. The Management is already assessing and, where possible, it is implementing measures, particularly regarding the review, in terms of implementation time, of certain investments and the adjustment of maintenance costs in the existing stores.

Scenarios elaborated by the Company's and the Group's Management include, among other things, the operation of most of its stores with security staff, operating costs cutting by suspending employment contracts as already happened, state subsidies and outcomes from negotiations on the airport leases. Additionally, the Group is in communication with its main suppliers to reach agreements for the transfer of payments to them in order to ensure its liquidity in the near future. Regarding the product supply, based on the assertions of the suppliers and mainly those of the DUFY Group companies, it is mentioned that there is adequacy in all the markets where the company develops activity.

Based on the scenarios elaborated, the decline in sales and gross profit margin for 2020 is expected to range between 60% and 65%, whereas in any case no significant problems are expected regarding the ability of the Company (and the Group) to meet its short-term obligations, taking into account that it has the financial support of the DUFY Group for the existing intra-group liabilities. Detailed data on the effects will be presented in the Interim Financial Statements of the DUFY Group where the results of the Group companies are consolidated as well as the annual financial statements of the fiscal year that will end on December 31, 2020.

The Company's Management will continue to monitor and assess closely the situation in order to seek additional measures and facilities as a backup plan in the event that the period of disruption is extended.

In conclusion, all of the above were examined in the assessment of the effects of COVID-19 on the activity of 2020 for which there is an inherent uncertainty given the current events and circumstances on the date the financial statements were prepared. Despite the fact that repercussions and declining revenues are expected due to the pandemic, the Company's Management expects that there is no uncertainty about continuing its activity (going concern), which is the main hypothesis used for the preparation of the financial statements.

The Chief Executive Officer

Georgios Velentzas

## **II. Audit Report prepared by Independent Certified Public Accountant**

### **THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK**

To the Shareholders of HELLENIC DUTY FREE SHOPS SINGLE MEMBER S.A.

#### **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 S.A. (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2019, 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 S.A. and its subsidiaries (the Group) as at December 31, 2019 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 31 on the financial statements, which describes the risks and uncertainties arising from the COVID-19 pandemic, as well as the company's estimates and plans for addressing these uncertainties. Our opinion is not modified in respect of 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 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, 2019.

- b) Based on the knowledge and understanding concerning HELLENIC DUTY FREE SHOPS Single member S.A. 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, 7 May 2020  
The Certified Auditor Accountant  
Costas Tsekas  
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)

(Amounts in € '000)	Notes	GROUP		COMPANY	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
<b>Assets</b>					
<b>Non-current assets</b>					
Property, Plant and Equipment	4	38.348	36.593	38.100	36.312
Intangible assets	5	338.481	350.417	338.470	350.417
Right-of-use assets	6	101.780	-	100.642	-
Goodwill	5	181.100	181.100	181.100	181.100
Investments in subsidiaries		-	-	6.296	6.296
Other long-term assets	7	45.012	46.452	44.272	45.629
<b>Total non-current assets</b>		<b>704.721</b>	<b>614.562</b>	<b>708.880</b>	<b>619.754</b>
<b>Current assets</b>					
Inventories	8	35.410	37.412	33.575	35.376
Customers & other trade receivables	9	3.818	3.354	924	697
Other receivables	9	17.389	19.330	15.611	17.502
Cash and cash equivalents	10	22.623	10.248	14.847	4.538
<b>Total current assets</b>		<b>79.240</b>	<b>70.344</b>	<b>64.957</b>	<b>58.113</b>
<b>Total assets</b>		<b>783.961</b>	<b>684.906</b>	<b>773.837</b>	<b>677.867</b>
<b>Equity &amp; Liabilities</b>					
<b>Equity</b>					
Share Capital		397.535	397.535	397.535	397.535
Other Reserves		9.400	7.441	9.101	7.180
Retained Earnings		90.912	50.132	85.084	45.154
<b>Equity attributed to parent company shareholders</b>		<b>497.847</b>	<b>455.108</b>	<b>491.720</b>	<b>449.869</b>
<b>Non-controlling interests</b>		-	-	-	-
<b>Equity</b>		<b>497.847</b>	<b>455.108</b>	<b>491.720</b>	<b>449.869</b>
<b>Long-term liabilities</b>					
Long term lease liabilities	20	77.776	-	77.166	-
Deferred tax liabilities		60.610	67.256	60.894	67.481
Staff termination liabilities	13	6.436	5.899	5.916	5.421
Other long-term liabilities	14	1.499	1.447	1.499	1.447
<b>Long-term liabilities</b>		<b>146.321</b>	<b>74.602</b>	<b>145.475</b>	<b>74.349</b>
<b>Short-term liabilities</b>					
Short-term loan liabilities	12	-	26.812	-	26.812
Short term lease liabilities	20	24.654	-	24.112	-
Suppliers and other liabilities	15	31.619	21.416	30.390	21.213
Current tax liabilities		-	28	-	-
Long-term liabilities payable next year	12	65.000	90.000	65.000	90.000
Other short-term liabilities	15	18.520	16.940	17.140	15.624
<b>Short-term liabilities</b>		<b>139.793</b>	<b>155.196</b>	<b>136.642</b>	<b>153.649</b>
<b>Total Liabilities</b>		<b>286.114</b>	<b>229.798</b>	<b>282.117</b>	<b>227.998</b>
<b>Equity &amp; Liabilities</b>		<b>783.961</b>	<b>684.906</b>	<b>773.837</b>	<b>677.867</b>

## 2. Statement of Comprehensive Income (Consolidated and Separate)

(Amounts in € '000)	Notes	GROUP		COMPANY	
		01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
Sales	18	298.251	280.826	284.299	267.650
Marketing revenues	3	9.350	9.356	5.700	5.551
<b>Turnover</b>		<b>307.601</b>	<b>290.182</b>	<b>289.999</b>	<b>273.201</b>
Cost of Goods Sold	19	(139.294)	(128.570)	(130.230)	(120.246)
<b>Gross profit</b>		<b>168.307</b>	<b>161.612</b>	<b>159.769</b>	<b>152.955</b>
Lease payments	20	(14.181)	(34.034)	(13.330)	(32.642)
Staff expenses	21	(38.754)	(37.725)	(33.539)	(32.783)
General expenses	22	(11.943)	(19.949)	(11.461)	(18.871)
Depreciation	23	(43.355)	(17.365)	(42.624)	(17.302)
<b>Earnings before interest and tax (EBIT)</b>		<b>60.074</b>	<b>52.539</b>	<b>58.815</b>	<b>51.357</b>
Financial income	24	101	66	90	54
Financial expense	24	(7.308)	(7.233)	(7.281)	(7.232)
Other financial results		(180)	(9)	(194)	(11)
<b>Earnings before tax (EBT)</b>		<b>52.687</b>	<b>45.363</b>	<b>51.430</b>	<b>44.168</b>
Income tax	16	(9.761)	(4.738)	(9.398)	(4.169)
<b>Earnings net of tax</b>		<b>42.926</b>	<b>40.625</b>	<b>42.032</b>	<b>39.999</b>
<b>Other comprehensive income / (loss) : Directly in Equity</b>					
Actuarial gains/(losses) in equity	13	(246)	61	(238)	38
Deferred income tax	17	59	(18)	57	(11)
<b>Other comprehensive income / (loss) after tax</b>		<b>(187)</b>	<b>43</b>	<b>(181)</b>	<b>27</b>
<b>Total comprehensive income net of tax</b>		<b>42.739</b>	<b>40.668</b>	<b>41.851</b>	<b>40.026</b>
<b>Consolidated comprehensive income attributable to:</b>					
Parent company shareholders		<b>42.739</b>	<b>40.668</b>	<b>41.851</b>	<b>40.026</b>
Non-controlling interests		-	-	-	-
<b>Total</b>		<b>42.739</b>	<b>40.668</b>	<b>41.851</b>	<b>40.026</b>
<b>Earnings per share</b>					
Basic and diluted (in €) :		<b>5,3753</b>	<b>5,1148</b>	<b>5,2636</b>	<b>5,0341</b>
<b>Weighted average number of shares</b>		<b>7.951</b>	<b>7.951</b>	<b>7.951</b>	<b>7.951</b>



### 3 Statement of Changes in Equity (Consolidated and Separate)

#### 3.1 Statement of Changes in Equity (Consolidated)

(Amounts in € '000)	Group							Total Equity
	Share Capital	Statutory reserves	Share capital issue expenses	Staff retirement compensation	Retained Earnings	Total equity attributable to company shareholders	Non-controlling Interests	
<b>Balance as at 1<sup>st</sup> January 2018</b>	<b>397.535</b>	<b>9.847</b>	<b>(4.039)</b>	<b>(442)</b>	<b>11.539</b>	<b>414.440</b>	-	<b>414.440</b>
Earnings net of tax	-	-	-	-	40.625	<b>40.625</b>	-	<b>40.625</b>
Actuarial gains/(losses) in Equity	-	-	-	61	-	<b>61</b>	-	<b>61</b>
Income tax relating to comprehensive income items	-	-	-	(18)	-	<b>(18)</b>	-	<b>(18)</b>
<b>Consolidated comprehensive income net of tax</b>	-	-	-	<b>43</b>	<b>40.625</b>	<b>40.668</b>	-	<b>40.668</b>
Transfer to Reserves	-	2.032	-	-	(2.032)	-	-	-
<b>Transactions with parent company shareholders</b>	-	<b>2.032</b>	-	-	<b>(2.032)</b>	-	-	-
<b>Balance as at 31<sup>st</sup> December 2018</b>	<b>397.535</b>	<b>11.879</b>	<b>(4.039)</b>	<b>(399)</b>	<b>50.132</b>	<b>455.108</b>	-	<b>455.108</b>
<b>Balance as at 1<sup>st</sup> January 2019</b>	<b>397.535</b>	<b>11.879</b>	<b>(4.039)</b>	<b>(399)</b>	<b>50.132</b>	<b>455.108</b>	-	<b>455.108</b>
Earnings net of tax	-	-	-	-	42.926	<b>42.926</b>	-	<b>42.926</b>
Actuarial gains/(losses) in Equity	-	-	-	(246)	-	<b>(246)</b>	-	<b>(246)</b>
Income tax relating to comprehensive income items	-	-	-	59	-	<b>59</b>	-	<b>59</b>
<b>Consolidated comprehensive income net of tax</b>	-	-	-	<b>(187)</b>	<b>42.926</b>	<b>42.739</b>	-	<b>42.739</b>
Transfer to Reserves	-	2.146	-	-	(2.146)	-	-	-
<b>Transactions with parent company shareholders</b>	-	<b>2.146</b>	-	-	<b>(2.146)</b>	-	-	-
<b>Balance as at 31<sup>st</sup> December 2019</b>	<b>397.535</b>	<b>14.025</b>	<b>(4.039)</b>	<b>(586)</b>	<b>90.912</b>	<b>497.847</b>	-	<b>497.847</b>

### 3.2 Statement of Changes in Equity (Separate)

(Amounts in € '000)	Company							
	Share Capital	Statutory reserves	Share capital issue expenses	Staff retirement compensation	Retained Earnings	Total equity attributable to company shareholders	Non-controlling interests	Total Equity
<b>Balance as at 1<sup>st</sup> January 2018</b>	<b>397.535</b>	<b>9.564</b>	<b>(3.977)</b>	<b>(436)</b>	<b>7.157</b>	<b>409.843</b>	<b>-</b>	<b>409.843</b>
Earnings net of tax	-	-	-	-	39.999	<b>39.999</b>	-	<b>39.999</b>
Actuarial gains/(losses) in Equity	-	-	-	38	-	<b>38</b>	-	<b>38</b>
Income tax relating to comprehensive income items	-	-	-	(11)	-	<b>(11)</b>	-	<b>(11)</b>
<b>Consolidated comprehensive income net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>39.999</b>	<b>40.026</b>	<b>-</b>	<b>40.026</b>
Transfer to Reserves	-	2.002	-	-	(2.002)	-	-	-
<b>Transactions with parent company shareholders</b>	<b>-</b>	<b>2.002</b>	<b>-</b>	<b>-</b>	<b>(2.002)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31<sup>st</sup> December 2018</b>	<b>397.535</b>	<b>11.566</b>	<b>(3.977)</b>	<b>(409)</b>	<b>45.154</b>	<b>449.869</b>	<b>-</b>	<b>449.869</b>
<b>Balance as at 1<sup>st</sup> January 2019</b>	<b>397.535</b>	<b>11.566</b>	<b>(3.977)</b>	<b>(409)</b>	<b>45.154</b>	<b>449.869</b>	<b>-</b>	<b>449.869</b>
Earnings net of tax	-	-	-	-	42.032	<b>42.032</b>	-	<b>42.032</b>
Actuarial gains/(losses) in Equity	-	-	-	(238)	-	<b>(238)</b>	-	<b>(238)</b>
Income tax relating to comprehensive income items	-	-	-	57	-	<b>57</b>	-	<b>57</b>
<b>Consolidated comprehensive income net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(181)</b>	<b>42.032</b>	<b>41.851</b>	<b>-</b>	<b>41.851</b>
Transfer to Reserves	-	2.102	-	-	(2.102)	-	-	-
<b>Transactions with parent company shareholders</b>	<b>-</b>	<b>2.102</b>	<b>-</b>	<b>-</b>	<b>(2.102)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31<sup>st</sup> December 2019</b>	<b>397.535</b>	<b>13.668</b>	<b>(3.977)</b>	<b>(590)</b>	<b>85.084</b>	<b>491.720</b>	<b>-</b>	<b>491.720</b>

## 4 Statement of Cash Flows (Consolidated and Separate)

(Amounts in € '000)	Notes	GROUP		COMPANY	
		01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
<b>Operating activities</b>					
Earnings / (losses) before tax		<b>52.687</b>	<b>45.363</b>	<b>51.430</b>	<b>44.168</b>
Depreciation	4,5,6,23	43.355	17.365	42.624	17.302
Staff compensation provisions	7,13	282	1.697	257	1.664
Provision for bad debt	9	-	159	-	-
Reversal of risk provisions	14	52	639	52	639
Inventory obsolescence provisions	8	100	(19)	-	-
Financial income	24	(101)	(67)	(90)	(54)
Financial expense	24	7.308	7.234	7.281	7.232
Losses/(gains) from impairment/sale of assets		82	2.233	112	2.231
Losses/(gains) from foreign exchange differences		180	11	194	11
<b>Operating profit before changes in working Capital</b>		<b>103.945</b>	<b>74.615</b>	<b>101.860</b>	<b>73.193</b>
<b>(Increase) / Decrease in:</b>					
Inventories	8	1.902	3.504	1.801	3.417
Customers and other receivables	9	7	(1.612)	69	(1.919)
<b>Increase / (Decrease) in:</b>					
Suppliers	15	10.203	2.335	9.177	2.567
Accrued and other short-term liabilities	15	1.396	(3.506)	1.216	(3.533)
<b>Changes in working capital</b>		<b>13.508</b>	<b>721</b>	<b>12.263</b>	<b>532</b>
Tax paid		(14.904)	(24.820)	(14.321)	(24.249)
Payments for staff compensation	13	(50)	(1.190)	(50)	(1.190)
Interest paid	24	(5.296)	(8.537)	(5.219)	(8.537)
(Increase)/decrease in other long-term receivables	7	1.440	3.379	1.357	3.299
<b>Total inflows from operating activities</b>		<b>98.643</b>	<b>44.168</b>	<b>95.890</b>	<b>43.048</b>
<b>Investing Activities</b>					
Purchases of property, plant and equipment	5	(8.233)	(16.233)	(8.195)	(16.143)
Additions of intangible assets	6	(133)	(70)	(121)	(70)
Interest and related income received	24	90	67	90	54
<b>Total net outflows from investing activities</b>		<b>(8.276)</b>	<b>(16.236)</b>	<b>(8.226)</b>	<b>(16.159)</b>
<b>Financing Activities</b>					
Short and long-term loan payments	12	(51.812)	(43.000)	(51.812)	(43.000)
Loans proceeds	12	-	12.502	-	12.502
Lease liabilities payments – capital	20	(26.180)	-	(25.543)	-
<b>Total inflows from financing activities</b>		<b>(77.992)</b>	<b>(30.498)</b>	<b>(77.355)</b>	<b>(30.498)</b>
<b>Cash derived from business absorption</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>12.375</b>	<b>(2.566)</b>	<b>10.309</b>	<b>(3.609)</b>
<b>Cash and cash equivalents – Opening Balance</b>		<b>10.248</b>	<b>12.814</b>	<b>4.538</b>	<b>8.147</b>
<b>Cash and cash equivalents – Closing Balance</b>		<b>22.623</b>	<b>10.248</b>	<b>14.847</b>	<b>4.538</b>

## **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 1<sup>st</sup> January 2019 till 31<sup>st</sup> December 2019, 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 27 April 2020.

#### **1.1 Major events of the closing fiscal year**

2019 was a prosperous financial year for the company as the consolidated turnover amounted to € 307.6 mil. compared to € 290.1 mil. in 2018 recording an increase of 6%. Consolidated sales in 2019 amounted to € 298.3 mil. compared to € 280.8 mil. in 2018 recording an increase of 6.1%.

Air passenger traffic amounted to 32.1 mil. passengers compared to 31.3 mil. passengers in 2018 recording an increase of 2.4%, while there was also a significant increase of 4.5% in customers reaching 7.3 mil. compared to 6.98 mil. in 2018. Sales of the "AIRPORTS" operating sector stood at € 195.8 mil. in 2019 recording an increase of 7.8% while the Group (including Hellenic Distributions S.A.) sales reached € 200.5 mil. recording an increase of 7.7%.

The normalization of the political crisis in Turkey as well as the refugee flows in the Greek islands had a positive impact in 2019 with regard to the passenger traffic as well as the performance of ports and border stations. Sales in the "PORTS" operating sector amounted to € 12.6 mil. in 2019 recording an increase of 27.4% (€ +3 mil.). Sales in the "BORDERS" operating sector amounted to € 71.9 mil. in 2019 recording an increase of 13.9% (€ +8.7 mil.).

#### **1.2 Group Structure**

"Hellenic Duty Free Shops S.A." and its subsidiary "Hellenic Distribution S.A" are 100% directly owned by DUFRI 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, 2019, covering the entire fiscal year 2019, 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.) of the IASB. The fact that current assets are less than short-term liabilities by € 60.5 mil. approximately is not considered to be a problem in the application of the going concern principle since, according to Note 12 of the financial statements, most of the short-term borrowings concern an intra-group loan and the Company has received confirmation from the parent company Dufri AG about its financial support by extending the repayment of the loan installments, if and when deemed necessary.

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.

The presentation currency is euro (the currency of the country in which the Group's parent company has its registered offices) and all amounts are shown as thousands of euro, unless otherwise stated.

## 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 2019.

- **IFRS 16 Leases:**

The Group implemented IFRS 16 Leases for the first time in 2019. The nature and outcome of the changes as a result of the adoption of this new accounting standard are also described in Note 20.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize all leases on their financial statements, in a single accounting model, with certain exceptions. The Group adopted IFRS 16 for the first time on 1 January 2019 using the modified retrospective method based on which the cumulative retrospective effect of applying the standard was recognized at that date. The comparative figures have not been restated.

The Group made use of the exception provided by the standard with respect to the definition of a lease. This practically means that the Group applied IFRS 16 requirements to all contracts already in effect on 1 January 2019 and already recognized as leases in accordance with IAS 17 and IFRIC 4. Furthermore, the Group uses the exceptions provided by the standard for lease contracts with less than 12 months duration that do not contain a purchase option as well as lease contracts of low value. Finally, the Group decided to apply a single discount rate for each lease category with reasonably similar characteristics (such as leases with similar duration, for similar class of underlying assets and in a similar economic environment).

The effect of IFRS 16 adoption as at 1 January 2019 (increase/ (decrease)) is as follows:

<b>Group</b>	
<b>Assets</b>	
Right-of-use assets 1 <sup>st</sup> January 2019	<b>117.906</b>
<b>Liabilities</b>	
Lease liabilities 1 <sup>st</sup> January 2019	<b>117.906</b>

<b>Company</b>	
<b>Assets</b>	
Right-of-use assets 1 <sup>st</sup> January 2019	<b>116.608</b>
<b>Liabilities</b>	
Lease liabilities 1 <sup>st</sup> January 2019	<b>116.608</b>

#### a) Nature of the effect of IFRS 16 adoption

The Group has lease contracts for properties and vehicles. Before the adoption of IFRS 16, the Group (as lessee) classified each of its leases as either a finance lease (the Group was substantially transferred all of the risks and rewards incidental to the ownership of the leased asset) or an operating lease. Finance leases were capitalized at the commencement of the lease at the lower between the fair value of the leased property and the present value of the minimum lease payments. Lease payments were apportioned between interest expense (recognized as finance costs in the Statement of Profit or Loss) and reduction of the lease liability (loans). Leases where a substantial part of the risks and rewards associated with the leased property were retained by the lessor were

classified as operating leases and were not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rents were recognized under "Trade and other receivables" while accrued rents were recognized under "Trade and other payables".

Upon IFRS 16 adoption, the Group applied a single recognition and measurement approach for all leases, except for low-value leases. The standard provides specific transition requirements and facilitation practices, which have been applied by the Group.

- Leases previously classified as finance leases

There have been no such leases

- Leases previously accounted for as operating leases

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for low-value leases. The right-of-use asset was recognized as equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease as recognized in the statement of financial position immediately before the date of the initial application. Lease liability was recognized based on the present value of the remaining lease payments, discounted with the incremental borrowing rate at the date of the initial application.

The Group applied the facilitation practices as follows:

- Used a single discount rate for lease portfolios with reasonably similar characteristics
- Assessed the existence of onerous lease contracts immediately before the date of the initial application
- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of the initial application
- Assessed, based on prior experience, the duration of leases whose contract contains options to extend or terminate the lease

The impact of the IFRS 16 application on the statement of total comprehensive income for the year ended 31 December 2019 is :

Group	Note	Year 2019
<b>Decrease in lease expenses</b>	20	26.180
Depreciation of right-of-use assets	23	(24.889)
Interest expense on lease rights	20	(1.944)
<b>Net decrease in net income before tax</b>		<b>(653)</b>

Company	Note	Year 2019
<b>Decrease in lease expenses</b>	20	25.543
Depreciation of right-of-use assets	23	(24.261)
Interest expense on lease rights	20	(1.920)
<b>Net decrease in net income before tax</b>		<b>(638)</b>

#### b) Summary of new accounting policies

The new accounting policies of the Group upon adoption of IFRS 16, which have been in effect since the date of the initial application are set out below:

- 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 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 Note.

- 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).

- 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).

Within 2019, 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:

- Lease term determination

In 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.

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

The Amendment specifies that financial assets with prepayment right that permit or require a contractual party either to pay or to receive reasonable compensation for the early termination of the contract (meaning that there may be a charge due to early termination from the perspective of the holder of the asset) can be measured at amortized cost or fair value through other comprehensive income. The Group/Company Management estimates that this amendment will not affect the financial statements.

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

The Amendments relate to whether the measurement and, mainly, the impairment of long-term holdings in associates and joint ventures, which are essentially part of the net investment in the associate or the joint venture, are governed by IFRS 9, IAS 28 or a combination of both of them. The Amendments clarify that an entity applies IFRS 9 before it applies IAS 28 with respect to such long-term holdings for which the equity method is not applied. When applying IFRS 9, the entity does not take into account any adjustments to the book value of long-term interests arising from IAS 28 application. The Group/Company Management estimates that this amendment will not affect the financial statements.

- **IFRIC 23 Interpretation: Uncertainty over Income Tax Considerations**

The Interpretation provides guidance on addressing the uncertainty of tax treatments in the accounting treatment of income tax. The Interpretation provides further clarifications on the examination of uncertain tax considerations either individually or jointly, the examination of tax considerations by tax authorities, the appropriate approach that reflects the uncertainty of the tax consideration acceptance by tax authorities as well as the assessment of the effects that changes in actual facts and circumstances have. The Group/Company Management estimates that this amendment will not affect the financial statements.

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

The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after an amendment, curtailment or settlement of the defined benefit plan. The amendments also clarify how the accounting treatment of a plan amendment, curtailment or settlement affects the applications of the asset ceiling requirements. The Group/Company Management estimates that this amendment will not affect the financial statements.

- **The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The Group/Company Management estimates that these amendments will not affect the financial statements.

- **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity remeasures the previously held holding in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure the previously held holding in that business.

- **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity items should be recognized according to where the past transactions or events that generated distributable profits have been accounted for.

- **IAS 23 Borrowing Costs:** The amendments provide clarifications on the paragraph 14 of the standard so that, when a qualifying asset is ready for its intended use or sale and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing should be included in the funds derived from the entity's general borrowings.

- **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.

- **Conceptual Framework of International Financial Reporting Standards:**

The IASB issued the revised the conceptual framework for financial reporting on 29 March 2018. 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)**

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)**

The Amendments are retrospectively effective for annual accounting periods beginning on or after 1 January 2020 with earlier application being permitted. 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 second phase focuses on issues affecting financial reporting when an existing reference rate is replaced by a zero risk rate. 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 Group/Company Management estimates that this amendment will not affect the financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application being permitted. The amendments aim to achieve consistency in applying the standard requirements by helping companies to determine whether debt and other liabilities with an uncertain settlement date should be classified as current or non-current liabilities in the statement of financial position. The amendments affect the presentation of liabilities in the statement of financial position and do not change the existing requirements about neither measurement nor time recognition of any asset, liability, income or expenses and disclosures on such items. Additionally, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. European Union has not yet adopted the amendments.

## **2.3 Consolidation**

### **2.3.1 Subsidiaries**

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

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

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

### **2.3.2 Foreign exchange currency conversion**

#### **(a) Functional and presentation currency**

All items presented in the Group companies' and Company's financial statements are presented in euro, which is the currency of the economic environment in which they operate (the functional currency).

#### **(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 € at the exchange rate on the date the balance sheet is closed. Income and expenses have been converted into the Group presentation currency based on the average exchange rates prevailing during 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:** 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 2048.

### **2.4.5 Other intangible assets**

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

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

### **2.4.6 Goodwill**

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

Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. The allocation is made to the groups of CGUs expected to benefit from the business combinations, relating to which the goodwill arose, and it is recognized according to the operating segment. Goodwill is subject to impairment testing annually or more frequently in case that 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 (discounted cash flows an asset is expected to generate 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.

## **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 three categories:

- Financial assets measured at amortized cost
- Financial assets designated 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 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 underlying 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:

1. 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
2. based on the contractual terms underlying 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 of a financial liability) 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 finance cost is determined using the discount rate used to measure the defined benefit liability (or asset). The Company and the Group recognize the following changes in the defined benefit obligation in payroll expense and financial expense:

- The cost of service consisting of the current service cost and the past service cost, gains and losses from curtailment and extraordinary changes in the defined benefits plan
- Net financial expense or revenue.

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 Leases – IAS 17 applicable up to 31 December 2018**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease, taking into account all available data and the specific circumstances that prevail. As of January 1, 2019, this accounting policy has been renewed under the new IFRS 16 standard, as described in Section 2.2.

### **2.16.1 A company in the Group as lessee**

#### **2.16.1.1 Finance leases**

The ownership of a leased asset is transferred to the lessee if substantially all the risks and rewards associated with the leased property are transferred to him, regardless of the legal form of the contract.

At the inception of the lease, the asset is recognized at the lower of fair value or at the present value of the minimum lease payments, including additional payments, if any, covered by the lessee. A corresponding amount is recognized as a liability from the finance lease regardless of whether some of the lease payments are paid in advance at the start of the lease.

Subsequent accounting treatment for assets acquired under finance leases (such as the depreciation method use and determination of the useful life) is the same as that used for comparable assets not acquired under leases. The corresponding liability is accounted for its gradually decrease, based on the minimum lease payments less finance charges, which are recognized as an expense in the financial expenses account. Financial charges are allocated over the duration of the lease and represent a fixed periodic interest rate on the outstanding balance of the liability.

#### **2.16.1.2 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 leases:** Income from property rents is accounted for on an accrued basis, in line with the points included in the relevant contracts / agreements.

## 2.18 Reclassifications

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

By the year ended on 31.12.2018, Group has included lease payments in selling expenses. Following the implementation of IFRS 16, the Company presented separately the lease payments accounted for as selling expenses in 2018 and within 2019 there is accounting recognition for the lease payments that are not in scope of IFRS 16. In addition, for the purposes of proper presentation and consistency with the presentation policy adopted by the parent company, the Group has no longer presented selling expenses and other operating results separately but incorporates them into the general expenses. This reclassification does not affect the results of the previous year.

The following table shows the changes made on the previous year accounts in relation to the disclosed ones:

Group	Restated '01.01.- 31.12.2018	Reclassifications Total	Reclassifications– IFRS 16 application	Reclassifications– change in expenses presentation	01.01 - 31.12.2018
Selling expenses	-	36.535	34.034	2.501	(36.535)
Lease payments	(34.034)	(34.034)	(34.034)		-
General expenses	(19.949)	(8.924)	-	(8.924)	(11.025)
Other operating results	-	6.423	-	6.423	(6.423)

Company	Restated '01.01 - 31.12.2018	Reclassifications Total	Reclassifications– IFRS 16 application	Reclassifications– change in expenses presentation	01.01 - 31.12.2018
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Selling expenses	-	35.190	32.642	2.548	(35.190)
Lease payments	(32.64)	(32.642)	(32.642)	-	-
General expenses	(18.871)	(8.242)	-	(8.242)	(10.629)
Other operating results	-	5.694	-	5.694	(5.694)

## 2.19 Critical accounting estimates, assumptions and judgements

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 judgement 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.

### 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 31.12.19**

01.01 - 31.12.2019	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
<b>Sales</b>	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
<b>Turnover</b>	<b>210.263</b>	<b>12.699</b>	<b>77.516</b>	<b>6.154</b>	<b>969</b>	<b>307.601</b>
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
<b>Gross profit</b>	<b>112.925</b>	<b>7.143</b>	<b>45.609</b>	<b>1.712</b>	<b>918</b>	<b>168.307</b>
Depreciation	(28.821)	(624)	(1.345)	(100)	(12.465)	(43.355)
<b>Earnings before interest and tax (EBIT)</b>	<b>46.187</b>	<b>3.469</b>	<b>32.644</b>	<b>642</b>	<b>(22.868)</b>	<b>60.074</b>
Financial income	-	-	-	5	96	101
Financial expense	(1.846)	(76)	(8)	(7)	(5.371)	(7.308)
Other financial income	(6)	1	-	(181)	6	(180)
<b>Earnings before tax (EBT)</b>	<b>44.335</b>	<b>3.394</b>	<b>32.636</b>	<b>459</b>	<b>(28.137)</b>	<b>52.687</b>

#### **BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS AT 31.12.18**

01.01 - 31.12.2018	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
<b>Sales</b>	186.571	9.920	76.255	10.682	517	283.945
Intra-group sales	-	-	-	(3.119)	-	(3.119)
Marketing revenues	8.518	89	716	32	1	9.356

<b>Turnover</b>	<b>195.089</b>	<b>10.009</b>	<b>76.971</b>	<b>7.595</b>	<b>518</b>	<b>290.182</b>
Cost of Goods Sold	(86.188)	(4.309)	(32.085)	(8.975)	(167)	(131.724)
Intra-group cost of goods sold	-	-	-	3.154	-	3.154
<b>Gross profit</b>	<b>108.901</b>	<b>5.700</b>	<b>44.886</b>	<b>1.774</b>	<b>351</b>	<b>161.612</b>
Depreciation	(3.234)	(424)	(1.404)	(34)	(12.269)	(17.365)
<b>Earnings before interest and tax (EBIT)</b>	<b>43.584</b>	<b>2.322</b>	<b>30.541</b>	<b>333</b>	<b>(24.241)</b>	<b>52.539</b>
Financial income	17	-	-	-	49	66
Financial expense	(2)	-	-	-	(7.231)	(7.233)
Other financial income	10	1	-	(27)	7	(9)
<b>Earnings before tax (EBT)</b>	<b>43.609</b>	<b>2.323</b>	<b>30.541</b>	<b>306</b>	<b>(31.416)</b>	<b>45.363</b>

In the comparative data of 2018, reclassifications have been made for comparability reasons.

#### 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	GROUP
Tangible and intangible assets	312.741	18.819	55.733	82	170.554	557.929
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
<b>Total</b>	<b>377.936</b>	<b>20.829</b>	<b>61.424</b>	<b>11.682</b>	<b>210.310</b>	<b>682.181</b>
Suppliers	17.277	1.702	4.868	6.950	822	31.619
Other non-allocated liabilities						254.495
<b>Total</b>	<b>17.277</b>	<b>1.702</b>	<b>4.869</b>	<b>6.950</b>	<b>822</b>	<b>286.114</b>

#### BREAKDOWN OF GROUP ASSETS – LIABILITIES PER OPERATING SEGMENT AS AT 31.12.18

GROUP						
(Amounts in € '000)						
01.01 - 31.12.2018	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
Tangible and intangible assets	309.548	18.865	56.515	1.161	182.021	568.110
Other long-term assets	45.504	-	-	-	948	46.452
Inventory	12.438	2.755	5.373	16.557	289	37.412
Customers and other receivables	-	-	-	3.354	19.330	22.684
Cash and cash equivalents	323	54	256	-	9.615	10.248
<b>Total</b>	<b>367.813</b>	<b>21.674</b>	<b>62.144</b>	<b>21.072</b>	<b>212.203</b>	<b>684.906</b>
Suppliers	7.114	1.576	3.073	9.488	166	21.416
Other non-allocated liabilities						208.382
<b>Total</b>	<b>7.114</b>	<b>1.576</b>	<b>3.073</b>	<b>9.469</b>	<b>166</b>	<b>229.798</b>

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

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

Group							
(Amounts in € '000)	Land	Buildings – facilities	Machinery - mechanical equipment	Vehicles	Furniture & other equipment	Fixed assets under construction	Total
<b><u>Acquisition cost</u></b>							
<b>Opening balance as at 01.01.2018</b>	<b>94</b>	<b>26.369</b>	<b>2.061</b>	<b>660</b>	<b>13.610</b>	<b>3.272</b>	<b>46.066</b>
Additions	-	583	94	24	2.378	13.156	<b>16.235</b>
Sales – Decreases	-	(3.994)	(132)	(7)	(674)	-	<b>(4.807)</b>
Transfers	-	10.324	18	-	4.041	(14.384)	<b>(1)</b>
<b>Balance on 31.12.2018</b>	<b>94</b>	<b>33.282</b>	<b>2.041</b>	<b>677</b>	<b>19.355</b>	<b>2.044</b>	<b>57.493</b>
<b>Opening balance as at 01.01.2019</b>	<b>94</b>	<b>33.282</b>	<b>2.041</b>	<b>677</b>	<b>19.355</b>	<b>2.044</b>	<b>57.493</b>
Additions Προσθήκες	-	1.487	500	25	1.132	5.089	<b>8.233</b>
Sales – Decreases	-	(226)	(12)	-	-	-	<b>(238)</b>
Transfers	-	2.805	105	-	2.762	(5.672)	-
<b>Balance as at 31.12.2019</b>	<b>94</b>	<b>37.348</b>	<b>2.634</b>	<b>702</b>	<b>23.249</b>	<b>1.461</b>	<b>65.488</b>
<b><u>Accumulated depreciation</u></b>							
<b>Opening balance as at 01.01.2018</b>	-	<b>11.385</b>	<b>838</b>	<b>231</b>	<b>5.726</b>	-	<b>18.180</b>
Depreciation for the year (Note 23)	-	3.242	238	78	1.737	-	<b>5.295</b>
Decrease in depreciation	-	(2.130)	(73)	(5)	(367)	-	<b>(2.575)</b>
<b>Balance as at 31.12.2018</b>	-	<b>12.497</b>	<b>1.003</b>	<b>304</b>	<b>7.096</b>	-	<b>20.900</b>
<b>Opening balance as at 01.01.2019</b>	-	<b>12.497</b>	<b>1.003</b>	<b>304</b>	<b>7.096</b>	-	<b>20.900</b>
Depreciation for the year (Note 23)	-	3.815	267	82	2.232	-	<b>6.396</b>
Impairment	-	(139)	(4)	-	(13)	-	<b>(156)</b>
<b>Balance as at 31.12.2019</b>	-	<b>16.173</b>	<b>1.266</b>	<b>386</b>	<b>9.315</b>	-	<b>27.140</b>
<b><u>Net book value as at 31.12.2018</u></b>							
	<b>94</b>	<b>20.785</b>	<b>1.038</b>	<b>373</b>	<b>12.259</b>	<b>2.044</b>	<b>36.593</b>



<b><u>Net book value as at 31.12.2019</u></b>	<b>94</b>	<b>21.175</b>	<b>1.368</b>	<b>316</b>	<b>13.934</b>	<b>1.461</b>	<b>38.348</b>
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<b>Company</b>							
<b>(Amounts in € '000)</b>	<b>Land</b>	<b>Buildings – facilities</b>	<b>Machinery - mechanical equipment</b>	<b>Vehicles</b>	<b>Furniture &amp; other equipment</b>	<b>Fixed assets under construction</b>	<b>Total</b>
<b><u>Acquisition cost</u></b>							
<b>Opening balance as at 01.01.2018</b>	<b>94</b>	<b>26.211</b>	<b>2.028</b>	<b>607</b>	<b>13.162</b>	<b>3.261</b>	<b>45.363</b>
Additions	-	583	94	-	2.318	13.148	<b>16.143</b>
Sales – Decreases	-	(3.994)	(132)	(7)	(671)	-	<b>(4.804)</b>
Transfers	-	10.324	18	-	4.030	(14.373)	<b>(1)</b>
<b>Balance as at 31.12.2018</b>	<b>94</b>	<b>33.124</b>	<b>2.008</b>	<b>600</b>	<b>18.839</b>	<b>2.036</b>	<b>56.701</b>
<b>Opening balance as at 01.01.2019</b>	<b>94</b>	<b>33.124</b>	<b>2.008</b>	<b>600</b>	<b>18.839</b>	<b>2.036</b>	<b>56.701</b>
Additions	-	1.487	498	25	1.132	5.053	<b>8.195</b>
Sales – Decreases	-	(226)	(12)	-	(30)	-	<b>(268)</b>
Transfers	-	2.773	105	-	2.753	(5.631)	-
<b>Balance as at 31.12.2019</b>	<b>94</b>	<b>37.158</b>	<b>2.599</b>	<b>625</b>	<b>22.694</b>	<b>1.458</b>	<b>64.628</b>
<b><u>Accumulated depreciation</u></b>							
<b>Opening balance as at 01.01.2018</b>	-	<b>11.300</b>	<b>822</b>	<b>213</b>	<b>5.400</b>	-	<b>17.735</b>
Depreciation for the year (Note 23)	-	3.224	235	72	1.696	-	<b>5.227</b>
Decrease in depreciation	-	(2.130)	(73)	(5)	(365)	-	<b>(2.573)</b>
<b>Balance as at 31.12.2018</b>	-	<b>12.394</b>	<b>984</b>	<b>280</b>	<b>6.731</b>	-	<b>20.389</b>
<b>Opening balance as at 01.01.2019</b>	-	<b>12.394</b>	<b>984</b>	<b>280</b>	<b>6.731</b>	-	<b>20.389</b>
Depreciation for the year (Note 23)	-	3.796	264	74	2.161	-	<b>6.295</b>
Decrease in depreciation	-	(139)	(4)	-	(13)	-	<b>(156)</b>
<b>Balance as at 31.12.2019</b>	-	<b>16.051</b>	<b>1.244</b>	<b>354</b>	<b>8.879</b>	-	<b>26.528</b>
<b><u>Net book value as at 31.12.2018</u></b>							
	<b>94</b>	<b>20.730</b>	<b>1.024</b>	<b>320</b>	<b>12.108</b>	<b>2.036</b>	<b>36.312</b>
<b><u>Net book value as at 31.12.2019</u></b>							
	<b>94</b>	<b>21.107</b>	<b>1.355</b>	<b>271</b>	<b>13.815</b>	<b>1.458</b>	<b>38.100</b>

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	Total	Goodwill
<b><u>Acquisition cost</u></b>					
Opening balance as at 01.01.2018	1.108	123	418.600	419.831	181.100
Additions	71	-	-	71	-
Balance as at 31.12.2018	1.179	123	418.600	419.902	181.100
Opening balance as at 01.01.2019	1.179	123	418.600	419.902	181.100
Additions	55	78	-	133	-
Balance as at 31.12.2019	1.234	201	418.600	420.035	181.100
<b><u>Accumulated amortization</u></b>					
Opening balance as at 01.01.2018	925	18	56.467	57.410	-
Amortization for the year (Note 23)	77	25	11.973	12.075	-
Balance as at 31.12.2018	1.002	43	68.440	69.485	-
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	-
<b><u>Net book value as at 31.12.2018</u></b>	<b>177</b>	<b>80</b>	<b>350.160</b>	<b>350.417</b>	<b>181.100</b>
<b><u>Net book value as at 31.12.2019</u></b>	<b>167</b>	<b>126</b>	<b>338.188</b>	<b>338.481</b>	<b>181.100</b>

Company					
(Amounts in € '000)	Computer software	Leases	Concessions & industrial property Rights	Total	Goodwill
<b><u>Acquisition cost</u></b>					
Opening balance as at 01.01.2018	1.005	123	418.600	419.728	181.100
Additions	71	-	-	71	-
Balance as at 31.12.2018	1.076	123	418.600	419.799	181.100
Opening balance as at 01.01.2019	1.076	123	418.600	419.799	181.100
Additions	43	78	-	121	-
Balance as at 31.12.2019	1.119	201	418.600	419.920	181.100
<b><u>Accumulated amortization</u></b>					
Opening balance as at 01.01.2018	822	18	56.467	57.307	-
Amortization for the year (Note 23)	77	25	11.973	12.075	-
Balance as at 31.12.2018	899	43	68.440	69.382	-
Opening balance as at 01.01.2019	899	43	68.440	69.382	-
Amortization for the year (Note 23)	64	32	11.972	12.068	-
Balance as at 31.12.2019	963	75	80.412	81.450	-
<b><u>Net book value as at 31.12.2018</u></b>	<b>177</b>	<b>80</b>	<b>350.160</b>	<b>350.417</b>	<b>181.100</b>

<b><u>Net book value as at</u></b>					
<b><u>31.12.2019</u></b>	<b>156</b>	<b>126</b>	<b>338.188</b>	<b>338.470</b>	<b>181.100</b>

Amortization 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 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.

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:

<b>GROUP</b>					
	<b>Stores</b>	<b>Buildings – facilities</b>	<b>Vehicles</b>	<b>Other</b>	<b>Total</b>
<b><u>Acquisition cost</u></b>					
<b>Opening balance as at 01.01.2019</b>	<b>113.147</b>	<b>3.857</b>	<b>784</b>	<b>118</b>	<b>117.906</b>
Additions/ Modifications	8.765	189	21	-	8.975
Withdrawals	(153)	(65)	-	-	(218)
Impairment	-	-	-	-	-
<b>Closing balance as at 31.12.2019</b>	<b>121.759</b>	<b>3.981</b>	<b>805</b>	<b>118</b>	<b>126.663</b>
<b><u>Accumulated depreciation</u></b>					
<b>Opening balance as at 01.01.2019</b>	-	-	-	-	-
Depreciation for the period	23.674	900	197	118	24.889
Withdrawals	(5)	(1)	-	-	(6)
Impairment	-	-	-	-	-
<b>Closing balance as at 31.12.2019</b>	<b>23.669</b>	<b>899</b>	<b>197</b>	<b>118</b>	<b>24.883</b>
<b><u>Net book value as at 01.01.2019</u></b>	<b>113.147</b>	<b>3.857</b>	<b>784</b>	<b>118</b>	<b>117.906</b>
<b><u>Net book value as at 31.12.2019</u></b>	<b>98.090</b>	<b>3.082</b>	<b>608</b>	<b>-</b>	<b>101.780</b>

COMPANY					
	Stores	Buildings – facilities	Vehicles	Other	Total
<b><u>Acquisition cost</u></b>					
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)
Impairment	-	-	-	-	-
Closing balance as at 31.12.2019	120.674	3.344	758	118	124.894
<b><u>Accumulated depreciation</u></b>					
Opening balance as at 01.01.2019	-	-	-	-	-
Depreciation for the period	23.157	800	186	118	24.261
Withdrawals	(7)	(2)	-	-	(9)
Impairment	-	-	-	-	-
Closing balance as at 31.12.2019	23.150	798	186	118	24.252
<b><u>Net book value as at 01.01.2019</u></b>	<b>112.533</b>	<b>3.220</b>	<b>737</b>	<b>118</b>	<b>116.608</b>
<b><u>Net book value as at 31.12.2019</u></b>	<b>97.524</b>	<b>2.546</b>	<b>572</b>	<b>-</b>	<b>100.642</b>

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	
Other long-term assets	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Guarantees for rents	4.235	3.935	3.882	3.589
Long-term receivables from provision for staff loan	381	364	-	-
Cheques receivables (post-dated)	-	100	-	-
Other guarantees	6	13	-	-
Guarantees to FRAPORT	40.390	42.040	40.390	42.040
<b>Total</b>	<b>45.012</b>	<b>46.452</b>	<b>44.272</b>	<b>45.629</b>

Long-term receivables from provision for staff loan can be broken down as follows:

GROUP		
	Staff Loan	Staff Loan
Amounts in ('000)	01.01. - 31.12.2019	01.01. - 31.12.2018
<b>Amounts recognized in the Statement of Financial Position</b>		
Present value of funded liabilities	381	364
<b>Net liability in the Statement of Financial Position</b>	<b>381</b>	<b>364</b>
<b>Amounts recognized in the Income Statement</b>		
Current service cost	24	32
Net interest on liability/(asset)	7	6
Recognition of past service cost	-	0
Cost of curtailment/settlements/termination of service	66	121
<b>Total expenses in Income Statement</b>	<b>97</b>	<b>159</b>
<b>Change in the present value of Liability</b>		
Present value of liability at the beginning of the period	364	366
Current service cost	24	32
Interest cost	7	6
Benefits paid to the employer	(89)	(148)

Cost of curtailment/settlements/termination of service	66	121
Intra-group transfers	-	(3)
Past service cost during the period	-	-
Actuarial loss / (gain) – financial assumptions	51	(15)
Actuarial loss / (gain) – demographic assumption	-	-
Actuarial loss / (gain) – Experience of the period	(42)	5
<b>Net liability at the end of the year</b>	<b>381</b>	<b>364</b>
<b>Adjustments</b>		
Adjustments in Liabilities from changes in assumptions	51	15
Empirical adjustments in Liabilities	(42)	(5)
<b>Total actuarial gain / (loss) in Equity</b>	<b>9</b>	<b>10</b>
<b>Total amount recognized in Equity</b>	<b>9</b>	<b>10</b>
<b>Changes in Net Liability recognized in the Statement of Financial Position</b>		
Net Liability at the beginning of the period	364	366
Intra-group transfers	-	(3)
Benefits paid to the employer	(89)	(148)
Total expense recognized in Income Statement	97	159
Total amount recognized in Equity	9	(10)
<b>Net liability at the end of the period</b>	<b>381</b>	<b>364</b>
<b>Cashflows</b>		
Expected plan benefits over next financial year	-	-
<b>Actuarial assumptions</b>		
Discount rate	1,04%	1,88%
Future salary growth	0,00%	0,00%
Liability duration	18,43	18,97

## 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	
<b>Inventory</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Merchandise	39.137	41.039	36.898	38.699
<b>Less:</b> provisions for obsolete and damaged merchandise	(3.727)	(3.627)	(3.323)	(3.323)
<b>Total</b>	<b>35.410</b>	<b>37.412</b>	<b>33.575</b>	<b>35.376</b>

## 9. Trade receivables and other current assets

(Amounts in '000)	GROUP		COMPANY	
<b>Trade receivables</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Trade receivables - (customers)	3.097	3.008	780	516
Trade receivables - (related parties)	290	212	160	212
Trade receivables - (credit cards)	17	2	17	2
Cheques receivables (post-dated)	1.059	837	-	-
Provision for bad debt	(645)	(705)	(33)	(33)
<b>Total</b>	<b>3.818</b>	<b>3.354</b>	<b>924</b>	<b>697</b>

(Amounts in '000)	GROUP		COMPANY	
<b>Other current assets</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Marketing services receivables	2.944	3.429	2.944	3.429
Advances to suppliers	643	1.077	643	1.077
Prepaid expenses	1.730	2.018	1.721	2.011
Advances to employees	88	85	81	78
State receivables	1.675	3.145	1.549	3.144
Other receivables	1.813	1.909	261	135
Prepaid rent	8.075	7.473	8.075	7.473
Accrued income	421	194	337	155
<b>Total</b>	<b>17.389</b>	<b>19.330</b>	<b>15.611</b>	<b>17.502</b>

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 impact of the adoption of IFRS 9 on the movement of the Company's provision for bad debt did not have a significant impact on the financial years 2018 and 2019, whereas the impact on the Group (the application of the standard affected the Group's subsidiary) is as follows:

<b>(Amounts in € '000)</b>	
<b>Provision for bad debt</b>	
Opening balance as at 1 January 2018	(504)
Effect of change in accounting policy	(41)
<b>Opening balance as at 1 January 2018 adjusted</b>	<b>(545)</b>
Provision for bad debt 2018	(160)
<b>Closing balance as at 31 December 2018 (Note 9)</b>	<b>(705)</b>
Reversal of provision for bad debt v 2019	60
<b>Closing balance as at 31 December 2019 (Note 9)</b>	<b>(645)</b>

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:

<b>GROUP</b>						
<b>Due &amp; not impaired</b>						
	<b>0 - 3 months</b>	<b>3 - 6 months</b>	<b>6-12 months</b>	<b>&gt; 1 year</b>	<b>Not due &amp; not impaired</b>	<b>Total</b>
Trade receivables turnover ratio						
<b>(Amounts in '000)</b>						
2019	5.282	447	280	1.104	14.094	<b>21.207</b>
2018	5.745	458	318	615	15.548	<b>22.684</b>

<b>COMPANY</b>						
<b>Due &amp; not impaired</b>						
	<b>0 - 3 months</b>	<b>3 - 6 months</b>	<b>6-12 months</b>	<b>&gt; 1 year</b>	<b>Not due &amp; not impaired</b>	<b>Total</b>
Trade receivables turnover ratio						
<b>(Amounts in '000)</b>						
2019	2.661	151	232	767	12.724	<b>16.535</b>
2018	3.143	158	122	678	14.098	<b>18.199</b>

## 10. Cash and cash equivalents

(Amounts in '000)	GROUP		COMPANY	
Cash and cash equivalents	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash on hand	692	639	672	572
Deposits on demand and time deposits	21.931	9.609	14.175	3.966
<b>Total</b>	<b>22.623</b>	<b>10.248</b>	<b>14.847</b>	<b>4.538</b>

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

## 12. Borrowings

Borrowings are broken as follows:

(Amounts in € '000)	GROUP		COMPANY	
Borrowings	31.12.2019	31.12.2018	31.12.2019	31.12.2018
<b>Borrowings</b>				
Intercompany loans	65.000	90.000	65.000	90.000
Less: loan arrangement feed	-	-	-	-
Short-term bank borrowings	-	26.812	-	26.812
<b>Total</b>	<b>65.000</b>	<b>116.812</b>	<b>65.000</b>	<b>116.812</b>
Long-term borrowings	-	-	-	-
Short-term borrowings	65.000	116.812	65.000	116.812
<b>Total</b>	<b>65.000</b>	<b>116.812</b>	<b>65.000</b>	<b>116.812</b>
<b><u>Maturity</u></b>				
Over 5 years				
From 1 – 5 years	-	-	-	-
Less than 1 year	65.000	116.812	65.000	116.812
<b>Total</b>	<b>65.000</b>	<b>116.812</b>	<b>65.000</b>	<b>116.812</b>



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 HDF 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 December 31, 2017, the parent company Dufry renewed the expiration date of the initial loan and set a new expiration date on December 31, 2018 without any other changes. Within the financial year, installments of a total amount of € 11 mil. were repaid, whereas the corresponding interest for the period amounted to € 5.4 mil.

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

On December 31, 2019, the parent company Dufry renewed the expiration date of the initial loan and set a new maturity on December 31, 2020 with an interest rate of 3.5% compared to the interest rate of 2018, which was 3 months Euribor plus a spread of 575 basis points.

This is how the parent company Dufry actually supported the Company.

In 2015, after the mandatory restrictions on movement of capital (Capital controls) the Company received short-term borrowing through overdraft in order to be able to meet its financial liabilities to suppliers. This borrowing amounted to € 26.8 mil. on December 31, 2018 with a 2% interest rate. The short-term loan interest charged for the period amounted to € 458 ths. On October 31, 2019, this overdraft ceased to operate as a short-term borrowing. The interest on this short-term loan that charged to the results of the financial year 2019 amounted to € 518 ths.

On April 3, 2017, the parent company DUFY issued to HDF S.A a new loan of € 90 mil., of which € 40 mil. was used to repay the short-term borrowing and an amount of € 50 mil. was paid to FRAPORT as an advance payment against future rents. The duration of the loan is 2 years with an interest rate of 5.75%, which was fully repaid in 2018. The loan interest amounted to € 1.02 mil. and was charged to the results of the financial year 2018 while the respective amount for the financial year 2017 was € 2.5 mil.

For all related party borrowings, the Company received confirmation from parent company Dufry AG for its financial support through prolongation of repayment of intra-group loan installments if and when deemed necessary.

### 13. Staff retirement liabilities

(Amounts in € '000)	Group		Company	
	01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
<b>Amounts recognized in the Statement of Financial Position</b>				
Present value of liabilities	6.436	5.899	5.916	5.421
Fair value of plan assets	-	-	-	-
<b>Net liability in the Statement of Financial Position</b>	<b>6.436</b>	<b>5.899</b>	<b>5.916</b>	<b>5.421</b>
<b>Amounts recognized in the Income Statement</b>				
Current service cost	225	265	195	226
Net interest on liability/(assets)	97	82	88	76
Recognition of past service cost	-	525	-	525
Cost of curtailment/settlements/termination of service	99	1.034	32	913
(Gain)/Loss from revaluation of leased staff compensation	-	(148)	-	-
<b>Total expenses in Income Statement</b>	<b>421</b>	<b>1.758</b>	<b>315</b>	<b>1.740</b>

<b>Change in the present value of Liability</b>				
Present value of liability at the beginning of the period	5.899	5.392	5.421	4.932
Present value of liability from sector absorption	-	-	-	-
Current service cost	225	265	195	226
Interest cost	97	82	88	76
Benefits paid by the employer	(50)	(1.190)	(50)	(1.190)
Benefits paid by the employer and rebilled	(89)	(148)	-	-
Intra-group transfers	-	-	(8)	(23)
Cost of curtailment/settlements/termination of service	99	1.034	32	913
Past service cost during the period	-	525	-	525
Actuarial loss / (gain) – financial assumptions	428	(114)	364	(96)
Actuarial loss / (gain) – demographic assumption	(162)	-	(162)	-
Actuarial loss / (gain) – experience of the period	(11)	53	36	58
<b>Net liability at the end of the year</b>	<b>6.436</b>	<b>5.899</b>	<b>5.916</b>	<b>5.421</b>
<b>Adjustments</b>				
Adjustments to liabilities from changes in assumptions	(266)	114	(202)	96
Empirical adjustments to liabilities	11	(53)	(36)	(58)
<b>Total actuarial gain / (loss) in Equity</b>	<b>(255)</b>	<b>61</b>	<b>(238)</b>	<b>38</b>
Other adjustments in Equity	-	-	-	-
<b>Total amount recognized in Equity</b>	<b>(255)</b>	<b>61</b>	<b>(238)</b>	<b>38</b>
<b>Changes in Net Liability recognized in the Statement of Financial Position</b>				
Present value of liability from sector absorption	5.899	5.392	5.421	4.932
Intra-group transfers	-	-	(8)	(23)
Benefits paid to the employer	(139)	(1.338)	(50)	(1.190)
Total expense recognized in Income Statement	420	1.906	315	1.740
Total amount recognized in Equity	256	(61)	238	(38)
<b>Net liability at the end of the period</b>	<b>6.436</b>	<b>5.899</b>	<b>5.916</b>	<b>5.421</b>
<b>Cashflows</b>				
Expected plan benefits over next financial year	123	51	123	51
<b>Actuarial assumptions</b>				
Discount rate	1,66%	1,66%	0,93%	1,63%
Inflation	0,00%	0,00%	0,00%	0,00%
Future salary growth	0,00%	0,00%	0,00%	0,00%
Liability duration	10,56	10,56	9,23	9,43

## 14. Other long-term provisions

(Amounts in '000)	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
<b>Other long-term provisions</b>				
Provision for additional taxes & duties	1.436	1.384	1.436	1.384
Provisions for contingency risks & expenses	63	63	63	63
<b>Total</b>	<b>1.499</b>	<b>1.447</b>	<b>1.499</b>	<b>1.447</b>

### Provisions for additional taxes & duties

#### **A) Provisions for pending customs cases**

**I.** Legal appeals and suspension requests of the Company (and its executives) 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 deemed appropriate to make further suspension requests, given, on the one hand, the publication of Law 3900/2010 and, on the other hand, the Company's not obvious financial inability to pay the multiple fees and tax charges imposed and not suspended by Law.

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 were issued by the Administrative Court of Appeals of Thessaloniki, which dismissed the respective 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 2018, 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, provisions were made for the full coverage of the risk amounting to € 390 ths., which was charged to the results of 2019.

	<b>Amounts in '000</b>
<b>Opening provision balance as at 1 January 2018</b>	<b>806</b>
Reversals	<b>(742)</b>
Provisions for the period	<b>1.383</b>
<b>Closing balance as at 31 December 2018</b>	<b>1.447</b>
<b>Opening provision balance as at 1 Iavouapiou 2019</b>	<b>1.447</b>
Reversals	<b>(338)</b>
Provisions for the period	<b>390</b>
<b>Closing balance as at 31 December 2019</b>	<b>1.499</b>

## 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 2018. 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 liabilities

(Amounts in '000)	GROUP		COMPANY	
Trade and other liabilities	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Trade liabilities	31.619	21.416	30.390	21.213
Cheques payable – notes & promissory notes payable	-	-	-	-
<b>Trade liabilities</b>	<b>31.619</b>	<b>21.416</b>	<b>30.390</b>	<b>21.213</b>
Lease liabilities	7.741	5.906	7.660	5.848
Other liabilities	5.003	5.053	4.348	4.367
Staff expenditure liabilities	3.744	3.764	3.334	3.371
Other tax liabilities	2.032	2.217	1.798	2.038
<b>Other liabilities</b>	<b>18.520</b>	<b>16.940</b>	<b>17.140</b>	<b>15.624</b>

## 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	
Income tax	01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
Current tax	(16.348)	(17.835)	(15.928)	(17.263)
Deferred tax	6.587	13.097	6.530	13.094
<b>Total</b>	<b>(9.761)</b>	<b>(4.738)</b>	<b>(9.398)</b>	<b>(4.169)</b>

According to the tax law for the years 2018 and 2017, the corporate income tax rate was 29%. According to law 4579/2018 released on 3 December 2018, the corporate income tax rate was 28% for 2019, 27% for 2020, 26% for 2021 and 25% for 2022 onwards.

In accordance with article 22 of Law 4646/2019 (Government Gazette A '201 / 12.12.2019) voted on December 12, 2019, the tax rate for the year 2019 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 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
<b>(Amounts in € '000)</b>				
<b>Earnings/(losses) before tax</b>	<b>52.687</b>	<b>45.363</b>	<b>51.430</b>	<b>44.168</b>
Impact of the tax rate change in Greece	(3.497)	(9.508)	(3.503)	(9.542)
Tax impact of reversal of provisions for which deferred tax asset had not been recognized as non-deductible.	-	435	-	435
Tax impact from elimination of intra-group profit	(8)	(10)	-	-
Tax impact of non-taxable income and expenses that are not deductible for tax purposes	509	558	524	467
Dividends in bonus form to staff on which no tax was calculated but withheld in the liquidation	112	108	34	-
<b>Provision for income tax</b>	<b>9.761</b>	<b>4.738</b>	<b>9.398</b>	<b>4.169</b>
<b>Effective income tax rate</b>	<b>18,53%</b>	<b>10,45%</b>	<b>18,27%</b>	<b>9,44%</b>

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 and its subsidiary have been audited by the respective statutory auditor and have received unqualified Tax Compliance Reports with emphasis of matter for fiscal years up to 2018 inclusive (Note 14B). For the financial year 2019, the Company and its subsidiary have been subject to the tax audit by the statutory auditor, as provided by the provisions of par. 5, article 82 Law 2238/1994. 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 2019. 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 tax relate to temporary differences between the book value and tax basis of assets and liabilities and are calculated using the official tax rates.

	GROUP		COMPANY	
	31-Dec		31-Dec	
	2019	2018	2019	2018
<b>(Amounts in '000)</b>				
Opening balance (net deferred tax liability)	(67.256)	(80.345)	(67.481)	(80.564)
Impact from new accounting standards (IFRS 9)	-	10	-	-

Debit / credit in the consolidated income statement	6.587	13.097	6.530	13.094
Directly charged to OCI	59	(18)	57	(11)
<b>Closing balance (net deferred tax liability)</b>	<b>(60.610)</b>	<b>(67.256)</b>	<b>(60.894)</b>	<b>(67.481)</b>

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:

<b>Statement of Financial Position</b>				
<b>(Amounts in '000)</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31-Dec</b>		<b>31-Dec</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Deferred tax liabilities</b>				
- Property, Plant and Equipment	-	-	-	-
- Intangible assets	64.744	71.000	64.749	71.007
- Loan expenses	-	-	-	-
- for Liabilities	569	594	543	566
<b>Gross deferred tax liabilities</b>	<b>65.313</b>	<b>71.594</b>	<b>65.292</b>	<b>71.573</b>
<b>Deferred tax assets</b>				
- Property, Plant and Equipment	1.718	1.665	1.705	1.653
- Retirement benefit compensation	1.451	1.315	1.420	1.286
- Right-of-use and lease liabilities	209	-	155	-
- Provisions	1.322	1.350	1.109	1.144
- Other	3	8	9	9
<b>Gross deferred tax assets</b>	<b>4.703</b>	<b>4.338</b>	<b>4.398</b>	<b>4.092</b>
<b>Net deferred tax liabilities</b>	<b>60.610</b>	<b>67.256</b>	<b>60.894</b>	<b>67.481</b>

<b>Income Statement</b>				
<b>(Amounts in '000)</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31-Dec</b>		<b>31-Dec</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Deferred tax liabilities</b>				
- Property, Plant and Equipment	-	-	-	-
- Intangible assets	(6.256)	(12.732)	(6.258)	(12.734)
- Loan expenses	-	-	-	-
- for Liabilities	(25)	(106)	(23)	(103)
<b>Deferred tax assets</b>				
- Property, Plant and Equipment	(53)	(570)	(52)	(569)
- Retirement benefit compensation	(77)	140	(77)	126
- Right-of-use and lease liabilities	(209)	-	(155)	-
- Provisions	28	172	35	184
- Other	5	(1)	-	2
<b>Deferred income tax expense/ (gain) in Income Statement</b>	<b>(6.587)</b>	<b>(13.097)</b>	<b>(6.530)</b>	<b>(13.094)</b>
<b>Amounts charged directly to OCI</b>				
<b>Actuarial (gains)/losses</b>	<b>59</b>	<b>18</b>	<b>57</b>	<b>11</b>

## 18. Sales

Breakdown of turnover per operating segment is shown in Note 3 of the financial statements. The table below shows the breakdown of sales per market category:

<b>(Amounts in € '000)</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>
<b>Sales</b>				
Duty free retail sales	152.601	145.568	152.601	145.568
Duty paid retail sales	138.153	127.695	128.630	118.873
Wholesale	7.497	7.563	3.068	3.209

<b>Total</b>	<b>298.251</b>	<b>280.826</b>	<b>284.299</b>	<b>267.650</b>
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## 19. Cost of Goods Sold

(Amounts in '000)	GROUP		COMPANY	
	01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
<b>Cost of Goods Sold</b>				
Cost of goods sold	(138.005)	(127.339)	(129.122)	(119.073)
Goods valuation differences	(1.039)	(869)	(910)	(862)
Transportation expenses & fees	(250)	(362)	(198)	(311)
<b>Total</b>	<b>(139.294)</b>	<b>(128.570)</b>	<b>(130.230)</b>	<b>(120.246)</b>

## 20. Leases

(Amounts in '000)	GROUP		COMPANY	
	01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
Leases	(14.181)	(34.034)	(13.330)	(32.642)
<b>Total</b>	<b>(14.181)</b>	<b>(34.034)</b>	<b>(13.330)</b>	<b>(32.642)</b>

Group						Short-term lease	Long-term lease
Stores	Buildings & facilities	Vehicles	Other	Total			
-							
<b>Opening balance as at 01.01.2019</b>	<b>113.147</b>	<b>3.857</b>	<b>784</b>	<b>118</b>	<b>117.906</b>		
Additions/modifications	8.765	189	21	-	8.975		
Withdrawals	(153)	(62)	-	-	(215)		
Impairments	-	-	-	-	-		
Interest cost	1.871	60	12	1	1.944		
Repayments	(24.932)	(925)	(204)	(119)	(26.180)		
<b>Balance as at 31.12.2019</b>	<b>98.698</b>	<b>3.119</b>	<b>613</b>	<b>-</b>	<b>102.430</b>	<b>24.654</b>	<b>77.776</b>

Company						Short-term lease	Long-term lease
Stores	Buildings & facilities	Vehicles	Other	Total			
-							
<b>Opening balance as at 01.01.2019</b>	<b>112.533</b>	<b>3.220</b>	<b>737</b>	<b>118</b>	<b>116.608</b>		
Additions/modifications	8.299	189	21	-	8.509		
Withdrawals	(153)	(63)	-	-	(216)		
Impairments	-	-	-	-	-		
Interest cost	1.859	49	11	1	1.920		
Repayments	(24.414)	(818)	(192)	(119)	(25.543)		
<b>Balance as at 31.12.2019</b>	<b>98.124</b>	<b>2.577</b>	<b>577</b>	<b>-</b>	<b>101.278</b>	<b>24.112</b>	<b>77.166</b>

## 21. Staff expenses

(Amounts in '000)	GROUP		COMPANY	
	01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
<b>Employee costs</b>				
Salaries	30.083	29.624	25.887	25.696
Employees insurance contributions	6.860	6.589	5.969	5.671
Staff retirement compensation	602	555	503	490
Employee benefits and expenses	1.209	957	1.180	926

<b>Total</b>	<b>38.754</b>	<b>37.725</b>	<b>33.539</b>	<b>32.783</b>
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## 22. General expenses

<b>(Amounts in '000)</b>				
	<b>GROUP</b>		<b>COMPANY</b>	
<b>General expenses</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>
Repairs, maintenance and building facilities	2.485	2.533	2.400	2.449
Electronic equipment costs	369	405	359	397
Building and warehouse rents	2	3.385	-	3.347
Legal and consulting services fees	1.201	1.240	1.117	1.165
Travel, motor car and public relations expenses	1.077	1.255	1.030	1.206
Marketing expenses	-	1	-	1
Bank expenses	170	198	133	151
Insurance	311	283	291	271
Other office expenses	1.095	1.147	1.046	1.096
Tax & duties	548	578	538	545
Commissions and advertising costs	1.710	1.476	1.603	1.391
Credit card commissions	1.028	1.017	997	991
Packaging materials	82	285	43	231
Other marketing expenses	659	405	644	399
Revenue from commissions	(400)	(489)	(391)	(379)
Other marketing revenue	(155)	(193)	(123)	(85)
Other extraordinary expenses	1.737	2.989	1.698	2.549
Other extraordinary revenue	(15)	(35)	(2)	(29)
Incidental revenue from services to third parties	(4)	(1)	(4)	(1)
Prior periods revenues	(163)	(53)	(74)	(53)
Staff restructuring costs	-	1.132	-	997
(Loss)/gains from impairment/sale of tangible assets	108	2.231	108	2.231
Transportation costs & fees	48	-	48	-
Receivables write-off	50	160	-	1
<b>Total</b>	<b>11.943</b>	<b>19.949</b>	<b>11.461</b>	<b>18.871</b>

## 23. Depreciation

<b>(Amounts in '000)</b>				
	<b>GROUP</b>		<b>COMPANY</b>	
<b>Depreciation</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>
Depreciation of tangible assets (Note 4)	6.396	5.290	6.295	5.227
Amortization of intangible assets (Note 5)	12.070	12.075	12.068	12.075
Depreciation of right-of-use assets (Note 6)	24.889	-	24.261	-
<b>Total</b>	<b>43.355</b>	<b>17.365</b>	<b>42.624</b>	<b>17.302</b>

## 24. Financial income and expenses

<b>(Amounts in '000)</b>				
	<b>GROUP</b>		<b>COMPANY</b>	
<b>Financial income</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>
Interest on cash, deposits and reserves	101	66	90	54
<b>Total</b>	<b>101</b>	<b>66</b>	<b>90</b>	<b>54</b>

<b>(Amounts in '000)</b>				
	<b>GROUP</b>		<b>COMPANY</b>	
<b>Financial expenses</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>
Loan Interest and borrowing costs	(5.274)	(7.155)	(5.274)	(7.156)
Interest expenses, IFRS16 – Leases (Note 20)	(1.944)	-	(1.919)	-
Actuarial study financial costs (Note 13)	(90)	(78)	(88)	(76)



<b>Total</b>	<b>(7.308)</b>	<b>(7.233)</b>	<b>(7.281)</b>	<b>(7.232)</b>
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(Amounts in '000)	GROUP		COMPANY	
	01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
<b>Other financial income/expense</b>				
Other financial income	-	12	-	12
Foreign exchange rate differences - gains	32	11	19	9
Foreign exchange rate differences - losses	(212)	(32)	(213)	(32)
<b>Total</b>	<b>(180)</b>	<b>(9)</b>	<b>(194)</b>	<b>(11)</b>

## 25. Earnings per share

(Amounts in € '000)	GROUP		COMPANY	
	01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
<b>Earnings per share</b>				
Net profit / loss for the period	<b>42.739</b>	<b>40.668</b>	<b>41.851</b>	<b>40.026</b>
<b>Allocated to:</b>				
Parent company shareholders	42.739	40.668	41.851	<b>40.026</b>
Minority interests	-	-	-	-
Weighted average number of shares	<b>7.951</b>	<b>7.951</b>	<b>7.951</b>	<b>7.951</b>
<b>Total</b>	<b>5,37</b>	<b>5,11</b>	<b>5,26</b>	<b>5,03</b>

## 26. Transactions and balances with related parties

The transactions below are transactions with related parties, as defined in IAS 24.

Transactions between parent company and subsidiaries		
(Amounts in '000)	01.01 - 31.12.2019	01.01 - 31.12.2018
Sales of goods	2.699	2.901
Sales of services	-	-
Rents – Other	47	14
Purchases of goods	429	220
Services rendered – other expenses	126	1
Transactions between parent company and other related parties		
(Amounts in '000)	01.01 - 31.12.2019	01.01 - 31.12.2018
Sales of goods	211	61
Sales of services – other income	45	63
Purchases of goods	45.623	40.983
Services rendered – other expenses	5.732	6.776
Group transactions with other related parties		
(Amounts in '000)	01.01 - 31.12.2019	01.01 - 31.12.2018
Sales of goods	211	82
Sales of services – other income	45	63
Purchases of goods	45.623	40.983
Services rendered – other expenses	5.732	6.777
Closing balances		
	31.12.2019	31.12.2018
<b>Parent company</b>		
<b>From subsidiaries</b>		
Receivables	159	4
Liabilities	130	653
<b>From other related parties</b>		
Receivables	646	82
Liabilities	82.408	101.297

**Group****From other related parties**

Receivables	646	82
Liabilities	82.408	101.297

Management fees for the years 2019 and 2018 reached the following levels:

For the Group at € 5.778 ths. and € 5.128 ths., respectively and for the Company at € 5.485 ths. and € 4.856 ths., respectively.

## 27. Contingent liabilities and liens

Both the Group and the Company have assigned letters of guarantee of € 15.8 mil. and € 12.7 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

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Permanent Staff	1.110	1.194	975	1.050
Seasonal Staff	134	165	131	137
<b>Total</b>	<b>1.244</b>	<b>1.359</b>	<b>1.106</b>	<b>1.187</b>

## 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.

### ii) 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.

### iii) 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, 2019 and 2018 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 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, the group makes most of such sales to selected customers.

Cash and cash equivalents are also considered assets with high credit risk since the current macroeconomic conditions in Greece exert significant pressure on domestic banks.

#### **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 fully deals with the inventory risk.

#### **30.3 COVID-19 spread risk**

The Group is closely monitoring the latest updates regarding the spread of coronavirus in order to adapt to the special conditions that arise solely to address and limit the spread of COVID-19 disease. It complies with the official instructions of the competent authorities for the suspension of the operation of its physical stores located in the countries where it operates. It is in compliance with the applicable law and is ready to continue its commercial activity in physical stores according to the instructions. Recent updates have significantly affected the operation of the Company. As this phenomenon is still in progress, its quantitative and qualitative effects on the operation of the Group and the Company are under evaluation and will be presented in the Interim Financial Statements of the Dufry Group, where the company's results are consolidated, as well as the Annual Financial Statements of the year ended on December 2020.

#### **30.4 Liquidity risk**

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

Prudent management of liquidity risk requires:

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

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

The table below summarizes the maturity profile of financial liabilities as at 31 December 2019 and 2018, 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:

<b>Group</b>					
<b>Liquidity analysis (Amounts in € '000)</b>					
<b>as at 31.12.19</b>	<b>Average interest rate</b>	<b>Less than 1 year</b>	<b>From 1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Floating rate loans	-	-	-	-	-
Fixed rate loans	5,40%	65.000			65.000
Suppliers, etc., interest-free liabilities		50.139	-	-	50.139
		<b>115.139</b>	<b>-</b>	<b>-</b>	<b>115.139</b>

<b>Company</b>					
<b>Liquidity analysis (Amounts in € '000)</b>					
<b>as at 31.12.19</b>	<b>Average interest rate</b>	<b>Less than 1 year</b>	<b>From 1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Floating rate loans	-	-	-	-	-
Fixed rate loans	5,40%	65.000			65.000
Suppliers, etc., interest-free liabilities		47.530	-	-	47.530
		<b>112.530</b>	<b>-</b>	<b>-</b>	<b>112.530</b>

### 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 2019 and 2018, respectively, were as follows:

<b>(Amounts in '000)</b>		<b>GROUP</b>		<b>COMPANY</b>	
<b>Leverage ratio</b>		<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Total borrowings		65.000	116.812	65.000	116.812
Less: Cash & cash equivalents		22.623	10.248	14.847	4.538
<b>Net debt</b>		<b>42.377</b>	<b>106.564</b>	<b>50.153</b>	<b>112.274</b>
Earnings before interest, tax, depreciation and amortization (EBITDA)		103.429	69.904	101.439	68.659
Equity		497.847	455.108	491.720	449.869
<b>Net Debt / EBITDA</b>		<b>0,41</b>	<b>1,40</b>	<b>0,49</b>	<b>1,51</b>
<b>Net Debt / Equity</b>		<b>0,09</b>	<b>0,23</b>	<b>0,10</b>	<b>0,25</b>

### 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:

<b>(Amounts in '000)</b>	<b>GROUP</b>	<b>COMPANY</b>
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	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Customers and other trade receivables	3.942	3.354	924	697
Other receivables	17.265	19.330	15.611	17.502
Short-term loan liabilities	-	26.812	-	26.812
Suppliers and other liabilities	31.619	21.416	30.390	21.213
Long-term liabilities payable next year	65.000	90.000	65.000	90.000

### **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.

<b>Fair value hierarchy as at 31 December 2019</b>								
	<b>Group</b>				<b>Company</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>								
Cash and cash equivalents and bank deposits	22.623	-	-	22.623	14.847	-	-	14.847
Financial assets								
Investments available for sale	-	-	-	-	-	-	-	-
CRETA NET								
<b>Total</b>	<u>22.623</u>	<u>-</u>	<u>-</u>	<u>22.623</u>	<u>14.847</u>	<u>-</u>	<u>-</u>	<u>14.847</u>
<b>Financial liabilities</b>								
<i>Financial liabilities at amortized cost:</i>								
Borrowings	65.000	-	-	65.000	65.000	-	-	65.000
<b>Total</b>	<u>65.000</u>	<u>-</u>	<u>-</u>	<u>65.000</u>	<u>65.000</u>	<u>-</u>	<u>-</u>	<u>65.000</u>

### **31. Events occurring after the end of the reporting period**

No other events having a significant impact on the Financial Statements of the fiscal year ended and being necessary for them to be reported apart from the outbreak of Coronavirus disease or COVID-19 have occurred within the period from the end of the fiscal year to the date of financial statements sign off.

With the recent and rapid development of Coronavirus disease (COVID-19), the global economy has entered a period of unprecedented crisis, which has already caused significant global upheaval in business activities and our everyday life. Many countries have adopted emergency and costly restriction measures. Some countries have required companies to limit or even suspend their normal business activities. Governments, including Hellenic Republic, have imposed restrictions on traffic and travel as well as strict quarantine measures.

Industries such as retail, tourism, hospitality and entertainment are expected to be immediately affected by these measures. Other industries such as construction and financial services are expected to be indirectly affected and their results will be adversely affected as well.

The economic impacts of the current crisis on the global economy and overall business activities cannot be assessed with reasonable certainty at this stage due to the rate of rapid outbreak and the high level of uncertainty resulting from the inability to reliably predict the outcome. The incident is considered to be a non-adjusting event and, therefore, it is not recognized or quantified among assets and liabilities in the financial statements for the year ended 31 December 2019.

On March 11, the World Health Organization (WHO) declared the Coronavirus disease (COVID-19) as pandemic and, consequently, the Greek government announced the implementation of measures taking into account the uncertain situation as it evolves daily, the growing spread of COVID-19 and data from the World Health Organization on the situation. Since March 20, measures have been gradually taken to safeguard public health and ensure the economic survival of employees, businesses, vulnerable groups and the economy in general. The measures include, among others:

- Suspension of operation for a significant number of private companies over a specific period
- Prohibition of all unnecessary travel (apart from cases such as those related to work, the purchase of basic supplies, doctor appointments or transition to a pharmacy),
- Prohibition of access to parks, playgrounds, outdoor sports areas, squares, dams, excursion sites, marinas and beaches etc.

The above measures, based on current data, are to apply until April 27, 2020. The aim of these public policy measures is to reduce the spread of COVID-19 and they are not expected to lead to a disruption of the Company's operation, except for the effects on the most recent revenue estimates, which, however, are not expected to create liquidity scarcity for the Company. In this context, the Company's Management has examined the special conditions that could have a significant impact on its business activities and the risks to which it is exposed as follows:

- Health and staff availability. The spread of COVID-19 in the workplace can cause delays in the daily operation of the Company and additional costs. The guidelines for hygiene (staff and buildings), remote working (work from home) and other tools were approved immediately, as deemed appropriate. The Company's response plan includes the immediate preparation of a strategy on a case-by-case basis, the creation of virtual meetings or video calls, and the prioritization of issues to the highest levels of management.
- Sufficiency of critical supplies for the Company's operation and purchase of inventory for the smooth operation when it becomes possible.
- Disruptions and restrictions on transportation as a result of government measures. Depending on the duration of the effects caused by the virus, the Company's financial performance will be affected by the reduced number of travelers to airports, ports and border stations, thus reducing its revenues and cash flows. At the date of the financial statements' preparation, the loss of revenue cannot be quantified given the evolution of the effects of COVID-19 and the possible increase in the duration of the Greek Government's restriction measures.

The Company is in the process of evaluating its cash flows using revised assumptions and incorporating negative scenarios into the assessment of real and potential financing needs. In this context, an analysis was carried out for additional liquidity needs and no risks were identified that are not manageable and in addition there are no effects on financial contractual terms. The Management is already assessing and, where possible, it is implementing measures, particularly regarding the review, in terms of implementation time, of certain investments and the adjustment of maintenance costs in the existing stores.

Scenarios elaborated by the Company's and the Group's Management include, among other things, the operation of most of its stores with security staff, operating costs cutting by suspending employment contracts as already happened, state subsidies and outcomes from negotiations on the airport leases. Additionally, the Group is in communication with its main suppliers to reach agreements for the transfer of payments to them in order to ensure its liquidity in the near future. Regarding the product supply, based on the assertions of the suppliers and mainly those of the DUFERY Group companies, it is mentioned that there is adequacy in all the markets where the company develops activity.

Based on the scenarios elaborated, the decline in sales and gross profit margin for 2020 is expected to range between 60% and 65%, whereas in any case no significant problems are expected regarding the ability of the Company (and the Group) to meet its short-term obligations, taking into account that it has the financial support of the DUFERY Group for the existing intra-group liabilities. Detailed data on the effects will be presented in the Interim Financial Statements of the DUFERY Group where the results of the Group companies are consolidated as well as the annual financial statements of the fiscal year that will end on December 31, 2020.

The Company's Management will continue to monitor and assess closely the situation in order to seek additional measures and facilities as a backup plan in the event that the period of disruption is extended.

In conclusion, all of the above were examined in the assessment of the effects of COVID-19 on the activity of 2020 for which there is an inherent uncertainty given the current events and circumstances on the date the financial statements were prepared. Despite the fact that repercussions and declining revenues are expected due to the pandemic, the Company's Management expects that there is no uncertainty about continuing its activity (going concern), which is the main hypothesis used for the preparation of the financial statements.

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.



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