AHI CARRIER

SOUTH EASTERN EUROPE AIR-CONDITIONING

SINGLE MEMBER SOCIETE ANONYME

Annual Financial Statements

(Separate and Consolidated)

for the year ended

on 31 December 2019

in accordance with International Financial Reporting Standards

(I.F.R.S.)

Peristeri, July 2020

Index

STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board of Directors of AHI CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME:

1. Aikaterini Dimas, Chairman of the Board and CEO

2. Ravi Hegde, Vice President of the Board

3. Thomas Adamidis, Member of the Board

We confirm that to the best of our knowledge:

α) The accompanying Annual Financial Statements (Separate and Consolidated) of the AHI CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME for the period 1 January 2019 to 31 December 2019, which have been prepared in accordance with the applicable accounting standards, provide a true and fair view of the assets and liabilities, the owners' equity and the results of the AHI CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME as well as of the companies included in the consolidation taken as a whole;

β) The enclosed Annual Report of the Board of Directors provides a true and fair view of the development, performance and the financial position of the AHI CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME as well as of the companies included in the consolidation taken as a whole, including the description of the principal risks and uncertainties they are facing.

Peristeri, 30 July 2020

Chairman of the Board and CEO	Vice President of the Board	Member of the Board
Aikaterini Dimas **ID AN 007393**	**Ravi Hegde** **Passport no. Z3795517**	**Thomas Adamidis** **ID AE 504276**

Board of Directors' Annual Report

AHI CARRIER

SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME

Relating to the financial statements
for the financial year 1 January 2019 to 31 December 2019

To the Shareholders,

This report of the Board of Directors of AHI CARRIER NOTIA OF EASTERN EUROPE AIR CONDITIONING SOLE SHAREHOLDER SA (the "AHI Carrier" or the "Company") has been prepared based on the provisions of articles 150 and 158 of Law 45 (Separate and Consolidated) of 31 December 2019 and the year ended on that date. The AHI Carrier Group (the "Group"), in addition to the Company, includes subsidiaries, in which AHI Carrier directly or indirectly exercises control. The Company and Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

This report includes the true and fair view of evolution and performance of the Company's activities and its financial position, during the period 1 January 2019 to 31 December 2019, its objectives and strategy, the reporting of the important events that took place during 2019, as well as the most important events after the end of the year. The report also contains the description of the main risks and uncertainties for the next year, the listing of the significant transactions of the Company and the Group with their related parties, as well as additional information as required by the relevant legislation.

A. Report 2019

Group

The consolidated income of the Group amounted to Euro 67,651 thousand in 2019, increased by 1.5% compared to 2018. The total operating expenses of the Group, before depreciation, impairment and financial results amounted to Euro 62,106 thousand in 2019, marking an increase of 2.71% compared to 2018. The consolidated expenses for depreciation and impairment amounted to Euro 1,242 thousand increased by 183.3% reflecting the application of IFRS 16. Operating profits before financial and investment activities of the Group amounted to Euro 5,546 thousand compared to Euro 6,197 thousand in 2018. Debt interest and related expenses, excluding debit exchange differences, amounted to Euro 359 thousand, increased by 35.7%, mainly reflecting the impact of the application of IFRS 16. The income tax of the Group amounted to Euro 1,159 thousand in 2019, reduced by 34.9% compared to 2018, mainly reflecting the effect of the reduced corporate income tax rate in Greece. The profits of the Group from operating activities (attributable to the shareholders of the Company) amounted to Euro 2,673 thousand in 2019, compared to Euro 3,714 thousand in 2018.

The consolidated non-current assets of the Group amounted to Euro 3,877 thousand in 2019, increased by 30.0% compared to 2018, mainly due to the recognition of asset use rights by the application of IFRS 16. The Group's reserves amounted to Euro 12,968 thousand, recording a decrease of 11.2% compared to 2018. The commercial receivables of the Group amounted to Euro 25,469 thousand, marking an increase of 6.9% compared to 2018, while the cash and cash equivalents amounted to Euro 5,000 thousand, marking increase of 2.3% compared to 2018. The Group's borrowing, including the effect of IFRS 16, amounted to Euro 2,586 thousand in 2019, increased by 84.7% compared to 2018. Finally, commercial and other Short-term liabilities amounted, at a consolidated level, to Euro 10,164 thousand, recording a decrease of 15.2% compared to 2018.

Listed below are some key indicators for a better understanding of the Group's true image, performance and efficiency of 2019:

(amounts in €k, except referred otherwise)

		The Group	
		2019	2018
LIQUIDITY RATIOS			
CURRENT RATIO (%)	Current assets / Current liabilities	44.294 / 12.942 = 342,3%	43.882 / 14.687 = 298,8%
QUICK RATIO (%)	Current assets-Inventory / Current liabilities	31.326 / 12.942 = 242,1%	29.274 / 14.687 = 199,3%
ACID TEST RATIO (%)	Cash and cash equivalents / Current liabilities	5.000 / 12.942 = 38,6%	4.888 / 14.687 = 33,3%
WORKING CAPITAL TO CURRENT ASEETS (%)	Working capital / Current assets	31.352 / 44.294 = 70,8%	29.196 / 43.882 = 66,5%
CAPITAL STRUCTURE RATIOS			
DEPT TO EQUITY (%)	Dept / Equity	14.793 / 33.378 = 44,3%	15.925 / 30.940 = 51,5%
CUERRENT LIABILITIES TO NET WORTH (%)	Current liabilities / Equity	12.942 / 33.378 = 38,8%	14.687 / 30.940 = 47,5%
FIXED ASSETS TO NET WORTH (%)	Fixed assets / Equity	1.578 / 33.378 = 4,7%	562 / 30.940 = 1,8%
OWNER'S EQUITY TO TOTAL LIABILITIES (%)	Equity / Total liabilities	33.378 / 14.793 = 225,6%	30.940 / 15.925 = 194,3%
CURRENT ASSETS TO TOTAL ASSETS RATIO (%)	Current assets / Total assets	44.294 / 48.171 = 92,0%	43.882 / 46.866 = 93,6%
ACTIVITY RATIOS			
INVENTORIES TURNOVER RATIO (times)	Cost of sales / Inventory	49.726 / 13.788 = 3,61	48.374 / 11.833 = 4,09
FIXED ASSETS TURNOVER RATIO (times)	Net sales revenue / Fixed assets	67.651 / 1.578 = 42,9	66.666 / 562 = 118,7
DAYS OF SALES OUTSTANDING (D.S.O)	Trade receivables x 365 / Net sales revenue	25.469 / 67.651 = 137,4	23.822 / 66.666 = 130,4
ASSET TURNOVER RATIO (times)	Net sales revenue / Total assets	67.651 / 48.171 = 140,4%	66.666 / 46.866 = 142,2%
OWNER'S EQUITY TURNOVER RATIO (times)	Net sales revenue / Equity	67.651 / 33.378 = 202,7%	66.666 / 30.940 = 215,5%
PROFITABILITY RATIOS			
GROSS PROFIT MARGIN (%)	Gross profit / Net sales revenue	13.906 / 67.651 = 20,6%	15.768 / 66.666 = 23,7%
NET PROFIT MARGIN (%)	Net profit after tax / Net sales revenue	2.673 / 67.651 = 4,0%	3.714 / 66.666 = 5,6%
RETURN OF INVESTMENT (%)	Net profit after tax / Equity	2.673 / 33.378 = 8,0%	3.714 / 30.940 = 12,0%
EFFICIENCY OF TOTAL ASSETS (%)	Net profit after tax / Totals assets - Current liabilities	2.673 / 35.229 = 7,6%	3.714 / 32.179 = 11,5%
OPERATING EXPENSES RATIOS			
OPERATING RATIO (%)	Cost of sales + Operating expenses / Net sales revenue	63.416 / 67.651 = 93,7%	60.958 / 66.666 = 91,4%
LOANS TO TOTAL ASSETS (%)	Loans + Lease liabilities / Total assets	2.586 / 48.171 = 5,4%	1.400 / 46.866 = 3,0%

The company

The Company's revenues amounted to Euro 57,234 thousand in 2019, reduced by 1.1% compared to 2018. The total operating expenses of the Company, before depreciation, impairment and financial results amounted to Euro 53,593 thousand in 2019 and remained at the same levels compared to 2018. Corporate expenses for depreciation and impairment amounted to Euro 1,038 thousand increased by 200.4% reflecting the application of IFRS 16. Operating profit before financial and investment activities of the Company amounted to Euro 3,640 thousand compared to Euro 4,291 thousand in 2018. Debt interest and related expenses, excluding debt exchange differences, amounted to Euro 338 thousand, increased by 30.1%, mainly reflecting the impact of the application of IFRS 16. O The Company's income tax amounted to Euro 1,006 thousand in 2019, reduced by 35.3% compared to 2018, mainly reflecting the effect of the reduced corporate income tax rate in Greece. The profits of the Company for the year from ongoing activities (attributable to the shareholders of the Company) amounted to Euro 1,545 thousand in 2019, compared to Euro 2,132 thousand in 2018.

The non-current assets of the Company amounted to Euro 3,621 thousand in 2019, increased by 24.8% compared to 2018, mainly reflecting the recognition of rights to use assets by the application of IFRS 16. The Company's inventories amounted to Euro 11,812 thousand marking a decrease of 12.0% compared to 2018. The commercial receivables of the Company amounted to Euro 22,967 thousand, marking an increase of 4.8% compared to 2018, while the cash and cash equivalents amounted to Euro 2,912 thousand, recording decrease of 3.9% compared to 2018. The Company's borrowing, including the effect of IFRS 16, amounted to Euro 2,458 thousand in 2019, increased by 75.6% compared to 2018. Finally, commercial and other Short-term liabilities amounted, at separate level, to Euro 8,627 thousand, recording a decrease of 14.2% compared to 2018.

Listed below are some key indicators for a better understanding of the Company's true image, performance and efficiency in 2019:

(amounts in €k, except referred otherwise)

		The Company 2019		The Company 2018	
LIQUIDITY RATIOS					
CURRENT RATIO (%)	Current assets / Current liabilities	38.522 / 10.701	360,0%	38.870 / 12.208	318,4%
QUICK RATIO (%)	Current assets-Inventory / Current liabilities	26.710 / 10.701	249,6%	25.452 / 12.208	208,5%
ACID TEST RATIO (%)	Cash and cash equivalents / Current liabilities	2.912 / 10.701	27,2%	3.031 / 12.208	24,8%
WORKING CAPITAL TO CURRENT ASEETS (%)	Working capital / Current assets	27.821 / 38.522	72,2%	26.662 / 38.870	68,6%
CAPITAL STRUCTURE RATIOS					
DEPT TO EQUITY (%)	Dept / Equity	12.457 / 29.686	42,0%	13.418 / 28.353	47,3%
CUERRENT LIABILITIES TO NET WORTH (%)	Current liabilities / Equity	10.701 / 29.686	36,0%	12.208 / 28.353	43,1%
FIXED ASSETS TO NET WORTH (%)	Fixed assets / Equity	1.432 / 29.686	4,8%	530 / 28.353	1,9%
OWNER'S EQUITY TO TOTAL LIABILITIES (%)	Equity / Total liabilities	29.686 / 12.457	238,3%	28.353 / 13.418	211,3%
CURRENT ASSETS TO TOTAL ASSETS RATIO (%)	Current assets / Total assets	38.522 / 42.143	91,4%	38.870 / 41.771	93,1%
ACTIVITY RATIOS					
INVENTORIES TURNOVER RATIO (times)	Cost of sales / Inventory	43.203 / 12.615	3,42	43.256 / 10.967	3,94
FIXED ASSETS TURNOVER RATIO (times)	Net sales revenue / Fixed assets	57.234 / 1.432	40,0	57.863 / 530	109,13
DAYS OF SALES OUTSTANDING (D.S.O)	Trade receivables x 365 / Net sales revenue	22.967 / 57.234	146,5	21.907 / 57.863	138,2
ASSET TURNOVER RATIO (times)	Net sales revenue / Total assets	57.234 / 42.143	135,8%	57.863 / 41.771	138,5%
OWNER'S EQUITY TURNOVER RATIO (times)	Net sales revenue / Equity	57.234 / 29.686	192,8%	57.863 / 28.353	204,1%
PROFITABILITY RATIOS					
GROSS PROFIT MARGIN (%)	Gross profit / Net sales revenue	10.747 / 57.234	18,8%	12.166 / 57.863	21,0%
NET PROFIT MARGIN (%)	Net profit after tax / Net sales revenue	1.545 / 57.234	2,7%	2.132 / 57.863	3,7%
RETURN OF INVESTMENT (%)	Net profit after tax / Equity	1.545 / 29.686	5,2%	2.132 / 28.353	7,5%
EFFICIENCY OF TOTAL ASSETS (%)	Net profit after tax / Totals assets - Current liabilities	1.545 / 31.442	4,9%	2.132 / 29.563	7,2%
OPERATING EXPENSES RATIOS					
OPERATING RATIO (%)	Cost of sales + Operating expenses / Net sales revenue	54.800 / 57.234	95,7%	54.118 / 57.863	93,5%
LOANS TO TOTAL ASSETS (%)	Loans + Lease liabilities / Total assets	2.458 / 42.143	5,8%	1.400 / 41.771	3,4%

B. OBJECTIVES AND STRATEGY

The Company and the Group, predicting that 2019 will be one more difficult year for the Greek Economy and amidst of its apparent slowdown, had as their main objective the maintenance and increase of their market shares in the countries that company operates, through the strengthening in domestic retail market as well as through the dynamic penetration of the Group in the markets of Balkans and Central Europe.

For the year 2020, the pandemic is expected to bring significant recession and insecurity to the global and Greek economy. The expected slowdown in the construction sector as a whole and the restriction of investments are expected to bring significant delay in the execution of planned projects which in combination with the total reduction of the consumer consumption will lead to a relative reduction of the Company and the Group's turnover. Therefore, and in addition to maintaining market share, management's effort is concentrated to restructure the company’s cost base in order to minimize the negative effects of the expected drop in turnover and to maintain the Company's and Group profitability at a stable level.

C. SIGNIFICANT EVENTS DURING THE CLOSING YEAR

On February 7, 2019, an audit was conducted by the General Directorate of Competition at the Company's headquarters under no. prot. 683 / 29.01.2019 of the audit order of the Chairman of the Competition Commission, during which various documents were presented and collected. To date, no other action has been taken by the Competition Commission and at this stage any assessment regarding the duration and outcome of this investigation is considered premature. Therefore, no provision has been made in the separate and consolidated financial statements in this regard.

D. UNCERTAINTIES AND RISKS FOR THE NEXT FINANCIAL YEAR

AHI Carrier Group has developed and implements a Corporate Risk Management System, which supports the Management in making strategic decisions, with the main goal of preserving the smooth business operation and the future business success of the Group. This is achieved by identifying, evaluating, communicating and addressing corporate risks (including sustainable development risks), utilizing all the strategic, operational and organizational control and monitoring measures applied, both to reduce the risks and to seize future opportunities.

Management continuously assesses the potential impact of any changes in the macroeconomic and financial environment in Greece and in the countries in which the Group operates in order to ensure that all necessary actions and measures are taken to minimize any impact on the Group's activities. Based on its current assessment, Management has concluded that no additional impairment provisions are required for the Group's financial and non-financial assets as at 31 December 2019.

Brexit

The Group evaluates the possible effect from Brexit and takes actions as to eliminate them. Taking into account the analysis till today, Brexit is estimated to have no effect in the Group’s Operations.

Financial Risks

Risks stated below are significantly affected by the Macro and Micro Environment in Greece.

a) Credit Risk

Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations to the Group and the Company.

The primary credit risk for the Group and the Company, as at the Financial Statements date, is the book value of their Financial Assets.

Default payments from company's customers, can possibly have a negative impact in normal liquidity of the Group and the Company. As a result of the high number in customers and the diversity of customer base of the Group, there is no significant credit risk in relationship with the receivables.

Nevertheless, partial credit risk can be found in specific primar customers, due to high volume of transactions with the Group and the Company. For this specific category, the Group and the Company evaluate the credit risk in accordance with the established policies and procedures and a Bad Debt provision provided.

The Group and the Company apply specific Credit and Insurance policy, for the monitoring and evaluation of customers', not only for the initial credit assessment and the efficient management of receivables before their characterization as "past due" but also when these characterized as expired or unsecured. To monitor credit risk, customers are grouped according to the category they belong to, their credit risk characteristics, the maturity of their receivables and any past collection problems they have shown, taking into account future factors in relation to customers as well as the economic environment they operate.

The Cash and Cash Equivalent of the Group and the Company are mainly invested for a short period, in bank institutions with high credit rating.

Impairment of Financial Assets

The Group and the Company have the following categories of Financial Assets, which are under new Financial model for expected credit losses:

- Trade receivables
- Current assets
- Other current assets

The Group and the Company apply the simplified IFRS 9 for the measurement of expected losses, in which the loss allowance is measured at an amount equal to lifetime expected losses for the Trade Receivables, the Current Assets and the Other Current Assets.

The following table, presents the Group's and the Company's credit risk exposure for the year ended 31 December 2019 and the year ended 31 December, 2018, for the Trade Receivables, The Current Assets and the Other Currents Assets:

The Group and the Company have the following categories of financial assets that are subject to the new model of expected credit losses:

• Receivables from customers (commercial receivables)

• Contractual assets

• Other current assets

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which, the loss forecast is always measured in an amount equal to the expected credit life losses for receivables from customers, contractual assets and other current assets.

The following tables present the Group and the Company exposure as of 31 December 2019 on the credit risk of receivables from customers and contractual assets at book value before impairment:

The Group

€k	Performing 31/12/2019	Partially performing 31/12/2019	Non performing 31/12/2019	Total 31/12/2019
Trade receivables	17.321	8.506	7.327	33.154
Contractual assets	44	0	0	44
Total	**17.365**	**8.506**	**7.327**	**33.198**

The Company

€k	Performing 31/12/2019	Partially performing 31/12/2019	Non performing 31/12/2019	Total 31/12/2019
Trade receivables	16.255	7.013	7.223	30.491
Contractual assets	44	0	0	44
Total	**16.299**	**7.013**	**7.223**	**30.535**

Other Financial Assets for the Group and the Company assumed to have low credit risk and therefore the balance is considered without credit risk.

Financial assets that present a low risk of default and a strong ability to meet contractual cash flows are considered to be valid, while financial assets for which credit risk has increased significantly since initial recognition but there is no objective evidence of loss are considered partially valid. Non-performing financial assets are considered to be those for which there is objective evidence of credit loss at the reporting date and there is limited expectation of recovery of contractual cash flows.

The separation of customers and contractual assets within the above categories and the determination of whether there has been a significant increase in credit risk at Group level is assessed based on the best estimates of each entity, taking into account specific events and circumstances that apply to them.

b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations when required. Liquidity risk is kept low through the availability of sufficient cash and / or credit limits, which ensure that financial obligations maturing over the next 12 months are met. The cash and cash equivalents of the Group and the Company on December 31, 2019 amounted to Euro 5,000 thousand and Euro 2,912 thousand respectively and the short-term loans amounted to Euro 1,500 thousand and Euro 1,500 thousand respectively.

To monitor and deal with liquidity risk, the Group companies prepare cash flow forecasts on a regular basis.

c) Market Risk

Market risk arises from the possibility that changes in market prices, such as exchange rates, interest rates and share prices, will affect the fluctuation of the value of the financial instruments held by the Group and the Company. Market risk management consists of the effort of the Group and the Company to manage and control their exposure to acceptable limits.

The individual risks that compose the market risk and their management policies by the Group and the Company are described below:

a. Interest rate risk

Interest rate risk is the probability that the fair value of a financial instrument's future cash flows will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk is primarily related to the Group's borrowing.

The Group manages the risk of interest rate fluctuations using primary (non-derivative) financial instruments.

b. Currency risk

Foreign exchange risk is the probability that the fair value of a financial instrument 's cash flows will fluctuate due to changes in foreign exchange rates.

The Group operates in Southeastern Europe and is therefore exposed to foreign exchange risk arising from changes in the functional currencies of these countries against other currencies. The main currencies traded with the Group are the Euro, the Bulgarian BGN and the Romanian RON.

The Group monitors changes in foreign exchange rates in order to have, if required, sufficient foreign exchange reserves to minimize exposure to foreign exchange risk in cash flows. Foreign exchange risks that do not affect the Group's cash flows (e.g., risks arising from the conversion of the financial statements of foreign operations into the presentation currency of the Group) are generally not hedged.

c. Capital Management

The primary goal of the Group and the Company in terms of capital management is to ensure the maintenance of strong creditworthiness and sound capital ratios in order to support their business operation and maximize value for the benefit of shareholders.

The Group and the Company manage the capital structure and make adjustments in order to harmonize with the changes in the financial environment.

An important tool for capital management is the use of the leverage ratio (the ratio of net debt to equity), which is monitored at Group level. Net borrowing includes interest bearing loans as well as long-term and short-term lease liabilities (after the adoption of IFRS 16 as of January 1, 2019), less cash and cash equivalents.

	The Group		**The Company**	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Long term bank loans	0	0	0	0
Short term bank loans	1.500	1.400	1.500	1.400
Lease liabilities (long term)	593	0	529	0
Lease liabilities (short term)	493	0	429	0
Minus: Cash and cash equivalents	(5.000)	(4.888)	(2.912)	(3.031)
Total leverage	**(2.414)**	**(3.488)**	**(453)**	**(1.631)**
Total equity	33.378	30.940	29.686	28.353
Leverage rate	**(0,07)**	**(0,11)**	**(0,02)**	**(0,06)**

d) Other risks

Risk Assessment in the AHI Carrier Group is a structured process in terms of identification, analysis, valuation and management of business risks, with the aim of taking the optimal decisions, for the proper management. In this context, operational, strategic, regulatory, financial risks, as well as legal / regulatory risks are properly reviewed and monitored.

Protection of personal data

The Company collects, stores and uses data in the normal course of its operations and protects them in accordance with the applicable data protection legislation and the Corporate Binding Data Protection Rules for the protection of the Group's personal data, which have been adopted by company's management. Although technical and organizational measures are taken to protect personal data, the measures may fail and some personal data may be lost as a result of human error or technological failure or misused. Possible violation of personal data by the Company or by its associates or suppliers may lead to fines, damage to reputation, loss of business partners and have a negative impact on the company and its financial situation.

The protection of personal data is one of the main priorities of the AHI Carrier Group, not only to meet the legal and regulatory requirements, but also as an integral part of its culture.

Technical and organizational data protection measures include, inter alia, measures to prevent unauthorized persons from accessing data processing systems, measures to ensure the confidentiality of data during storage and transmission (e.g. encryption, pseudonymization), measures that ensure that personal data processed by third parties / contractors are processed only in accordance with the Company's instructions, as well as periodic information and training activities for employees.

Environmental Protection

The Company recognizes its obligations towards the environment and the need for continuous improvement of its environmental performance. The Company, through its procedures, makes rational use of waste which ultimately does not burden the environment and therefore there are no environmental issues in relation to its operation.

Our goals are:

. Reduce energy, fuel and paper consumption.

. Reduce our waste and increase recycling rates.

. To integrate environmental awareness into our corporate culture.

We monitor our energy footprint and the environmental impact of our activity, while at the same time we seek to improve our operations, the metering process and to further intensify recycling.

Our Company, due to the nature of its operations, energetically burdens the environment, both in terms of resource consumption (electricity, a 'and b' materials, fuels, stationery), but also in terms of production of pollutants and partially recyclable waste.

In relation to the control and prevention of pollution and environmental effects from the consumption of energy resources, the release of air pollutants and the production of waste and waste, our Company fully complies with the applicable legislation and has signed the relevant contracts with ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΕΙΑ ΑΞΙΟΠΟΙΗΣΗΣ ΚΑΙ ΑΝΑΚΥΚΛΩΣΗΣ and ΑΝΑΚΥΚΛΩΣΗ ΣΥΣΚΕΥΩΝ Α.Ε

Health and Safety at work

A number of factors related to work activities can endanger the Health and Safety of workers, with more vulnerable the technical staff (including refrigerators and storekeepers). The inability to provide a safe working environment can burden the Company with compensation obligations and other legal costs, while damaging its reputation.

AHI Carrier ensures that the technical staff is always equipped with the necessary personal protective equipment, which are of modern technology, certified and tested for their integrity and expiration and are renewed according to the standards set by law. Also, the Company has undertaken the training and the constant vigilance of the technical staff. Technicians regularly participate in seminars, which are constantly enriched.

In addition to the specialized actions for the demanding work of the technical staff, all the employees of the Group are covered by private health insurance, a system of compensation for health issues and have at their disposal occupational physicians.

E. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Group has implemented a system of internal controls to safeguard the reliability of financial statements, the efficiency and effectiveness of operations and compliance with laws and regulations.

The Group has established a standard procedure for recording and evaluating the Internal Audit System, the scope of which is determined based on specific criteria of importance (qualitative and quantitative) to ensure that financial information risks are properly identified and assessed and that checkpoints are designed and are implemented on an ongoing basis by Management and staff.

The Internal Audit System, which is an integral part of corporate governance, contributes to the efficiency and effectiveness of the operations of the Company and the Group. Management reviews the controls annually and verifies the adequacy of the system.

The Group has also developed and implements a Corporate Risk Management System, which supports Management in making strategic decisions by identifying, evaluating, communicating and addressing corporate risks, including all strategic, operational and organizational control and monitoring measures. used in risk management.

In the context of the implementation of the Corporate Risk Management System, the strategy for the monitoring, response and management of corporate risks is defined, so that:

. It is ensured that the existing risks of the Group are systematically identified, analyzed and evaluated and, the information related to the risks and the respective opportunities, are immediately communicated to the competent decision-making bodies.

. The Group's response to the way it deals with risks that have been identified, analyzed and communicated is recorded and alternatives are evaluated (such as transfer of risks to third parties, e.g. insurance companies).

A Tolerance thresholds are established for each level of risk assessment. In case these limits are exceeded, relevant reports and action is made.

A common methodology is followed throughout the Group for the identification, evaluation and management of corporate risks.

Risk Assessment in the AHI Carrier Group is a structured process in terms of identification, analysis, valuation and management of business risks, with the aim of taking the optimal decisions, for the proper management. In this context, operational, strategic, regulatory, financial risks, as well as legal / regulatory risks are properly reviewed and monitored. A common Risk Assessment methodology, is used, in all business units based on universal assessment and evaluation criteria, so that there is a single way of managing corporate risks throughout the Group.

F. IMPORTANT EVENTS AFTER YEAR END

The period following the reporting date a rapid development of Coronavirus (COVID-19) occurred and the global economy entered into a period of unprecedented healthcare crisis, which has already significantly affected global business activities and daily life. Many countries have adopted extraordinary and costly containment measures. Some countries have required companies to reduce or even suspend their normal business activities. Governments, including Greece and the countries in which the Group operates, have imposed travel restrictions as well as strict house arrest (quarantine) measures. These measures are largely maintained in many countries around the world, while the Greek Government has only recently proceeded with a series of relaxations that will allow the gradual restart of the economy.

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 escalation and the high level of uncertainty resulting from the inability to predict the outcome reliably.

The event is considered as a non-corrective event and therefore is not reflected in the recognition and measurement of assets and liabilities in the financial statements for the year ended 31 December 2019.

Management has examined the particular conditions and risks to which the Company and the Group are exposed and has concluded that there is no significant impact on the profitability of the Company and the Group. The event is not expected to have a direct material impact on the Company's business activities. Management will continue to monitor the situation closely and will assess the need for individual actions in case the disruption period is extended.

Management regularly reviews the special conditions and risks to which the Company and the Group are exposed and adjusts its individual actions to ensure the smallest possible impact on the health of its employees and the results of the Company and the Group.

There were no significant events after the reporting period, other than those listed above, that are relevant to the understanding of the separate and consolidated financial statements that are required to be reported in accordance with International Financial Reporting Standards.

F. NEXT YEAR OUTLOOK

Management believes that pandemic will bring significant recession and insecurity to the global and Greek economy. The expected slowdown in the construction sector and the restriction of investments are expected to bring significant delay in the execution of planned projects which in combination with the reduction of the consumer consumption will lead to a relative reduction of the Company and the Group's turnover. Therefore, management is concentrated to the restructuring of company's cost base, in order to minimize the negative effects of the expected drop in turnover and thus despite the recession to maintain for the year 01/01/2020 - 31/12/2020 the Company's and Group profitability at a stable level.

G. LABOR ISSUES

Regarding labor issues, the promotion of equal opportunities and the protection of diversity are key principles of the Group. The Management of the Group does not discriminate in the recruitment / selection of staff, in salaries, in training, in the assignment of job duties or in any other work activities and urges and advises all its employees to respect the diversity of each employee or its supplier or customer Company and do not accept any behavior that may discriminate in any form.

H. OTHER INFORMATION ACCORDING TO LAW

1. Land - Plots

   The Company and the Group do not own land and plots.

2. Bonds

   The Company and the Group do not hold securities.

3. Available foreign currency

   The Company and the Group did not have, in their possession, as at 31/12/2019, foreign exchange.

4. Branches

   The Company and the Group have a branch in Thessaloniki

5. Research and Development activities

   The Company and the Group are not active in the field of Research and Development.

6. Acquisition of Own Shares

   The Company and the subsidiaries of the Group do not hold own shares.

Dear Shareholders,

After the information presented above, please:

1. Approve the Annual Financial Statements (Separate and Consolidated) of December 31, 2019, as well as the relevant appendix.

2. Exempt the members of the Board of Directors and our Auditors from any responsibility for the activities of the year 01/01/2019 - 31/12/2019 in accordance with the Law and the Articles of Association.

3. Appoint an Audit Company for the audit of the Annual Financial Statements (Separate and Consolidated) for the year 01/01/2020 -31/12/2020.

At the end of our Report, we would like to thank the staff of the Company and the Group for their efforts to achieve our goals and we invite you to make decisions on every issue of the agenda.

Peristeri, July 30th 2020

Yours sincerely

For the Board of Directors

Aikaterini Dimas
Chairman of the Board and CEO

BALANCE SHEET STATEMENT

		The Group		The Company	
€k	Note	31/12/2019	31/12/2018	31/12/2019	31/12/2018
ASSETS					
Non-current assets					
Property, plant and equipment	5	137	130	114	98
Right of use for leased assets	6	921	0	798	0
Intangible assets	7	520	432	520	432
Investments in subsidiaries	8	0	0	2	2
Other non current assets	9	186	171	171	170
Deferred tax assets	29	2.114	2.251	2.015	2.199
Total non-current assets		**3.877**	**2.983**	**3.621**	**2.901**
Current assets					
Inventories	10	12.968	14.608	11.812	13.418
Trade receivables	11	25.469	23.822	22.967	21.907
Contractual assets	22	44	112	44	112
Other receivables	12	813	449	787	399
Derivatives asset		0	2	0	2
Cash and cash equivalents	13	5.000	4.888	2.912	3.031
Total current assets		**44.294**	**43.882**	**38.522**	**38.870**
Total assets		**48.171**	**46.866**	**42.143**	**41.771**
EQUITY					
Equity attributable to owners of the Parent					
Share capital	14	4.662	4.662	4.662	4.662
Share premium	14	13.577	13.577	13.577	13.577
Statutory and other reserves	15	777	681	777	680
Retained earnings		14.362	12.020	10.669	9.433
Total equity attributable to owners of the Parent		**33.378**	**30.940**	**29.686**	**28.353**
Non-controlling interest		0	0	0	0
Total equity		**33.378**	**30.940**	**29.686**	**28.353**
LIABILITIES					
Non-current liabilities					
Obligations of benefits to the staff	16	705	676	674	647
Lease liabilities	17	593	0	529	0
Provisions	18	411	450	411	450
Contractual liabilities	22	141	113	141	113
Total non-current liabilities		**1.851**	**1.239**	**1.756**	**1.210**
Current liabilities					
Short term bank loans	19	1.500	1.400	1.500	1.400
Current lease liability	17	493	0	429	0
Contractual liabilities	22	776	1.118	145	575
Trade payables	20	8.061	9.981	6.958	8.417
Income tax liability	29	8	180	0	180
Other current liabilities	21	2.103	2.007	1.669	1.637
Total current liabilities		**12.942**	**14.687**	**10.701**	**12.208**
Total liabilities		**14.793**	**15.925**	**12.457**	**13.418**
Total equity and liabilities		**48.171**	**46.866**	**42.143**	**41.771**

Notes from page 23 to 78 are an integral part of the financial statements

INCOME STATEMENT

		The Group		The Company	
€k	Note	01/01 - 31/12/2019	01/01 - 31/12/2018	01/01 - 31/12/2019	01/01 - 31/12/2018
Results from continuing operations					
Net sales revenue	23	67.651	66.666	57.234	57.863
Cost of goods sold	25	(53.745)	(50.898)	(46.486)	(45.697)
Gross profit		**13.906**	**15.768**	**10.747**	**12.166**
Other income	24	248	277	270	326
Distribution Costs	25	(5.136)	(5.696)	(4.262)	(4.537)
Administrative expenses	25	(4.536)	(4.364)	(4.052)	(3.884)
Other expenses	26	(180)	(191)	(102)	(89)
Total operating income		**4.303**	**5.794**	**2.602**	**3.982**
Finance expenses	27	49	202	307	202
Finance income	28	(521)	(502)	(358)	(497)
Profit before tax		**3.831**	**5.494**	**2.551**	**3.686**
Income tax	29	(1.159)	(1.780)	(1.006)	(1.554)
Profit after tax (a)		**2.673**	**3.714**	**1.545**	**2.132**
Profit for the year attributable to:					
- Owners of the parent		2.673	3.714	1.545	2.132
- Non-controlling interest		0	0	0	0
Other comprehensive income					
Other comprehensive income after tax (b)		**0**	**0**	**0**	**0**
Total comprehensive income after tax (a) + (b)		**2.673**	**3.714**	**1.545**	**2.132**
Total comprehensive income for the year attributable to:					
- Owners of the parent		2.673	3.714	1.545	2.132
- Non-controlling interest		0	0	0	0
Earnings per share (€/share)	30	**16,8242**	**23,3795**	**9,7286**	**13,4243**

Notes from page 23 to 78 are an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY - The Group

	Distributed to shareholders						
€k	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2018	**4.662**	**13.577**	**549**	**8.466**	**27.255**	**0**	**27.255**
Comprehensive income for the year net of tax	0	0	0	3.714	3.714	0	**3.714**
Other comprehensive income / (loss)	0	0	0	0	0	0	**0**
Total income for the year net of tax	**0**	**0**	**0**	**3.714**	**3.714**	**0**	**3.714**
Translation loss	0	0	0	(3)	(3)	0	**(3)**
Bulgaria Brunch Clearance	0	0	0	(27)	(27)	0	**(27)**
Statutory Reserve	0	0	131	(131)	0	0	**0**
Balance as at 31 December 2018	**4.662**	**13.577**	**681**	**12.020**	**30.940**	**0**	**30.940**
Impact of implementation of IFRS 16	**0**	**0**	**0**	**(218)**	**(218)**	**0**	**(218)**
Comprehensive income for the year net of tax	0	0	0	2.673	2.673	0	**2.673**
Other comprehensive income / (loss)	0	0	0	0	0	0	**0**
Total income for the year net of tax	**0**	**0**	**0**	**2.673**	**2.673**	**0**	**2.673**
Translation loss	0	0	0	(16)	(16)	0	**(16)**
Statutory Reserve	0	0	97	(97)	0	0	**0**
Balance as at 31 December 2019	**4.662**	**13.577**	**777**	**14.362**	**33.379**	**0**	**33.379**

Notes from page 23 to 78 are an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY - The Company

€k	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
Balance as at 1 January 2018	**4.662**	**13.577**	**550**	**7.459**	**26.248**
Comprehensive income for the year net of tax	0	0	0	2.132	**2.132**
Other comprehensive income / (loss)	0	0	0	0	**0**
Total income for the year net of tax	**0**	**0**	**0**	**2.132**	**2.132**
Bulgaria Brunch Clearance	0	0	0	(27)	**(27)**
Statutory Reserve	0	0	131	(131)	**0**
Balance as at 31 December 2018	**4.662**	**13.577**	**680**	**9.433**	**28.353**
Impact of implementation of IFRS 16	**0**	**0**	**0**	**(213)**	**(213)**
Comprehensive income for the year net of tax	0	0	0	1.545	**1.545**
Other comprehensive income / (loss)	0	0	0	0	**0**
Total income for the year net of tax	**0**	**0**	**0**	**1.545**	**1.545**
Statutory Reserve	0	0	97	(97)	**0**
Balance as at 31 December 2019	**4.662**	**13.577**	**777**	**10.669**	**29.685**

Notes from page 23 to 78 are an integral part of the financial statements

CASH FLOW STATEMENT

	The Group		The Company	
€k	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**
Operating activities				
Profit after tax	3.831	5.494	2.551	3.686
Additions/reductions to:				
Depreciation of tangible and intangible assets	106	73	90	55
Depreciation of rights of use for leased assets	431	0	348	0
Provision for compensation due to retirement	151	77	149	63
Provision for obsolete inventories	(68)	74	(78)	44
Provision for bad debts	546	215	451	183
Exchange differences	113	36	14	36
Net cash used in investing activities	(2)	(0)	(302)	(0)
Interest and other expenses	359	265	338	260
Working capital adjustments:				
Decrease / (Increase) in inventories	1.710	(5.626)	1.684	(4.948)
(Increase) / decrease in trade and other receivables	(2.502)	(1.410)	(1.831)	(290)
Increase in trade payables and other liabilities (except from loans)	(2.071)	2.743	(1.686)	2.075
Minus:				
Interest paid and other expenses	(345)	(265)	(324)	(260)
Tax paid	(1.565)	(1.429)	(1.330)	(1.309)
Net cash from operating activities (a)	**693**	**247**	**73**	**(404)**
Investing activities				
Payment for purchase of tangible and intangible assets	(199)	(620)	(194)	(620)
Proceeds from disposal of tangible and intangible assets	2	0	2	0
Proceeds from dividends	0	0	300	0
Interest received	1	0	1	0
Net cash used in investing activities (b)	**(197)**	**(619)**	**108**	**(620)**
Finance Activities				
Proceeds from loans and borrowings	100	1.400	100	1.400
Lease repayments	(484)	0	(401)	0
Net cash used in financing activities (c)	**(384)**	**1.400**	**(301)**	**1.400**
Net increase in cash and cash equivalents (a) + (b)+ (c)	**112**	**1.028**	**(120)**	**376**
Cash and cash equivalents at 1 January	4.888	3.860	3.031	2.655
Cash and cash equivalents at 31 December	**5.000**	**4.888**	**2.912**	**3.031**

Notes from page 23 to 78 are an integral part of the financial statements

(amounts in €k, except referred otherwise)

NOTES OF THE FINANCIAL STATEMENTS (FOR THE GROUP AND THE COMPANY)

1. GENERAL INFORMATION OF THE COMPANY AND THE GROUP

"AHI CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME"(hereafter mentioning as «The Company», «AHI Carrier» or «Parent Company»), created in 1996 as a subsidiary of Carrier Corporation, under the name Carrier HELLAS S.A. and is registered to the General Commercial Registry of Greece with identification number 002134301000. The address of the head office of the Company is 18 Kifissou Avenue, Peristeri, Athens and its official webpage is www.ahi-carrier.gr. The shares of the company are ordinary and not available for public through the Athens Stock exchange.

The main operations of the company are the distribution and sales for the Carrier air conditioning products -Toshiba and Totaline- and services, in Greece, Cyprus and the Balkans

The Company and the Group expand their rights of sales of their products on the Balkans through their offices in Bulgaria (2004) and Romania (2008). On 2019, the name of the Company changes to CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING S.A. declaring the whole area operating in.

In 2011, the Company and the Group in order to improve their services, integrates distribution Carrier products, Toshiba, Totaline and after-sales services in Greece, Cyprus and the Balkans to the existing joint venture AHI Carrier FZC and the Company's and the Group’s name change in AHI Carrier Air-Conditioning S.A. SA South Eastern Europe.

In 2013, the Company and the Group also undertook the distribution right of Residential Light Commercial products (RLC) of the Carrier in Central Europe.

The Company and the Group are part of UTC Building & Industries Systems (BIS), the largest provider worldwide in building technologies. Committed to innovation and environmental sustainability, UTC BIS, provides complete solutions in the field of heating, ventilation, air conditioning, refrigeration, building automation, fire safety and protection in order to improve our daily lives.

The accompanying financial statements are consolidated with the financial statements of AHI CARRIER FZC UAE, an UAE company that holds 100% of the share capital of the Company.

AHI Carrier group of companies (hereafter mentioning as «The Group»), holds apart from the Company also all entities that the company controls direct or indirect.

The accompanying financial statements (hereafter mentioning as «financial statements») for the year ended December 31, 2019 were approved for publication by decision of the Board of the Company on 30 July 2019.

The number of employees for the Group and the Company as at 31.12.2019 and 31.12.2018 is as follows.

	The Group		The Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Number of employees	123	123	101	100

Consolidated financial statements include the financial statements of the parent company AHI CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME and the subsidiaries as indicated at the table below:

Entity name	Line of Business	Country	Consolidation method	Percentage (%)	
				31/12/2019	31/12/2018
AHI CARRIER S.E.E. SINGLE MEMBER S.A.	Sales & distribution of air conditioning products	Greece	Parent	-	-
AHI CARRIER BULGARIA HVAC BULGARIA EOOD	Sales & distribution of air conditioning products	Bulgaria	Full	100,00%	100,00%
AHI CARRIER ROMANIA SRL	Sales & distribution of air conditioning products	Romania	Full	100,00%	100,00%

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, which have been measured at fair values in accordance with IFRS.

The financial statements are presented in thousands of Euro, except when otherwise indicated.

2.1. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities included in the financial statements. On an ongoing basis, Management evaluates its estimates and judgements, including those related to legal contingencies, allowance for doubtful accounts, the estimated useful life of non-financial assets, impairment of property, plant and equipment, impairment of intangible assets, impairment of investments, reserve for staff retirement indemnities, recognition of revenues and expenses and income taxes. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the bases for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

2.1.1. Provision for income taxes

The provision for income taxes in accordance with IAS 12 “Income taxes”, are the amounts expected to be paid to the taxation authorities and includes provision for current income taxes reported and the potential additional tax that may be imposed as a result of audits by the taxation authorities. Group entities are subject to income taxes in various jurisdictions and significant management judgment is required in determining provision for income taxes. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which the Group and the Company operate, or unpredicted results from the final determination of each year’s liability by tax authorities. These changes could have a significant impact on the Group’s and the Company’s financial position. Where the actual additional taxes payable are different from the amounts that were initially recorded, these differences will impact the income tax and deferred tax provisions in the period in which such a determination is made. Further details are provided in Note 29.

2.1.2. Deferred tax assets

Deferred income tax assets and liabilities have been provided for the tax effects of temporary differences between the carrying amount and tax base of such assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused losses can be utilized. The Group and the Company have considered future taxable income and followed ongoing feasible and prudent tax planning strategy in the assessment of the recoverability of deferred tax assets. The accounting estimate related to deferred tax assets requires management to make assumptions regarding the timing of future events, including the probability of expected future taxable income and available tax planning opportunities. Further details are provided in Note 29.

2.1.3. Provision for expected credit losses of trade receivables and contract assets

The Group and the Company apply the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets.

The Group and the Company establish allowance for doubtful accounts sufficient to cover reasonably estimable loss for these accounts. Because of the number of accounts, it is not practical to review the collectability of each account; therefore, at each reporting date all accounts receivable are assessed based on historical trends, statistical information and future expectations regarding suspended customers. The balance of such allowance for doubtful accounts is adjusted by recording a charge to the income statement of the reporting period. Any amount written off with respect to customer account balances is charged against the existing allowance for doubtful accounts. Additional details are provided in Note 11.

2.1.4. Post retirement and other defined benefit plans

Staff Retirement Indemnities obligations are calculated at the discounted present value of the future retirement benefits deemed to have accrued at year-end. Retirement obligations are calculated on the basis of financial and actuarial assumptions that require management to make assumptions regarding discount rates, pay increases, mortality and disability rates, retirement ages and other factors. Changes in these key assumptions can have a significant impact on the obligation and pension costs for the period. Net pension costs for the period consist of the present value of benefits earned in the year, interest costs on the benefits obligation, prior service costs and actuarial gains or losses. The Staff Retirement Indemnities obligations are not funded. Due to the long-term nature of these defined benefit plans, these assumptions are subject to a significant degree of uncertainty. Further details are provided in Note 16.

2.1.5. Estimating the useful life of non-financial assets

The Group and the Company must estimate the useful life of property, plant and equipment and intangible assets recognized at acquisition or as a result of a business combination. These estimates are revisited at least on an annual basis taking into account new developments and market conditions.

2.1.6. Contingent liabilities

The Group and the Company are currently involved in various claims and legal proceedings. Periodically, the Group and the Company review the status of each significant matter and assess potential financial exposure, based on the advice of legal counsel. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reliably estimated, the Group and the Company recognize a provision for the estimated loss. Significant judgment is required in both the determination of probability and the determination as to whether an exposure is reasonably estimable. As additional information becomes available, the Group and the Company reassess the potential liability related to pending claims and litigation and may revise assessments of the probability of an unfavorable outcome and the related estimate of potential loss. Such revisions in the estimates of the potential liabilities could have a material impact on the Group’s or the Company’s financial position and results of operations.

2.1.7. Leases - Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, they use the Group's incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

2.1.8. Provision for obsolete and slow-moving inventories

The Group and the Company examine the inventory records in order to assess their marketability and net realizable value in case of sale. The provision for obsolete and slow-moving inventories is based on the Management's past experience, sales forecasts and market conditions, taking into account both the value of inventories and the movement and volume of inventories for each category separately. The monitoring of net realizable value is ongoing and the methodology and assumptions surrounding the calculation of the provision for obsolete and slowly moving inventories are regularly reviewed and adjusted accordingly. The amount already provided is adjusted by charging the results of each year.

2.2. New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after January 1, 2019.

2.2.1. Standards and Interpretations effective for the current financial year

IFRS 16 "Leases": IFRS 16 has been issued in January 2016 and supersedes IAS 17. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases and to account for those two types of leases differently. The effect from applying the standard to the Group and the Company is described in Note 4.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation": These amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met, instead of at fair value through profit or loss.

IAS 28 (Amendments) "Long term interests in associates and joint ventures": These amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

IFRIC 23 "Uncertainty over income tax treatments": The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement": These amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

Annual Improvements to IFRSs 2015 (2015 – 2017 Cycle)

The amendments set out below describe the key changes to certain IFRSs.

IFRS 3 "Business combinations": The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements": The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income taxes": The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing costs": The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

2.2.2. Standards and Interpretations effective for subsequent periods

A number of new standards and amendments to standards and interpretations are effective for subsequent periods and have not been applied in preparing these consolidated and separate financial statements. The Group is currently investigating the impact of the new standards and amendments on its financial statements.

IFRS 17 "Insurance contracts" (effective for annual periods beginning on or after January 1, 2021): IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after January 1, 2020): The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after January 1, 2020): The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRSs. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRSs.

IAS 1 (Amendment) "Classification of liabilities as current or non-current" (effective for annual periods beginning on or after January 1, 2022): The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied for the preparation of the financial statements are as follows:

3.1. Basis of Consolidation and Investments

Subsidiaries

The consolidated financial statements are comprised of the financial statements of the Company and all subsidiaries controlled by the Company directly or indirectly. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The financial statements of the subsidiaries are prepared as of the same reporting period as the parent company, using consistent accounting policies. All intercompany balances, transactions and any intercompany profit or loss are eliminated in the consolidated financial statements.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in change of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

Disposal of subsidiaries

When the Group disposes of or ceases to have control or any retained interest in the subsidiary it is remeasured to its fair value at the date of disposal or when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are reclassified to profit or loss.

Associates

Associates are those entities in which the Group has significant influence upon, but not control over their financial and operating strategy, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in which the Group has significant influence are accounted for using the equity method of accounting. Under this method the investment is initially recognized at cost and is adjusted to recognize the investor's share of the profit or loss after the date of acquisition.

The Group's share of post-acquisition profit or loss is recognized in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.

Gains or losses from transactions with associates are eliminated to the extent of the interest in the associate. Dividends received from associates are eliminated against the carrying value of the investment. The associate's value is adjusted for any accumulated impairment loss. When the Group's share of losses exceeds the carrying amount of the investment, the carrying value of the investment is reduced to nil and recognition of further losses is discontinued, except to the extent the Group has created obligations or has made payments on behalf of the associate.

The Group has no any participating interests in associates as of 31 December 2019.

In the separate financial statements, investments in subsidiaries are accounted for at cost adjusted for any impairment where necessary.

3.2. Foreign Currency Translation

The Company's functional and presentation currency is the Euro. Transactions involving other currencies are translated into Euro at the exchange rates, ruling on the date of the transactions. At the reporting date, monetary assets and liabilities, which are denominated in foreign currencies, are retranslated at the exchange rates at that date. Gains or losses resulting from foreign currency translation are recognized in the income statement.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rate at the date of the initial transaction. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the exchange rates at the date that the fair value was determined. The foreign currency differences arising from the change in the fair value of these items are recognized in the income statement or directly in other comprehensive income depending on the underlying item.

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). Assets and liabilities of entities that have a functional currency different from the presentation currency, including any goodwill and the fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition, are translated into Euro using exchange rates ruling at the reporting date. Revenues and expenses are translated at rates prevailing at the date of the transaction. All resulting foreign exchange differences are recognized in other comprehensive income and are reclassified in the income statement on the disposal of the foreign operation.

3.3. Intangible assets

Intangible assets acquired separately are recognized at historical cost, while those acquired from a business combination are recognized at fair value on the date of acquisition. Subsequently, they are carried at cost less accumulated amortization and accumulated impairment losses. All intangible assets have a finite useful life and are amortized on a straight-line basis over their useful life. The useful life of intangible assets is reviewed on an annual basis, and adjustments, where applicable, are made prospectively.

The intangible assets of the Company and the Group mainly relate to software programs, the useful life of which has been estimated to be between 5 and 10 years.

(amounts in €k, except referred otherwise)

3.4. Property, Plant and Equipment

Items of property, plant and equipment are measured at historical cost, plus interest costs incurred during periods of construction, less accumulated depreciation and any impairment in value.

The present value of the expected retirement costs, for a relevant asset, is included in the cost of the respective asset if the recognition criteria for a provision are met and are depreciated accordingly.

Repairs and maintenance costs are expensed as incurred. The cost and related accumulated depreciation of assets retired or sold are removed from the corresponding accounts at the time of sale or retirement, and any gain or loss is recognized in the income statement.

When significant parts of the property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation.

Depreciation is recognized on a straight-line basis over the estimated useful lives of property, plant and equipment, which are periodically reviewed. The estimated useful lives and the respective rates are as follows:

Item Description	Estimated Useful Life	Depreciation Rates
Building installations in third party properties	Duration of the lease	8% - 12%
Technical equipment and machinery	5 - 10 years	10% - 20%
Transportation means	6 - 9 years	11% - 17%
PC Hardware	5 - 10 years	10% - 20%
Fixtures and furniture	5 - 10 years	10% - 20%

3.5. Impairment of Non - Financial Assets

The carrying values of the Group’s or the Company’s non-financial assets are tested for impairment, when there are indications that their carrying amount is not recoverable. In such cases, the recoverable amount is estimated and if the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In measuring value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset. If an asset does not generate cash flows individually, the recoverable amount is determined for the cash generating unit to which the asset belongs. At each reporting date the Group and the Company assess whether there is an indication that an impairment loss recognized in prior periods may no longer exist. If any such indication exists, the Group and the Company estimate the recoverable amount of that asset and the impairment loss is reversed, increasing the carrying amount of the asset to its recoverable amount, to the extent that the recoverable amount does not exceed the carrying value of the asset that would have been determined (net of amortization or depreciation), if no impairment loss had been recognized for the asset in prior years.

3.6. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and subsequent measurement of financial assets

The financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model within which the financial asset is held.

With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are initially measured at the transaction price determined under IFRS 15 "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI criterion and is performed at an instrument level.

For the purpose of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost (debt instruments)

- Financial assets at fair value through other comprehensive income

- Financial assets at fair value through profit or loss.

The Group and the Company hold no assets at fair value through other comprehensive income as of 31 December 2019.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. This category includes all financial assets of the Group and the Company.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the income statement.

The fair values of quoted investments are based on quoted market bid prices. For investments where there is no quoted market price, fair value is determined using valuation techniques, unless the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, where the entity is precluded from measuring these investments at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the settlement date (i.e. the date that the asset is transferred or delivered to the Group or the Company).

The Group and the Company have no any financial assets measured at fair value through profit or loss as of 31 December 2019.

Impairment of financial assets

The Group and the Company assess at each reporting date, whether a financial asset or group of financial assets is impaired and recognize, if necessary, an allowance for Expected Credit Losses for all debt instruments not held at fair value through profit or loss. Expected Credit Losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Expected Credit Losses are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, Expected Credit Losses are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating Expected Credit Losses. Therefore, the Group and the Company do not track changes in credit risk, but instead recognize a loss allowance based on lifetime Expected Credit Losses at each reporting date.

To measure the expected credit loss in relation to trade receivables and contract assets, the Group has established a provision matrix relying on aging analysis, which is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other Group's financial assets at amortized cost, the general approach is applied. These assets are considered to have low credit risk and any loss allowance is therefore limited to 12 months' expected losses.

Derecognition of financial assets

A financial asset (or, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired.

- the Group or the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Group or the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group or the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group or the Company also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group or the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Initial recognition and subsequent measurement of financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For the purpose of subsequent measurement, financial liabilities are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Group or the Company has a legally enforceable right to set off the recognized amounts and intends either to settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty

3.7. Derivative Financial Instruments and Hedging Instruments

Derivative financial instruments include interest rate swaps, currency swaps and other derivative instruments.

Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value based on quoted market prices, if available, or based on valuation techniques such as discounted cash flows. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For hedge accounting purposes, hedges are classified either as fair value hedges, where the exposure to changes in the fair value of a recognized asset or liability is being hedged, or as a cash flow hedge, where the exposure to variability in cash flows associated with a specifically identified risk which may be directly related to the recognized asset or liability is being hedged. When hedge accounting is applied, at the inception of the hedge there is formal documentation which includes identification of the hedging instrument, the hedged item, the hedging relationship, the nature of the risk being hedged and the risk strategy.

In a fair value hedge, the change in the fair value of a hedging instrument is recognized in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the income statement.

In a cash flow hedge, the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income in a cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group and the Company do not hold any derivatives as of 31 December 2019.

3.8. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost is based on the weighted average cost method, where the average is calculated at the end of the period. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. When there is any subsequent increase of the net realizable value of inventories that have been previously written-down, the amount of the write-down is reversed.

3.9. Trade Receivables and Allowance for Doubtful Accounts

A receivable represents the Group’s or the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Trade receivables are initially recognized at their fair value which is equal to the transaction amount. Subsequently they are measured at amortized cost, less an allowance for expected credit losses based on lifetime expected credit losses at each reporting period. At each reporting date, trade receivables are either assessed individually for debtors such as other providers or collectively based on historical trends, statistical information and forward looking factors and a provision for the probable and reasonably estimated loss for these accounts is recorded. The balance of such allowance for doubtful accounts is adjusted by recording a charge to the income statement at each reporting period. Any customer account balances written-off are charged against the existing allowance for doubtful accounts.

3.10. Cash and Cash Equivalents - Restricted Cash

For purposes of the cash flow statement, time deposits are considered to be cash and cash equivalents. Restricted cash is cash not available for immediate use. Such cash cannot be used by a company until a certain point or event in the future. In cases when restricted cash is expected to be used within one year after the reporting date, it is classified as a current asset. However, if restricted cash is not expected to be used within one year after the reporting date, it is classified as a non-current asset. Restricted cash is not included in line "Cash and cash equivalents".

The Group and the Company do not have any time deposits or restricted cash as of 31 December 2019.

3.11. Current and Deferred Income Tax

Income tax for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is measured on the taxable income for the year using enacted or substantively enacted tax rates at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences except

where the deferred tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of temporary differences associated with investment in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of temporary differences associated with investment in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.12. Share Capital

Ordinary shares are classified as equity. Share capital issuance costs, net of related tax, are reflected as a deduction from Share Premium.

3.13. Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting by lessee

The Group and the Company apply a single recognition and measurement approach for all leases (including short-term leases and leases of low-value assets). The Group and the Company recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

α) Right-of-use assets

The Group and the Company recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets.

If ownership of the leased asset is transferred to the Group or the Company at the end of the lease term or its cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group and the Company have lease contracts for buildings (used as offices and storage spaces), forklift trucks, vehicles and other equipment used in their operations. The lease contracts may contain both lease and non-lease components. The Group and the Company have elected not to separate non-lease components from lease components, and instead to account for each lease component and any associated non-lease components as a single combined lease component.

The right-of-use assets are also subject to impairment.

β) Lease liabilities

At the commencement date of the lease, the Group and the Company recognize lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group or the Company and payments of penalties for terminating the lease, if the lease term reflects the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group and the Company use the Group's incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced through the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a reassessment or modification of the lease contract.

Accounting by lessor

Leases in which the lessor does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income on operating leases is recognized over the term of the lease on a straight-line basis.

A lease that transfers substantially all of the risks and rewards incidental to ownership of the leased item is classified as finance lease.

The lessor in a finance lease derecognizes the leased asset and recognizes a receivable in the amount of the net investment in the lease. The lease receivable is discounted using the effective interest method and the carrying amount is adjusted accordingly. Lease receivable is increased to reflect the accretion of interest and reduced through the lease proceeds made.

The Group and the Company do not act as lessors as of 31 December 2019.

Details for the Group’s and the Company’s leases are included in Note 17, while the effect from the initial application of the standard to the Group and the Company is described in Note 4.

3.14. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they incur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.15. Borrowings

All loans and borrowings are initially recognized at fair value, net of direct costs associated with the borrowing. After initial recognition, borrowings are measured at amortized cost. Gains and losses are recognized in the income statement over the period of the borrowings using the effective interest method.

3.16. Provisions

Provisions are recognized when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost. Provisions are reviewed at each reporting date, and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, they are reversed. Provisions are used only for expenditures for which they were originally recognized. No provisions are recognized for future operating losses. Contingent assets and contingent liabilities are not recognized.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

3.17. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.18. Employee Benefits

Defined Contribution Plans

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity. The Group and the Company has no legal or constructive obligations to pay any further amounts if the fund does not hold sufficient assets to pay benefits relating to service in the current and prior periods. Obligations for contributions to defined contribution plans are recognized as an expense as incurred.

Termination benefits

Termination benefits are payable when employment is terminated by the Group or the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognize termination benefits at the earlier of the following dates: (a) when the Group or the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

3.19. Expenses Recognition

Expenses are recognized in profit or loss on accrued basis and in the period in which they are incurred. All marketing costs are expensed as incurred.

3.20. Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group or the Company expects to be entitled in exchange for those goods or services.

The Group and the Company are in the business of the distribution and after-sales services of air conditioning and ventilation products. Revenues primarily consist of sales of air conditioning, refrigeration and heating products, compressors, sales of spare parts and components for these products, as well as of fee income from technical support and extended warranty services.

The Group and the Company recognize revenue from extended warranty services over time because the customer simultaneously receives and consumes the benefits provided by the Group and the Company.

Revenues from the sale of air conditioning products, spare parts and components for these products as well as fee income from technical support are recognized at a point in time, upon delivery of the equipment or technical support, as it generally constitutes separate performance obligation.

The services and the air conditioning equipment are sold on their own in separately identified contracts with customers or together as a bundled package of goods and services. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices. Each performance obligation is accounted for separately.

When the Group or the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is the Group's and the Company's right to consideration in exchange for goods or services that the entity has transferred to a customer.

Contract assets will be typically recovered between 12 to 24-month service contracts period which defines the normal operating cycle and is also frequently used at the Group and the Company. As a result, any contract asset recognized under a multiple-element arrangement will be also recovered in the entity's normal operating cycle and is presented as current in the statement of financial position.

When customer pays consideration, or the Group and the Company have a right to an amount of consideration that is unconditional, before the Group or the Company transfers a good or service to the customer, the Group and the Company present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). For the Group and the Company, contract liabilities are primarily the result of product sales or services charged to the customer in advance, or prepaid by him, as well as contract liabilities relating to extended warranty services. Some of the Group's and the Company's contract liabilities will be settled within a "regular" 12 to 24-month service contract and are also tied to a defined operating cycle. However, other might be settled over a period exceeding the "regular" period. Therefore, the Group has concluded that the more prudent approach is to present:

- the amount of Contract liabilities expected to be settled within 12 months as current, and
- the amount of Contract liabilities expected to be settled after more than 12 months as non-current.

3.21. Earnings per Share

Basic earnings per share are computed by dividing the profit for the year attributable to owners of the parent by the weighted average number of shares outstanding during each year. Diluted earnings per share are computed by dividing the profit for the year attributable to owners of the parent by the weighted average number of shares outstanding during the year adjusted for the impact of share-based payments.

3.22. Operating Segments

Operating segments are determined based on the Group's legal structure and business activities, in line with the review performed by the Group's chief operating decision makers. The reportable segments are determined using the quantitative thresholds required by IFRS 8. Information for operating segments that do not constitute reportable segments is combined and disclosed in the "Other" category. The accounting policies of the segments are the same with those followed for the preparation of the financial statements. Management evaluates segment performance based on (a) Operating profit before financial and investing activities, depreciation, amortization and impairment, any costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations, (b) operating profit / (loss) before financial and investing activities and (c) profit / (loss) for the year.

3.23. Dividend distribution

Dividends declared to the shareholders are recognized as a liability in the period they are approved by the General Assembly of shareholders.

3.24. Reclassifications

Certain reclassifications have been made to prior year balances to conform to current year classifications. In addition, certain reclassifications have been made within the Notes for comparability purposes. These reclassifications did not have any impact on the Group's or the Company's equity or income statement. Further details of the nature of these reclassifications are disclosed in Note 35.

4. CHANGES IN ACCOUNTING POLICIES

The Group and the Company apply, for the first time, IFRS 16 "Leases", which replaces IAS 17 and sets out the recognition, measurement, presentation and disclosure of leases. This standard is mandatory for reporting periods beginning on or after 1 January 2019. IFRS 16 has a material effect on the Group's and the Company's financial statements, particularly on total assets and liabilities, the results of operations, net cash flows from operating activities, net cash flows used in financing activities, and the presentation of the financial position.

The new regulations affect the Group and the Company as a lessee especially in relation to leases of building premises and transportation means used for administrative or technical purposes.

The Group and the Company have not applied the new lease standard retrospectively in full, but have applied IFRS 16 using the modified retrospective method. Under this method, prior year comparatives have not been restated. Upon transition to IFRS 16, payment obligations from existing operating leases are discounted using the relevant incremental borrowing rate and recognized as a lease liability. The right-of-use assets were carried as of 1 January 2019 in the amount of the lease liability, adjusted by the amount of the prepaid or accrued lease payments.

Significant policy elections and practical expedients are exercised as follows:

- The right-of-use assets and lease liabilities are presented separately in the statement of financial position.

- The recognition, measurement and disclosure requirements of IFRS 16 also apply to short-term leases and leases of low-value assets.

- The Group elected not to separate non-lease components from lease components, and instead to account for each lease component and any associated non-lease items as a single lease component.

In addition, in relation to the first-time adoption of IFRS 16, the Group and the Company made use of the main policy elections and practical expedients, as follows:

- In determining the lease term, hindsight has been used where economic considerations and penalties indicate that it is reasonably certain that options to extend or terminate the lease will be exercised.

- The Group and the Company elected to apply the new lease definition not only to contracts entered into (or changed) on or after 1 January 2019, but it was applied to all existing contracts at the date of initial application.

- The Group and the Company relied on their assessment of whether the lease contracts were onerous immediately before the date of initial application. There were no onerous lease contracts as at 1 January 2019.

The transition to the new standard as of 1 January 2019 resulted in a cumulative negative effect in the Group's retained earnings of Euro 218 thousand. For the Company, the cumulative negative impact in retained earnings was of an amount of Euro 213 thousand.

The following tables summarize the impact of adopting IFRS 16 on the Group's and Company's statements of financial position as at 1 January 2019, for each of the line items affected:

	The Group		
€k	**Book value IAS 17 31/12/2018**	**I.F.R.S. 16 adjustments**	**Book value I.F.R.S. 16 01/01/2019**
ASSETS			
Non-current assets			
Right of use for leased assets	0	1.085	1.085
Total non-current assets	**0**	**1.085**	**1.085**
EQUITY			
Equity attributable to owners of the Parent			
Retained earnings	0	(218)	(218)
Total equity attributable to owners of the Parent	**0**	**(218)**	**(218)**
Non-controlling interest	0	0	0
Total equity	**0**	**(218)**	**(218)**
LIABILITIES			
Non-current liabilities			
Lease liabilities	0	819	819
Total non-current liabilities	**0**	**819**	**819**
Current liabilities			
Current lease liability	0	484	484
Total current liabilities	**0**	**484**	**484**
Total liabilities	**0**	**1.303**	**1.303**
Total equity and liabilities	**0**	**1.085**	**1.085**

	The Company		
€k	**Book value IAS 17 31/12/2018**	**I.F.R.S. 16 adjustments**	**Book value I.F.R.S. 16 01/01/2019**
ASSETS			
Non-current assets			
Right of use for leased assets	0	916	916
Total non-current assets	**0**	**916**	**916**
EQUITY			
Equity attributable to owners of the Parent			
Retained earnings	0	(213)	(213)
Total equity attributable to owners of the Parent	**0**	**(213)**	**(213)**
Non-controlling interest	0	0	0
Total equity	**0**	**(213)**	**(213)**
LIABILITIES			
Non-current liabilities			
Lease liabilities	0	728	728
Total non-current liabilities	**0**	**728**	**728**
Current liabilities			
Current lease liability	0	401	401
Total current liabilities	**0**	**401**	**401**
Total liabilities	**0**	**1.129**	**1.129**
Total equity and liabilities	**0**	**916**	**916**

The obligations arising from operating leases as of 31 December 2018 (operating lease commitments were disclosed in Note 21 of the Annual Financial Statements as of 31 December 2018) gave rise to the following reconciliation to the opening balance of lease liabilities as of 1 January 2019:

€k	The Group	The Company
Operating lease commitments as at 31/12/2018	**924**	**660**
Adjustments based on lease extension	535	535
Lease contracts exemptions under I.F.R.S. 16 (current leases)	(40)	(17)
Lease liabilities as at 01/01/2019 (undiscounted)	1.419	1.178
Discounts	(116)	(49)
Lease liabilities as at 01/01/2019	**1.303**	**1.129**

If the discount rate implicit in the lease cannot be readily determined, the discount rate used for the measurement of right-of-use assets and lease liabilities is the Group's incremental borrowing rate of interest. As at 1 January 2019, the weighted average discount rate applied for the Group and the Company was 4,35%.

Expect for IFRS 16, certain other amendments and interpretations apply for the first time in 2019 (see Note 2.2.1.), but do not have an impact on the financial statements of the Group and the Company.

5. TANGIBLE FIXED ASSETS

The own tangible fixed assets for the Group and the Company are analyzed as follows:

	The Group					
€k	Land and buildings	Machinery	Transportation means	Plant and equipment	Assets under construction	Total
Cost						
As at 1 January 2018	**247**	**273**	**23**	**488**	**148**	**1.179**
Additions	0	1	0	27	154	**182**
Disposals and write offs	0	0	0	0	(302)	**(302)**
As at 31 December 2018	**247**	**274**	**23**	**515**	**0**	**1.060**
Accumulated Depreciation						
As at 1 January 2018	**(224)**	**(258)**	**(23)**	**(395)**	**0**	**(900)**
Charge for the year	(5)	(3)	0	(23)	0	**(30)**
Disposals/write offs and reclasses	0	0	0	0	0	**0**
As at 31 December 2018	**(229)**	**(260)**	**(23)**	**(418)**	**0**	**(930)**
Net book value as at 31 December 2018	**18**	**14**	**0**	**97**	**0**	**130**
Cost						
As at 1 January 2019	**247**	**274**	**23**	**515**	**0**	**1.060**
Additions	0	4	0	50	0	**55**
Reclasses	0	21	0	(21)	0	**0**
Disposals and write offs	0	0	(23)	0	0	**(23)**
As at 31 December 2019	**247**	**299**	**0**	**545**	**0**	**1.091**
Accumulated Depreciation						
As at 1 January 2019	**(229)**	**(260)**	**(23)**	**(418)**	**0**	**(930)**
Charge for the year	(8)	(6)	0	(33)	0	**(48)**
Reclasses	0	(13)	0	13	0	**0**
Disposals/write offs	0	0	23	0	0	**23**
As at 31 December 2019	**(237)**	**(279)**	**(0)**	**(438)**	**0**	**(955)**
Net book value as at 31 December 2019	**10**	**20**	**0**	**107**	**0**	**137**

	The Company					
€k	Land and buildings	Machinery	Transportation means	Plant and equipment	Assets under construction	Total
Cost						
As at 1 January 2018	**247**	**269**	**23**	**436**	**148**	**1.123**
Additions	0	1	0	27	154	**182**
Disposals and write offs	0	0	0	0	(302)	**(302)**
As at 31 December 2018	**247**	**270**	**23**	**462**	**0**	**1.003**
Accumulated Depreciation						
As at 1 January 2018	**(224)**	**(257)**	**(23)**	**(383)**	**0**	**(887)**
Charge for the year	(5)	(2)	0	(10)	0	**(17)**
Disposals/write offs and reclasses	0	0	0	0	0	**0**
As at 31 December 2018	**(229)**	**(259)**	**(23)**	**(394)**	**0**	**(905)**
Net book value as at 31 December 2018	**18**	**11**	**0**	**69**	**0**	**98**
Cost						
As at 1 January 2019	**247**	**270**	**23**	**462**	**0**	**1.003**
Additions	0	3	0	47	0	**49**
Reclasses	0	0	0	0	0	**0**
Disposals and write offs	0	0	(23)	0	0	**(23)**
As at 31 December 2019	**247**	**273**	**0**	**509**	**0**	**1.029**
Accumulated Depreciation						
As at 1 January 2019	**(229)**	**(259)**	**(23)**	**(394)**	**0**	**(905)**
Charge for the year	(8)	(3)	0	(22)	0	**(33)**
Reclasses	0	0	0	0	0	**0**
Disposals/write offs	0	0	23	0	0	**23**
As at 31 December 2019	**(237)**	**(262)**	**(0)**	**(416)**	**0**	**(915)**
Net book value as at 31 December 2019	**10**	**11**	**0**	**93**	**0**	**114**

No mortgages on fixed assets of the Group or the Company exists.

For the year ended 31 December, 2019, the management evaluated that there is no indication of book value exceed the recoverable amount of Property, Plant and Equipment.

6. RIGHT OF USE OF LEASED ASSETS

The recognized rights of use of leased assets at the beginning (1 January, 2019) and the end of fiscal year (31 December, 2019), for the Group and the Company, are as follows:

	The Group		The Company	
€k	**31/12/2019**	**1/1/2019**	**31/12/2019**	**1/1/2019**
Right of use for leased buildings	416	604	357	527
Right of use for leased transportation means	473	437	410	347
Right of use for leased machinery	32	43	32	43
Right of use for leased assets	**921**	**1.085**	**798**	**916**

The movement of rights of use leased assets for the Group and the Company, is as follows:

€k	**The Group**	**The Company**
Balance as at 31/12/2018	**0**	**0**
Plus: Impact of implementation of IFRS 16		
Right of use for leased buildings	604	527
Right of use for leased transportation means	437	347
Right of use for leased machinery	43	43
Balance as at 1/1/2019 - Implementation of IFRS 16	**1.085**	**916**
Plus: Right of use additions:		
- Buildings	13	0
- Transportation means	254	230
- Machinery	0	0
Minus: Depreciation on right of use		
- Buildings	(201)	(170)
- Transportation means	(218)	(167)
- Machinery	(11)	(11)
Balance as at 31/12/2019	**921**	**798**

The Group and the Company hold lease contracts for buildings (used as offices and warehouses), clarks, means of transportation as well as other equipment used for their core operations.

Lease liabilities are analyzed in note 17.

7. INTANGIBLE ASSETS

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

	The Group	The Company
€k	**Computer Software**	**Computer Software**
Cost		
As at 1 January 2018	**69**	**69**
Additions	438	438
Disposals and write offs	0	0
As at 31 December 2018	**507**	**507**
Accumulated Depreciation		
As at 1 January 2018	**(55)**	**(55)**
Charge for the year	(21)	(21)
Disposals/write offs and reclasses	0	0
As at 31 December 2018	**(75)**	**(75)**
Net book value as at 31 December 2018	**432**	**432**
Cost		
As at 1 January 2019	**507**	**507**
Additions	145	145
Disposals and write offs	0	0
As at 31 December 2019	**652**	**652**
Accumulated Depreciation		
As at 1 January 2019	**(75)**	**(75)**
Charge for the year	(57)	(57)
Disposals/write offs and reclasses	0	0
As at 31 December 2019	**(132)**	**(132)**
Net book value as at 31 December 2019	**520**	**520**

Group's and company's intangible assets are mainly software programs, for which the useful life has been estimated between 5 and 10 years.

For the years ended 31 December, 2019, and 31 December, 2018, there are no intangible assets with infinite useful life.

8. INVESTMENTS IN SUBSIDIARIES

The investments in subsidiaries are as follows:

Entity name	% of Participation	Country	Carrying Value 31/12/2019	Carrying Value 31/12/2018
AHI CARRIER BULGARIA HVAC BULGARIA EOOD	100,00%	Βουλγαρία	1	1
AHI CARRIER ROMANIA SRL	100,00%	Ρουμανία	1	1
Total			**2**	**2**

For the year ended 31 December, 2019, there is no cumulative impairment loss at the book value of investments in subsidiaries of the Company.

9. OTHER NON CURRENT ASSETS

The Other Non Current Assets for the Group and the Company, are as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Guaranties given on leased buildings	146	138	138	138
Guaranties given on leased transportation means	33	27	28	27
Guaranties given on utilities	1	1	1	1
Other guaranties	7	6	5	5
Total	**186**	**171**	**171**	**170**

10. INVENTORIES

Inventories of the Group and the Company consisted of the following at December, 31:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Finished goods	13.155	15.110	11.865	13.794
Stock in transit	1.175	930	1.175	930
Provision for obsolete inventories	(1.362)	(1.431)	(1.228)	(1.305)
Σύνολο	**12.968**	**14.608**	**11.812**	**13.418**

The movement of the provision for the obsolete and slow moving inventory, is as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Balance as at 1/1	**1.431**	**1.357**	**1.305**	**1.261**
Provision charged in the period	42	74	0	44
Reversal of prior years provision	(110)	0	(78)	0
Balance as at 31/12	**1.362**	**1.431**	**1.228**	**1.305**

11. TRADE RECEIVABLES

Trade receivables as at 31 December, 2019 are as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Domestic customers	11.290	9.249	11.290	9.249
Foreign customers	8.464	8.967	4.038	5.251
Receivables from related parties	1.181	757	3.017	2.558
Doubtful customers	3.539	3.600	3.466	3.506
Notes overdue	1.180	1.180	1.180	1.180
Cheques receivable	7.409	7.145	7.409	7.145
Cheques overdue	91	91	91	91
Bad debt provision	(7.685)	(7.167)	(7.524)	(7.073)
Total	**25.469**	**23.822**	**22.967**	**21.907**

The movement of the provision of Bad Debt is as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Balance as at 1/1	**7.167**	**6.951**	**7.073**	**6.890**
Provision charged in the period	207	215	150	183
Impact of implementation of IFRS 9	339	0	301	0
Reversal of prior years provision	(28)	0	0	0
Balance as at 31/12	**7.685**	**7.167**	**7.524**	**7.073**

The aging of Bad Debt is as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Not overdue or impaired	17.313	13.465	16.249	12.693
Overdue and impaired				
up to 30 days past due	1.022	2.138	803	1.674
31 - 120 days past due	4.400	4.065	3.857	3.393
121 - 270 days past due	2.271	4.009	1.697	4.009
271 - 360 days past due	462	147	360	140
Total	**25.469**	**23.822**	**22.967**	**21.907**

12. OTHER RECEIVABLES

The Other Current assets for the Group and the Company are as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Prepaid and withheld taxes	526	86	514	61
VAT receivable	34	227	34	227
Public sector other recievables	70	0	70	0
Debit balances of vendors and creditors	4	0	4	0
Other advances paid (custom brokers, employees)	22	7	22	7
Prepaid expenses	156	130	142	104
Total	**813**	**449**	**787**	**399**

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December, 31 comprise the following:

	Όμιλος		Εταιρεία	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Cash in transit and in hand	5	3	5	3
Cash at bank	4.995	4.885	2.907	3.028
Total	**5.000**	**4.888**	**2.912**	**3.031**

14. SHARE CAPITAL

The share capital of the Company amounts to four millions six hundreds sixty two thousands two hundreds seventy six euro and eighty five cents (4.662.276,85) divided into one hundred fifty eight thousands eight hundreds fifty one common registered shares (158.851) with a nominal value of twenty nine euro and thirty five cents (29,35) each.

For the year ended 31 December, 2019, there was no change in Company’s share capital.

The share premium, for the year ended 31 December, 2019 and 31 December 2018, amounts to 13.577 euro

The Share Capital of the Company for the year ended 31 December, 2019, is as follows:

Shareholder	**Number of shares**	**Percentage %**	**Nominal value per share**	**Share capital**
AHI CARRIER FZC UAE	158.851	100,00%	29,35	4.662.277

15. STATUTORY AND OTHER RESERVES

In accordance to Greek legislation, all companies are liable to transfer, in an annual base, percentage at least 5% from annual earnings after tax, to statutory reserve, till the cumulative amount of it reaches one third of the share capital. For the year ended 31 December, 2019 and 31 December, 2018, the statutory reserve was 766k euro and 680k euro respectively. The Statutory Reserve cannot be distributed to Shareholders.

The Statutory and Other Reserves are as follow:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Statutory reserve	777	680	777	680
Other reserves	0	1	0	0
Total	**777**	**681**	**777**	**680**

16. OBLIGATIONS OF BENEFITS TO THE STAFF

Defined Contribution Plans

Contributions to social security, for the year ended 31 December, 2019, amounted 938k Euro for the Group and 897k Euro for the Company. (2018: 794k Euro and 760k Euro respectively).

Defined Benefit Plans

In accordance to Greek Labour Legislation, all employees are subject to compensation, in the case of retirement or dismissal. The amount for the future payment of benefits depends on the individual length of service, the individual salary and the way of leaving the Company (retirement or dismissal). Employees that leave the company voluntarily (except from some special cases) or dismissed due to a law prosecution by the employer have no right of compensation.

The amount of compensation in case of retirement equals 40% of the amount due to dismissal.

The accrued benefits provision of every period, in accordance with I.F.R.S. 19 « Defined Benefit Plans» is stated to the financial statements based on an independent actuarial report.

The cost of provision for compensation due to retirement is recognized at the consolidated Income Statement and is as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Service cost component	50	67	47	53
Cost of special termination benefits	101	(1)	102	0
Interest cost component	15	13	13	12
Total	**165**	**80**	**163**	**66**

The movement in the current value of compensation due to retirement are as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Total obligation recognized as at 01/01	676	599	647	584
Interest cost component	15	13	13	12
Service cost component	50	67	47	53
Cost of special termination benefits	101	(1)	102	0
Benefits paid during the fiscal year	(136)	(3)	(136)	(3)
Total	**705**	**676**	**674**	**647**

The basic assumptions applied for the actuarial report, for the Group and the Company, are as follows:

	The Group		The Company	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Average yearly long term inflation rate	1,70%	1,75%	1,70%	1,75%
Rate of compensation increase	2,20%	2,25%	2,20%	2,25%
Discount Rate	0,90%	1,70%	0,90%	1,70%

Risks

The above-mentioned plan is not financed and therefore no assets are recognized. As a result, risks on assets or similar don't exist. The risks of the specific plan are related to the assumptions of the actuarial report such as changes in bond rates or hypothesis regarding the inflation or the rate of increasing salaries, that could affect future cash flow of the plan.

17. LEASE LIABILITIES

Lease liabilities are as follow:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Lease liabilities under I.F.R.S. 16	1.086	0	958	0
Minus: Amount due during next fiscal year	(493)	0	(429)	0
Total	**593**	**0**	**529**	**0**

The movement of lease liabilities is as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Balance as at 01/01	1.303	0	1.129	0
Additions	267	0	230	0
Payments	(484)	0	(401)	0
Balance as at 31/12	**1.086**	**0**	**958**	**0**

Present value analysis of lease liabilities is as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
up to 1 year	530	0	462	0
From 2 to 5 years	615	0	549	0
5+ years	0	0	0	0
Total	**1.145**	**0**	**1.011**	**0**
Minus:				
Future financial expenses	(59)	0	(53)	0
Present value of minimum lease payments	**1.086**	**0**	**958**	**0**

Minimum leases payables are as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
up to 1 year	493	0	429	0
From 2 to 5 years	593	0	529	0
5+ years	0	0	0	0
Total	**1.086**	**0**	**958**	**0**

18. PROVISIONS

Provisions are as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Warranty provision	411	450	411	450

The movement of the provision is as follows:

	Όμιλος		Εταιρεία	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Balance as at 01/01	**450**	**420**	**450**	**420**
Provision charged in the period	0	30	0	30
Reversal of prior years provision	(38)	0	(38)	0
Balance as at 31/12	**411**	**450**	**411**	**450**

Warranty provision is recognized when products or services that are subjects to warranty are sold. The calculation amount is based on historical data and weighting of possible outcomes in relation to their associated probabilities.

19. SHORT TERM BANK LOANS

Balance of short-term loans as at December 31,2019 is €k 1.500Ευρώ (December 31,2018: €k 1.400) regarding the credit lines of the Parent Company.

The movement of these borrowings is as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Balance as at 01/01	**1.400**	**0**	**1.400**	**0**
Amount granted	669	2.900	669	2.900
Amount paid	(569)	(1.500)	(569)	(1.500)
Balance as at 31/12	**1.500**	**1.400**	**1.500**	**1.400**

20. TRADE PAYABLES

Trade payables are as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Domestic vendors	1.518	1.297	1.518	1.297
Foreign vendors	296	2.287	217	219
Payables to related parties	6.197	6.358	5.178	6.861
Estimated purchases/expenses	50	39	45	39
Total	**8.061**	**9.981**	**6.958**	**8.417**

21. OTHER CURRENT LIABILITIES

Other current liabilities are as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
VAT payable	223	206	0	0
Payroll tax payable	121	119	121	116
Other creditors' tax payable	4	7	4	7
Other tax payable	6	15	6	15
National insurance payable	214	210	204	200
Other payables to staff	808	939	716	842
Sales commissions payable	201	226	200	187
Other payables	521	284	414	270
Credit balance of other debtors	6	0	6	0
Total	**2.103**	**2.007**	**1.669**	**1.637**

22. CONTRACTUAL ASSETS AND LIABILITIES

The following table gather the information regarding contractual assets and liabilities based on contracts with clients:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Contractual assets (long term)	0	0	0	0
Contractual assets (short term)	44	112	44	112
Total contractual assets	**44**	**112**	**44**	**112**
Contractual liabilities (long term)	141	113	141	113
Contractual liabilities (short term)	776	1.118	145	575
Total contractual liabilities	**918**	**1.231**	**286**	**688**

When the Group or the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is the Group's and the Company's right to consideration in exchange for goods or services that the entity has transferred to a customer

On the contrary, when customer pays consideration, or the Group and the Company have a right to an amount of consideration that is unconditional, before the Group or the Company transfers a good or service to the customer, the Group and the Company present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). For the Group and the Company, contract liabilities are primarily the result of product sales or services charged to the customer in advance, or prepaid by him, as well as contract liabilities relating to extended warranty services.

23. NET SALES

Net Sales Turnover for the Group and the Company are as follows:

	The Group		The Company	
€k	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**
Domestic sales	33.659	44.994	33.659	44.994
Domestic returns of sales	(323)	(123)	(323)	(123)
European Union sales	27.086	15.954	17.123	7.431
European Union returns of sales	(42)	(8)	(3)	(1)
Sales to foreign countries (outside EU)	4.039	3.053	4.039	3.053
Returns of sales to foreign countries (outside EU)	(5)	(1)	(5)	(1)
Domestic sales of services	2.447	2.328	2.447	2.328
European Union sales of services	787	432	292	144
Sales of services to foreign countries (outside EU)	3	38	3	38
Total	**67.651**	**66.666**	**57.234**	**57.863**

24. OTHER INCOME

Other income for the Group and the Company are as follows:

	The Group		The Company	
€k	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**
Revenue from subsidies	4	0	4	0
Other revenue related to sales	100	71	28	43
Management fees	47	109	143	191
Revenue from recharged expenses	5	11	3	11
Gains on fixed assets disposal	2	0	2	0
Revenue from unused inventory impairment provisions	78	0	78	0
Other extraordinary gains	13	85	13	81
Total	**248**	**277**	**270**	**326**

25. EXPENSES PER SEGMENT/CATEGORY

Cost analysis per segment/category is as follows:

	The Group		The Company	
€k	01/01 - 31/12/2019	01/01 - 31/12/2018	01/01 - 31/12/2019	01/01 - 31/12/2018
Cost of goods sold	53.745	50.898	46.486	45.697
Distribution Costs	5.136	5.696	4.262	4.537
Administrative expenses	4.536	4.364	4.052	3.884
Total	**63.416**	**60.958**	**54.800**	**54.118**

Staff costs

	The Group		The Company	
€k	01/01 - 31/12/2019	01/01 - 31/12/2018	01/01 - 31/12/2019	01/01 - 31/12/2018
Wages and salaries	4.268	4.391	3.567	3.826
Employees' allowances and expenses	139	140	127	132
Social security contributions	938	794	897	760
Compensation to employees	0	3	0	3
Total	**5.345**	**5.328**	**4.592**	**4.721**

The number of the employees for the Group and Company as at December 31, 2019 was 123 and 101 respectively (December 31, 2018: 123 people and 100 people).

Other operating expenses

	The Group		Εταιρεία	
€k	01/01 - 31/12/2019	01/01 - 31/12/2018	01/01 - 31/12/2019	01/01 - 31/12/2018
Cost of own use of inventory and services	49.726	48.374	43.203	43.256
Professionals' fees (service)	1.977	1.308	1.609	1.329
Other fees	745	1.093	619	742
Other services (telephony, electricity, water)	239	204	220	187
Short term leases	58	616	35	511
Insurances	357	428	228	329
Storage cost	804	862	722	803
Repair and maintenance expenses	62	41	50	41
Other taxes/duties	100	225	95	112
Transportation expenses	369	231	250	169
Travelling expenses	325	215	307	185
Advertisement expenses	1.839	1.304	1.620	1.176
Other expenses	229	290	213	213
Depreciation on tangible and intangible fixed assets	106	73	90	55
Depreciation on right of use	431	0	348	0
Provisions for employee retirement or redundancy compensation	151	77	149	63
Provision for Inventory obsolescence	9	74	0	44
Bad debts provision	207	215	150	183
Impact of implementation of I.F.R.S. 9	339	0	301	0
Total	**58.072**	**55.630**	**50.208**	**49.398**

26. OTHER EXPENSES

Other expenses for the Group and the Company are as follows:

	The Group		The Company	
€k	01/01 - 31/12/2019	01/01 - 31/12/2018	01/01 - 31/12/2019	01/01 - 31/12/2018
Recycling fees	99	26	22	26
Tax fines	2	1	0	1
Other extraordinary expenses	80	164	80	62
Total	**180**	**191**	**102**	**89**

27. FINANCE INCOME

Finance income is as follows:

	The Group		The Company	
€k	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**
Interest received from bank deposits	1	0	1	0
Dividends received	0	0	300	0
FX gains	48	202	6	202
Total	**49**	**202**	**307**	**202**

28. FINANCE EXPENSES

Finance expenses are as follows:

	The Group		The Company	
€k	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**
Discounts due to downpayments	172	155	172	155
Interest expense of short term loans	60	43	60	43
Letters of guarantee fees	10	19	10	19
Other bank fees and expenses	51	48	37	43
Interest expense of actuarial report	15	0	13	0
Financial cost of leases	53	0	46	0
FX losses	162	238	20	238
Total	**521**	**502**	**358**	**497**

29. INCOME AND DEFERRED TAX

In accordance with Law 4646/2019, income tax rate applied on Greek legal entities reduced for the fiscal year 2019 onwards to 24% (2018: 29%)

Income tax rate applied on legal entities established in Bulgaria and Romania is 10% and 16% respectively (2018: 10% and 16%).

From January 2014 onwards, dividends paid within the same group of companies established in E.U. are exempted from tax under the condition that the parent entity holds a percentage of at least 10% of the share capital of the subsidiary that pays the dividend for at least the last two years.

In accordance with Law 4646/2019, no tax is applied on sales of shares from July 1,2020 onwards, under the condition that the seller holds a percentage of at least 10% of the share capital for at least the last two years.

Greek tax legislation is under interpretation of Greek Tax Authorities and Greek courts. Income tax returns must be submitted annually. Income tax results declared (gains or losses) are considered not temporary till a tax audit from Greek Tax Authorities takes place. In accordance with Greek tax legislation (article 36, law 4174/2013), Greek ax Authorities can charge extra taxes and fines based on a tax audit within the predicted period which is five calendar years after the end of the calendar year when the submission of income tax return is mandatory to take place. Based on the above, fiscal years till 2013 are considered final and closed.

From fiscal year 2011 onwards, tax returns are subject to the procedure of receiving "Annual Tax Certificate" as described below.

Income tax losses recognized by Greek Tax Authorities can be transferred and deducted from future income tax gains for five years.

Based on Greek tax legislation, a prepayment of income tax is obligatory calculated on a 100% of the current income tax. This prepayment is offset with the income tax of the next year. Any asset created by this offset is returned to the entity after tax audit performing by Greek Tax Authorities.

Annual Tax Certificate

For fiscal years 2011 onwards, the Greek Societe Anonyme and Limited Liability Companies whose annual financial statements are obligatory audited, are obtaining an "Annual Tax Certificate" as provided to paragraph 5 of article 82 of Law 2238/1994 and to article 82A of Law 4174/2013. This "Annual Tax Certificate" is issued by the same statutory auditor or audit firm that conducts the annual financial statements audit. Upon completion of this special tax compliance audit, the statutory auditor or audit firm issues the Company "Tax Compliance Report", and then the statutory auditor or audit firm submit it electronically to the Ministry of Finance.

Regarding the Parent Company, which is established in Greece and subject to the "Annual Tax Certificate" procedure, Tax Compliance Report has been granted for fiscal years 2011 – 2018. These "Annual Tax Certificates" have been granted with no significant adjustments regarding income tax expense and relevant provision, as stated in the financial statements. It is noted that based on Greek tax legislation (circular of ministry of finance 1006/2016), entities that have received an "Annual Tax Certificate" are not excluded from a tax audit performed by Greek Tax Authorities. Therefore, Greek Tax Authorities preserve their right of a tax audit within the dates above-mentioned.

Special tax compliance audit for fiscal year 2019 is still in progress by PKF EUROAIDITING S.A. Upon completion of this audit, the Management expects no material additional tax liabilities.

The Group sets up a provision for additional taxes when it’s considered necessary for each entity of the Group.

Income tax expense for the years ended December 31, 2019 and December 31, 2018 is as follows:

	The Group		The Company	
€k	01/01 - 31/12/2019	01/01 - 31/12/2018	01/01 - 31/12/2019	01/01 - 31/12/2018
Current income tax expense				
Current fiscal year	(1.046)	(1.565)	(814)	(1.330)
Prior year adjustments	(8)	0	(8)	0
Current income tax expense	**(1.054)**	**(1.565)**	**(822)**	**(1.330)**
Deferred tax				
Tax rate reduction	(336)	(79)	(336)	(79)
Temporary tax differences effect	231	(136)	152	(145)
Deferred tax expense	**(105)**	**(215)**	**(184)**	**(224)**
Income tax expense	**(1.159)**	**(1.780)**	**(1.006)**	**(1.554)**

Reconciliation of income tax expense driving by the current tax rate for the Greek entity (2019: 24%, 2018: 29%) is as follows:

	The Group		The Company	
€k	01/01 - 31/12/2019	01/01 - 31/12/2018	01/01 - 31/12/2019	01/01 - 31/12/2018
Profit before tax	**3.831**	**5.494**	**2.551**	**3.686**
Tax using the Company's domestic tax rate	(919)	(1.593)	(612)	(1.069)
Tax effect of:				
Tax-exempt income	0	0	72	0
Non-deductible expenses	(106)	(415)	(122)	(406)
Prior years adjustments	(8)	0	(8)	0
Effect of tax rates in foreign jurisdictions	211	307	0	0
Changes in domestic tax rate	(336)	(79)	(336)	(79)
Income tax expense	**(1.159)**	**(1.780)**	**(1.006)**	**(1.554)**

Income tax payable for the Group and the Company as at December 31, 2019 amounts €k 8 and €k 0 respectively (December 31, 2018: €k 180 and €k 180 respectively).

Deferred tax assets are as follows:

	The Group				
€k	Balance as at 1/1/2019	P&L effect	Balance as at 31/12/2019	Deferred tax assets	Deferred tax liability
Right of use of fixed assets	0	39	39	39	-
Inventories	365	(55)	311	311	-
Trade receivables	1.380	(104)	1.276	1.276	-
Obligations of benefits to the staff	181	(19)	162	162	-
Provisions	126	(27)	99	99	-
Other current liabilities	199	61	229	229	0
Total	**2.251**	**(105)**	**2.114**	**2.114**	**0**

	The Company				
€k	Balance as at 1/1/2019	P&L effect	Balance as at 31/12/2019	Deferred tax assets	Deferred tax liability
Right of use of fixed assets	0	38	38	38	-
Inventories	365	(71)	295	295	-
Trade receivables	1.380	(125)	1.255	1.255	-
Obligations of benefits to the staff	181	(19)	162	162	-
Provisions	126	(27)	99	99	-
Other current liabilities	147	20	167	167	0
Total	**2.199**	**(184)**	**2.015**	**2.015**	**0**

The Group

€k	Balance as at 1/1/2018	P&L effect	Balance as at 31/12/2018	Deferred tax assets	Deferred tax liability
Inventories	366	(0)	365	365	-
Trade receivables	1.385	(5)	1.380	1.380	-
Obligations of benefits to the staff	169	12	181	181	-
Provisions	124	1	126	126	-
Other current liabilities	421	(222)	199	199	-
Total	**2.465**	**(215)**	**2.251**	**2.251**	**0**

The Company

€k	Balance as at 1/1/2018	P&L effect	Balance as at 31/12/2018	Deferred tax assets	Deferred tax liability
Inventories	366	(0)	365	365	-
Trade receivables	1.385	(5)	1.380	1.380	-
Obligations of benefits to the staff	169	12	181	181	-
Provisions	124	1	126	126	-
Other current liabilities	378	(231)	147	147	-
Total	**2.422**	**(224)**	**2.199**	**2.199**	**0**

30. EARNINGS PER SHARE

Earnings per share (after tax), are calculated dividing the profit/loss attributable to ordinary shareholders with the weighted average number of ordinary shares outstanding in the period. Any option rights on shares that occur at the end of the fiscal year are included at the impaired earnings per share.

Earnings per share are as follows:

Earnings per share (€/share)

	The Group		The Company	
€k	01/01 - 31/12/2019	01/01 - 31/12/2018	01/01 - 31/12/2019	01/01 - 31/12/2018
Earnings attributable to shareholders of the parent entity	2.672.539	3.713.855	1.545.393	2.132.460
Weighted average number of shares available during the fiscal year	158.851	158.851	158.851	158.851
Earnings per share (€/share)	**16,8242**	**23,3795**	**9,7286**	**13,4243**

31. INFORMATION ON BUSINESS SEGMENTS

The following information refers to business segments that are obligatory to be stated separately in the financial statements. This information is reviewed regularly by the responsible personnel for decision making. Business segments are set upon the geographical basis of the Group.

AHI CARRIER S.E.E. SINGLE MEMBER SOCIETE ANONYME, η AHI CARRIER BULGARIA HVAC BULGARIA EOOD in Bulgaria and AHI CARRIER ROMANIA SRL in Romania, were set as business segments that has to be stated separately in the financial statements.

Accounting principles used for business segment information are the same with the accounting principles used for financial statement preparation.

Revenue among business segments are recognized in general in sales price towards third parties. Management evaluates the performance of these business segments based on a) Operating profit before financial and investing activities, depreciation, amortization and impairment, employee benefits, reorganization expenses, one-off legal cases, b) operating gains/losses before interest and investments and c) earnings/losses after tax.

Information on business segments and the reconciliation with consolidated figures of the Group for the current and previous fiscal year are as follows:

	1 January 2019 - 31 December 2019				
€k	**AHI CARRIER Greece**	**AHI CARRIER Bulgaria**	**AHI CARRIER Romania**	**Consolidation adjustments**	**The Group**
Domestic net sales	33.337	0	0	0	33.337
European Union net sales	17.121	10.014	6.428	(6.520)	27.043
Sales to foreign countries (outside EU)	4.034	0	0	0	4.034
Domestic sales of services	2.447	0	0	0	2.447
European Union sales of services	292	231	264	0	787
Sales of services to foreign countries (outside EU)	3	0	0	0	3
Total net sales	**57.234**	**10.245**	**6.692**	**(6.520)**	**67.651**
Operating Earnings before interest, investments, depreciation and amortization	**3.640**	**1.324**	**639**	**(57)**	**5.546**
Finance income (loss) net	(51)	(24)	(97)	(300)	(472)
Depreciation expense	(438)	(54)	(45)	0	(537)
Impairment	(600)	19	(124)	0	(706)
Profit before tax	**2.551**	**1.264**	**373**	**(357)**	**3.831**
Income tax	(1.006)	(123)	(59)	29	(1.159)
Profit after tax	**1.545**	**1.141**	**314**	**(328)**	**2.673**
Segment assets	42.143	4.284	3.679	(1.935)	**48.171**
Segment liabilities	12.457	1.329	2.847	(1.840)	**14.793**

	1 January 2018 - 31 December 2018				
€k	**AHI CARRIER Greece**	**AHI CARRIER Bulgaria**	**AHI CARRIER Romania**	**Consolidation adjustments**	**The Group**
Domestic net sales	44.870	0	0	0	44.870
European Union net sales	7.431	9.233	6.097	(6.815)	15.946
Sales to foreign countries (outside EU)	3.052	0	0	0	3.052
Domestic sales of services	2.328	0	0	0	2.328
European Union sales of services	144	105	183	0	432
Sales of services to foreign countries (outside EU)	38	0	0	0	38
Total net sales	**57.863**	**9.339**	**6.280**	**(6.815)**	**66.666**
Operating Earnings before interest, investments, depreciation and amortization	**4.291**	**1.296**	**622**	**(12)**	**6.197**
Finance income (loss) net	(259)	(5)	0	0	(264)
Depreciation expense	(55)	(9)	(8)	0	(73)
Impairment	(290)	(43)	(32)	0	(366)
Profit before tax	**3.686**	**1.239**	**581**	**(12)**	**5.494**
Income tax	(1.554)	(124)	(102)	0	(1.780)
Profit after tax	**2.132**	**1.114**	**479**	**(12)**	**3.714**
Segment assets	41.771	3.811	3.164	(1.880)	**46.866**
Segment liabilities	13.418	1.693	2.627	(1.813)	**15.925**

Transactions among the business segments are adjusted for consolidation purposes and the relevant figures are stated at column “consolidation adjustments”.

32. TRANSACTIONS WITH RELATED PARTIES

As related parties of the Company are the entities as defined by IAS 24 “Related parties Disclosures”

The company can purchase finished goods and provides services from the related parties and provide services and finished goods to them. Furthermore, the company can provide and receive loans to and from related parties respectively, as well as to receive and distribute dividends.

Company’s sales and purchases to/from related parties are as follows:

	01/01 - 31/12/2019		01/01 - 31/12/2018	
€k	Sales	Purchases	Sales	Purchases
AHI CARRIER CZ s.r.o.	456	11	466	2
AHI CARRIER FZC	20	44	60	45
AHI CARRIER GmbH	32	18	3	29
AHI CARRIER HVAC BULGARIA EOOD	4.259	2	3.865	8
AHI CARRIER ROMANIA SRL	2.259	0	2.651	0
ALARKO CARRIER SANAYI VE TICARET AS	0	432	0	924
AUTOMATED LOGIC CORPORATION	0	15	0	9
BEIJER DEUTSCHLAND GMBH	10	1	0	17
BEIJER ECR IBERICA, S.L.	3	0	1	41
BEIJER REF DEUTSCLAND GmbH	0	0	20	0
BEIJER REF ITALY SRL	0	324	0	300
CARRIER ERCD	0	1.487	0	1.638
CARRIER FRIGEL APOSTOLOU SA	1.041	0	781	3
CARRIER POLSKA SP. Z.O.O.	0	0	0	63
CARRIER REFRIG.OPERAT.CZECH REP.SRO	0	2.729	0	4.152
CARRIER SCS	0	7.983	0	8.644
CARRIER TRANSICOLD LTD	17	28	0	11
CENTURY CARRIER RESIDENTIAL AIR-CON	0	8.129	0	8.758
CIAT ITALIA S.R.L.	0	0	0	102
CLK CORPORATION	0	152	0	79
COMPAGNIE INDUST.D'APPLIC.THERMIQUE	0	276	0	202
COMPANIA INDUS.DE APLIC.TERMICAS SA	0	1.355	0	365
MIDEA ELECTRIC TRADING CO.PTE.LTD	0	599	0	566
PROFROID (CARRIER SCS)	0	121	0	100
TOSHIBA CARRIER CORPORATION	1	0	0	0
TOSHIBA CARRIER EUROPE S.A.S	0	11.055	0	14.112
TOSHIBA CARRIER SALES SHANGHAI CO	0	0	0	0
TOSHIBA CARRIER UK LTD	0	515	0	640
TOSHIBA CLIMATISATION TFD SND	0	0	0	8
ΒΕΡΕΜΗΣ Χ.-OTIS ABETE	0	0	2	0
Carrier CR Magyarország Kft.	12	0	0	0
CIPRIANI PHE SRL	0	43	0	0
Total	**8.111**	**35.316**	**7.849**	**40.818**

Group's sales and purchases to/from related parties (no elimination under consolidation process), are as follows:

	01/01 - 31/12/2019		01/01 - 31/12/2018	
€k	**Sales**	**Purchases**	**Sales**	**Purchases**
AHI CARRIER CZ s.r.o.	456	11	466	2
AHI CARRIER FZC	20	276	60	45
AHI CARRIER GmbH	32	20	3	34
ALARKO CARRIER SANAYI VE TICARET AS	0	711	0	1.025
AUTOMATED LOGIC CORPORATION	0	15	0	9
BEIJER DEUTSCHLAND GMBH	10	1	0	17
BEIJER ECR IBERICA, S.L.	3	0	1	41
BEIJER REF DEUTSCLAND GmbH	0	0	20	0
BEIJER REF ITALY SRL	0	324	0	300
CARRIER ERCD	0	1.545	0	1.753
CARRIER FRIGEL APOSTOLOU SA	1.041	0	781	3
CARRIER POLSKA SP. Z.O.O.	0	0	0	65
CARRIER REFRIG.OPERAT.CZECH REP.SRO	0	3.272	0	4.828
CARRIER SCS	0	9.925	0	11.762
CARRIER TRANSICOLD LTD	17	28	0	11
CIAT FRANCE	0	630	0	122
CENTURY CARRIER RESIDENTIAL AIR-CON	0	8.129	0	8.758
CIAT ITALIA S.R.L.	0	0	0	125
CLK CORPORATION	0	152	0	79
COMPAGNIE INDUST.D'APPLIC.THERMIQUE	0	276	0	202
COMPANIA INDUS.DE APLIC.TERMICAS SA	0	1.355	0	377
MIDEA ELECTRIC TRADING CO.PTE.LTD	0	599	0	566
PROFROID (CARRIER SCS)	0	121	0	100
CIAT SPAIN	0	503	0	205
TOSHIBA CARRIER (THAILAND) CO LTD	0	0	0	1.363
TOSHIBA CARRIER CORPORATION	1	0	0	0
TOSHIBA CARRIER EUROPE S.A.S	0	12.863	0	14.112
TOSHIBA CARRIER UK LTD	0	642	0	675
TOSHIBA CLIMATISATION TFD SND	0	0	0	8
ΒΕΡΕΜΗΣ Χ.-OTIS ΑΒΕΤΕ	0	0	2	0
Carrier CR Magyarország Kft.	12	0	0	0
CIPRIANI PHE SRL	0	43	0	34
HYDRONIC	0	13	0	37
Total	**1.593**	**41.453**	**1.334**	**46.660**

The transactions regarding services with the related parties of the Company, are as follows:

€k	01/01 - 31/12/2019 Services rendered	01/01 - 31/12/2019 Services received	01/01 - 31/12/2018 Services rendered	01/01 - 31/12/2018 Services received
AHI CARRIER CZ s.r.o.	38	11	38	15
AHI CARRIER FZC	2	13	0	13
AHI CARRIER GmbH	36	0	57	0
AHI CARRIER HVAC BULGARIA EOOD	58	0	57	0
AHI CARRIER ROMANIA SRL	50	0	68	0
AHIC (Australia) Pty Ltd	0	0	1	0
CARRIER ERCD	0	2	0	0
CARRIER FRIGEL APOSTOLOU SA	60	0	53	0
CARRIER REFRIG.OPERAT.CZECH REP.SRO	21	0	13	0
CARRIER SCS	7	(0)	96	46
CARRIER DISTRIBUTION ITALY S.R.L.	0	0	2	0
CENTURY CARRIER RESIDENTIAL AIR-CON	43	0	63	0
CLK CORPORATION	0	0	3	0
COMPANIA INDUS.DE APLIC.TERMICAS SA	39	3	0	0
Foshan Midea Carrier Air Conditioning Equipment Co Ltd	0	0	10	0
TOSHIBA CARRIER CORPORATION	4	0	3	0
TOSHIBA CARRIER EUROPE S.A.S	0	1	0	0
ΒΕΡΕΜΗΣ Χ.-OTIS ABETE	3	6	4	1
CARRIER SRL	0	0	(2)	0
Total	**362**	**36**	**464**	**75**

The transactions regarding services with the related parties of the Group, are as follows:

	01/01 - 31/12/2019		01/01 - 31/12/2018	
€k	**Services rendered**	**Services received**	**Services rendered**	**Services received**
AHI CARRIER CZ s.r.o.	38	11	38	15
AHI CARRIER FZC	2	13	0	13
AHI CARRIER GmbH	36	0	57	0
AHIC (Australia) Pty Ltd	0	0	1	0
ALARKO CARRIER SANAYI VE TICARET AS	0	0	11	0
CARRIER DISTRIBUTION ITALY SPA	1	0	9	0
CARRIER ERCD	0	2	0	0
CARRIER FRIGEL APOSTOLOU SA	60	0	53	0
CARRIER REFRIG.OPERAT.CZECH REP.SRO	21	0	16	0
CARRIER SCS	7	(0)	97	46
CARRIER DISTRIBUTION ITALY S.R.L.	5	0	2	0
CENTURY CARRIER RESIDENTIAL AIR-CON	43	0	63	0
CLK CORPORATION	0	0	3	0
COMPANIA INDUS.DE APLIC.TERMICAS SA	39	3	0	0
Foshan Midea Carrier Air Conditioning Equipment Co Ltd	0	0	10	0
TOSHIBA CARRIER CORPORATION	4	0	3	0
TOSHIBA CARRIER EUROPE S.A.S	0	1	0	0
TOSHIBA CARRIER UK LTD	1	0	0	0
ΒΕΡΕΜΗΣ Χ.-OTIS ABETE	3	6	4	1
Carrier Airconditioning Benelux BV	0	0	8	0
CARRIER SRL	0	0	(2)	0
Total	**261**	**36**	**371**	**75**

Receivables and Liabilities, of the Company to the Related Parties, are as follows:

	01/01 - 31/12/2019		01/01 - 31/12/2018	
€k	Receivables	Payables	Receivables	Payables
AHI CARRIER CZ s.r.o.	49	0	58	0
AHI CARRIER FZC	2	6	0	17
AHI CARRIER GmbH	98	0	122	0
AHI CARRIER HVAC BULGARIA EOOD	224	0	117	0
AHI CARRIER ROMANIA SRL	1.616	0	1.696	0
ALARKO CARRIER SANAYI VE TICARET AS	0	72	0	28
BEIJER DEUTSCHLAND GMBH	0	1	0	0
BEIJER REF ITALY SRL	0	20	0	66
CARRIER ERCD	0	132	0	232
CARRIER FRIGEL APOSTOLOU SA	853	0	454	0
CARRIER REFRIG.OPERAT.CZECH REP.SRO	33	71	12	1.107
CARRIER SCS	13	1.703	86	1.515
CARRIER TRANSICOLD LTD	12	0	0	0
CARRIER DISTRIBUTION ITALY S.R.L.	0	2	0	0
CENTURY CARRIER RESIDENTIAL AIR-CON	53	226	0	1.115
CIAT ITALIA S.R.L.	0	0	0	21
CLK CORPORATION	0	0	3	0
COMPAGNIE INDUST.D'APPLIC.THERMIQUE	0	32	0	15
COMPANIA INDUS.DE APLIC.TERMICAS SA	39	799	0	0
MIDEA ELECTRIC TRADING CO.PTE.LTD	0	154	0	0
PROFROID (CARRIER SCS)	0	6	0	0
Foshan Midea Carrier Air Conditioning Equipment Co Ltd	10	0	10	0
TOSHIBA CARRIER CORPORATION	1	0	0	0
TOSHIBA CARRIER EUROPE S.A.S	0	1.912	0	2.714
TOSHIBA CARRIER UK LTD	0	34	0	33
ΒΕΡΕΜΗΣ Χ.-OTIS ABETE	2	7	1	0
Carrier CR Magyarország Kft.	12	0	0	0
CIPRIANI PHE SRL	0	2	0	0
Total	**3.017**	**5.178**	**2.558**	**6.861**

Receivables and Liabilities, of the Group to the Related Parties, are as follows:

	01/01 - 31/12/2019		01/01 - 31/12/2018	
€k	**Receivables**	**Payables**	**Receivables**	**Payables**
AHI CARRIER CZ s.r.o.	49	0	58	0
AHI CARRIER FZC	2	6	0	17
AHI CARRIER GmbH	98	0	122	0
ALARKO CARRIER SANAYI VE TICARET AS	0	91	0	54
BEIJER DEUTSCHLAND GMBH	0	1	0	0
BEIJER REF ITALY SRL	0	20	0	66
CARRIER DISTRIBUTION ITALY SPA	1	0	9	0
CARRIER ERCD	0	190	0	236
CARRIER FRIGEL APOSTOLOU SA	853	0	454	0
CARRIER REFRIG.OPERAT.CZECH REP.SRO	33	287	15	1.164
CARRIER SCS	13	2.175	86	2.671
CARRIER TRANSICOLD LTD	12	0	0	0
CARRIER DISTRIBUTION ITALY S.R.L.	0	2	0	0
CIAT FRANCE	0	110	0	40
CENTURY CARRIER RESIDENTIAL AIR-CON	53	226	0	1.115
CIAT ITALIA S.R.L.	0	0	0	44
CLK CORPORATION	0	0	3	0
COMPAGNIE INDUST.D'APPLIC.THERMIQUE	0	32	0	15
COMPANIA INDUS.DE APLIC.TERMICAS SA	39	799	0	0
MIDEA ELECTRIC TRADING CO.PTE.LTD	0	154	0	0
PROFROID (CARRIER SCS)	0	6	0	0
CIAT SPAIN	0	123	0	0
Foshan Midea Carrier Air Conditioning Equipment Co Ltd	10	0	10	0
TOSHIBA CARRIER (THAILAND) CO LTD	0	0	0	1
TOSHIBA CARRIER CORPORATION	1	0	0	0
TOSHIBA CARRIER EUROPE S.A.S	0	1.912	0	2.714
TOSHIBA CARRIER UK LTD	1	56	0	33
TOSHIBA ITALIA MULTICLIMA DIV ECR	2	0	0	0
ΒΕΡΕΜΗΣ Χ.-OTIS ABETE	2	7	1	0
Carrier CR Magyarország Kft.	12	0	0	0
CIPRIANI PHE SRL	0	2	0	2
Total	**1.181**	**6.197**	**757**	**6.358**

Members of the Board and Senior Management as well as a close member to them, are defined as related parties under IAS 24 “Related parties Disclosures”. The remuneration includes salaries and other short-term benefits as well as the compensation due to retirement (as defined under IAS 19 “Employee Benefits”.

The remuneration of Board members and Senior Management for the years ended 31 December, 2019 and 31 December, 2018 amounted to Euro 732k and Euro 750k respectively.

33. LEGAL CASES - COMMITMENTS

Pending legal cases

The Company and the Group is subject to various disputes and legal cases. The Company and the Group review the status of each significant case on a periodic basis and evaluate the potential risk, partially based on the opinion of legal consultants. The determination of probability and risk upon reliable estimation requires management judgement. The Company's and Group's management believes that any liability arises for the Company and the Group as a result of these legal proceedings will not have a material adverse effect on the consolidation income statement, cash flow, or the financial condition of the Company and the Group as a whole.

If the potential loss from any disputes and legal cases considered probable and the amount can be reliably estimated, the Company and the Group recognize a liability for the estimated loss.

Other commitments

The Parent Company, in the frames of core business, has been issued letters of guarantee, in the amount of Euro 331k as at 31 December, 2019. (31 December, 2018 Euro 826k).

34. FINANCIAL ASSETS AND FINANCIAL RISK MANAGEMENT

Fair Value

The Group use the below hierarchy for the definition of Fair Value:

- Level 1 inputs: comprise quoted prices in active markets for identical assets and liabilities at the measurement date.
- Level 2 input: Directly or indirectly observable inputs
- Level 3 inputs: Are unobservable inputs for items based upon best information available

The Fair Value of Financial Assets and Financial Liabilities is closed to their book value.

Financial Risk Management

The Management continuous evaluates the possible impact of any change in Macro-economic and Financial environment in Greece and Balkans, in order to take all necessary actions as to eliminate any effect in the Group's operations in Greece. Based on its current evaluation, there is no need for extra provisions for impairment losses for Financial and non-Financial assets of the Group as at 31 December, 2019.

Brexit

The Group evaluates the possible effect from Brexit and takes actions as to eliminate them. Brexit has is estimated to have no effect in the Group's Operations, taking into account the analysis till the date of this Financial Statements.

Financial Risks

The below risks are significantly affected by the Macro and Micro Environment in Greece.

a) Credit Risk

Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations to the Group and the Company.

The primary credit risk for the Group and the Company, as at the Financial Statements date, is the book value of their Financial Assets.

The default payments from company's customers, can possibly have a negative impact in normal liquidity of the Group and the Company. As a result of the high number of customers and the diversity of customer base of the Group, there is no significant credit risk in relationship with the receivables.

Nevertheless, partial credit risk can be found in specific primar customers, due to high volume of transactions with the Group and the Company. For this specific category, the Group and the Company evaluate the credit risk in accordance with the established policies and procedures and a Bad Debt provision provided.

The Group and the Company apply specific Credit and Insurance policy, for the monitoring of customers', based on initial credit assessment and the efficient management of receivables before they characterized as "past due" as well as when they characterized as expired or unsecured. For the Credit Risk monitoring, the company groups the customers based on the category, the main credit risk characteristics, the aging of receivables and possible former receivable collection problems, taking into account future events and general economic environment in which they operate.

The Cash and Cash Equivalent of the Group and the Company are mainly invested for a short period, in bank institutions with a high credit rating.

Impairment of Financial Assets

The Group and the Company have the following categories of Financial Assets, which are under new Financial model for expected credit losses:

- Trade receivables
- Current assets
- Other current assets

The Group and the Company apply the simplified IFRS 9 for the measurement of expected losses, in which the loss allowance is measured at an amount equal to lifetime expected losses for the Trade Receivables, the Current Assets and the Other Current Assets.

The following table, presents the Group's and the Company's credit risk exposure for the year ended 31 December 2019 and the year ended 31 December, 2018, for the Trade Receivables, The Current Assets and the Other Currents Assets:

	The Group			
€k	**Performing 31/12/2019**	**Partially performing 31/12/2019**	**Non performing 31/12/2019**	**Total 31/12/2019**
Trade receivables	17.321	8.506	7.327	33.154
Contractual assets	44	0	0	44
Total	**17.365**	**8.506**	**7.327**	**33.198**

	The Group			
€k	**Performing 31/12/2018**	**Partially performing 31/12/2018**	**Non performing 31/12/2018**	**Total 31/12/2018**
Trade receivables	13.465	10.357	7.167	30.989
Contractual assets	112	0	0	112
Total	**13.577**	**10.357**	**7.167**	**31.101**

	The Company			
€k	**Performing 31/12/2019**	**Partially performing 31/12/2019**	**Non performing 31/12/2019**	**Total 31/12/2019**
Trade receivables	16.255	7.013	7.223	30.491
Contractual assets	44	0	0	44
Total	**16.299**	**7.013**	**7.223**	**30.535**

	The Company			
€k	**Performing 31/12/2018**	**Partially performing 31/12/2018**	**Non performing 31/12/2018**	**Total 31/12/2018**
Trade receivables	12.693	9.215	7.073	28.981
Contractual assets	112	0	0	112
Total	**12.805**	**9.215**	**7.073**	**29.093**

Other Financial Assets for the Group and the Company assumed to have low credit risk and therefore the balance is considered without credit risk.

The Financial Assets which performed with low risk of default and high ability for fulfillment of cash flow are defined as “Performing” while the Financial Assets for which the credit risk has significantly increased from the initial recognition without indication of credit risk are defined as “Non Performing”. Non performing Financial Assets are those which significant indications of credit losses exist, as at the reference date, and limited expectations for Cash Flow recovery exist.

The main customer and assets allocation in the above categories and the identification for the increased credit risk in Group’s level, is evaluated based on optimal assumptions for each entity, taking into account specific events and occasions.

b) Liquidity Risk

The liquidity risk refers to the lack of marketability of a security or asset, which cannot be sold or bought quickly enough to prevent or minimize a loss. The liquidity risk for the Group and the Company, is in low levels, due to the sufficiency of cash and cash equivalents or/and the company’s credit limits, which ensure the financial liabilities performance in the next 12 months. The Cash and Cash Equivalent for the Group and the Company at 31 December 2019 was Euro 5k and Euro 2.9k respectively and the short-term loans was Euro 1.5k.

For better monitoring and managing the Liquidity Risk, the entities within the Group prepare Cash Flow provisions in a tactical basis.

The analysis of contractual payables of financial liabilities for the Group and the Company are as follows:

	The Group			
€k	Up to 1 year	From 2 to 5 years	5+ years	Total 31/12/2019
Lease liabilities	493	593	0	1.086
Contractual liabilities	776	141	0	918
Short term bank loans	1.500	0	0	1.500
Trade payables	8.061	0	0	8.061
Income tax liability	8	0	0	8
Other current liabilities	2.103	0	0	2.103
Total	**12.942**	**735**	**0**	**13.677**

	The Company			
€k	Up to 1 year	From 2 to 5 years	5+ years	Total 31/12/2019
Lease liabilities	429	529	0	958
Contractual liabilities	145	141	0	286
Short term bank loans	1.500	0	0	1.500
Trade payables	6.958	0	0	6.958
Income tax liability	0	0	0	0
Other current liabilities	1.669	0	0	1.669
Total	**10.701**	**671**	**0**	**11.372**

c) Market Risk

Market risk is the risk of losses on financial investments caused by adverse price movements. Examples of market risk are: changes in equity prices or commodity prices, interest rate moves or foreign exchange fluctuations of the Group and the Company. The Market risk management of the Group and the Company constitutes the monitoring and management of the exposure within acceptable limits.

The main Market Risks along with their management policies are described below:

a. Interest rate risk

Interest rate risk is the probability of a decline in the value of an asset resulting from unexpected fluctuations in interest rates. The Group's exposure in Interest Rate Risk derived mainly from the Group's Financial loans.

The Group manages the Interest Rate Risk making use of (non-hedging) Financial Instruments.

The borrowings according to Interest rate, are as follows:

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Loans under floating rate	0	0	0	0
Loans under standard rate	1.500	1.400	1.500	1.400
Total	**1.500**	**1.400**	**1.500**	**1.400**

b. Currency Risk

Currency risk arises from the change in price of one currency in relation to another. Investors or companies that have assets or business operations across national borders are exposed to currency risk that may create unpredictable profits and losses

The Group has business operations in South-East Europe and therefore is exposed to currency risk, which is derived from the changes in currencies of those countries. The main currencies for the Group's and company's transactions are Euro, Bulgarian BGN and Romanian RON

The Group monitors the changes in those currencies, as to, any time, has sufficient deposits in foreign currencies in order to eliminate the exposure of currency risk in Cash Flow. There is no hedging for currency risks which has no impact in Cash Flow (e.g. currency conversion of financial statements for consolidation purpose).

c. Capital Risk

The main purpose of the Group and the Company when managing capital is to ensure continuous activity in order to provide profit for shareholders and benefits for other stakeholders and also to maintain an optimal capital structure, which will reduce the cost of capital.

The Group and the Company manage the Capital Structure and proceed to adjustments, where is necessary, as to conform to the General Economic environment.

The basic financial tool for the Capital monitoring is the "Leverage ratio" which is monitored under Group level. The net Financial leverage includes the Interest loans as well as the long term and short-term liabilities from Leases (after adapting the new IFRS 16 from 1 January 2019), deducting the cash and cash equivalents.

	The Group		The Company	
€k	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Long term bank loans	0	0	0	0
Short term bank loans	1.500	1.400	1.500	1.400
Lease liabilities (long term)	593	0	529	0
Lease liabilities (short term)	493	0	429	0
Minus: Cash and cash equivalents	(5.000)	(4.888)	(2.912)	(3.031)
Total leverage	**(2.414)**	**(3.488)**	**(453)**	**(1.631)**
Total equity	33.378	30.940	29.686	28.353
Leverage rate	**(0,07)**	**(0,11)**	**(0,02)**	**(0,06)**

35. RECLASSIFICATIONS

Reclassification of expenses have been performed in the published Financial Statements in order to be comparable to the Financial Statements of the year ended 31 December, 2019. For comparability purposes, reclassification of expenses have been also included in notes. All the above reclassifications had no impact in the Equity Statement or Income Statement of the Group and the Company.

The reclassifications performed for the Group and the Company are as follows:

Balance Sheet - Reclassifications

€k	The Group Published 31/12/2018	Reclassifications	Reclassified 31/12/2018
ASSETS			
Non-current assets			
Property, plant and equipment	130	0	130
Right of use for leased assets	0	0	0
Intangible assets	432	0	432
Investments in subsidiaries	0	0	0
Other non current assets	171	0	171
Deferred tax assets	202	2.049	2.251
Total non-current assets	**935**	**2.049**	**2.983**
Current assets			
Inventories	14.608	0	14.608
Trade receivables	24.641	(818)	23.822
Contractual assets	0	112	112
Other receivables	0	449	449
Απαιτήσεις από συνδεδεμένες επιχειρήσεις	745	(745)	0
Derivatives asset	2	0	2
Current deferred tax assets	2.049	(2.049)	0
Cash and cash equivalents	4.888	0	4.888
Total current assets	**46.933**	**(3.051)**	**43.882**
Total assets	**47.868**	**(1.002)**	**46.866**
EQUITY			
Equity attributable to owners of the Parent			
Share capital	4.662	0	4.662
Share premium	13.577	0	13.577
Statutory and other reserves	681	0	681
Retained earnings	12.020	0	12.020
Total equity attributable to owners of the Parent	**30.940**	**0**	**30.940**
Non-controlling interest	0	0	0
Total equity	**30.940**	**0**	**30.940**
LIABILITIES			
Non-current liabilities			
Obligations of benefits to the staff	0	676	676
Provisions	0	450	450
Contractual liabilities	0	113	113
Other non-current liabilities	789	(789)	0
Total non-current liabilities	**789**	**450**	**1.239**
Current liabilities			
Short term bank loans	1.400	0	1.400
Contractual liabilities	0	1.118	1.118
Trade payables	7.063	2.918	9.981
Υποχρεώσεις προς συνδεδεμένες επιχειρήσεις	6.358	(6.358)	0
Income tax liability	1.317	(1.137)	180
Other current liabilities	0	2.007	2.007
Total current liabilities	**16.138**	**(1.452)**	**14.687**
Total liabilities	**16.928**	**(1.002)**	**15.925**
Total equity and liabilities	**47.868**	**(1.002)**	**46.866**

Balance Sheet - Reclassifications

	The Company		
€k	Published 31/12/2018	Reclassifications	Reclassified 31/12/2018
ASSETS			
Non-current assets			
Property, plant and equipment	98	0	98
Right of use for leased assets	0	0	0
Intangible assets	432	0	432
Investments in subsidiaries	2	0	2
Other non current assets	170	0	170
Deferred tax assets	181	2.017	2.199
Total non-current assets	**884**	**2.017**	**2.901**
Current assets			
Inventories	13.418	0	13.418
Trade receivables	20.862	1.045	21.907
Contractual assets	0	112	112
Other receivables	0	399	399
Απαιτήσεις από συνδεδεμένες επιχειρήσεις	2.558	(2.558)	0
Derivatives asset	2	0	2
Current deferred tax assets	2.017	(2.017)	0
Cash and cash equivalents	3.031	0	3.031
Total current assets	**41.890**	**(3.020)**	**38.870**
Total assets	**42.774**	**(1.002)**	**41.771**
EQUITY			
Equity attributable to owners of the Parent			
Share capital	4.662	0	4.662
Share premium	13.577	0	13.577
Statutory and other reserves	680	0	680
Retained earnings	9.433	0	9.433
Total equity attributable to owners of the Parent	**28.353**	**0**	**28.353**
Non-controlling interest	0	0	0
Total equity	**28.353**	**0**	**28.353**
LIABILITIES			
Non-current liabilities			
Obligations of benefits to the staff	0	647	647
Provisions	0	450	450
Contractual liabilities	0	113	113
Other non-current liabilities	760	(760)	0
Total non-current liabilities	**760**	**450**	**1.210**
Current liabilities			
Short term bank loans	1.400	0	1.400
Contractual liabilities	0	575	575
Trade payables	4.081	4.335	8.417
Υποχρεώσεις προς συνδεδεμένες επιχειρήσεις	6.861	(6.861)	0
Income tax liability	1.317	(1.137)	180
Other current liabilities	0	1.637	1.637
Total current liabilities	**13.660**	**(1.452)**	**12.208**
Total liabilities	**14.420**	**(1.002)**	**13.418**
Total equity and liabilities	**42.774**	**(1.002)**	**41.771**

Income statement - Reclassifications

	The Group		
€k	Published 31/12/2018	Reclassifications	Reclassified 31/12/2018
Results from continuing operations			
Net sales revenue	66.666	0	66.666
Cost of goods sold	(50.898)	0	(50.898)
Gross profit	**15.768**	**0**	**15.768**
Other income	280	(4)	277
Management fees income	109	(109)	0
Distribution Costs	(5.696)	0	(5.696)
Administrative expenses	(4.364)	0	(4.364)
Other expenses	(340)	149	(191)
Total operating income	**5.758**	**36**	**5.794**
Finance expenses	1	202	202
Finance income	(264)	(238)	(502)
Earnings before tax	**5.494**	**0**	**5.494**
Income tax	(1.780)	0	(1.780)
Earnings after tax (a)	**3.714**	**0**	**3.714**

Income statement - Reclassifications

	The Company		
€k	Published 31/12/2018	Reclassifications	Reclassified 31/12/2018
Results from continuing operations			
Net sales revenue	57.863	0	57.863
Cost of goods sold	(45.697)	0	(45.697)
Gross profit	**12.166**	**0**	**12.166**
Other income	248	79	326
Management fees income	191	(191)	0
Distribution Costs	(4.537)	0	(4.537)
Administrative expenses	(3.884)	0	(3.884)
Other expenses	(238)	149	(89)
Total operating income	**3.946**	**36**	**3.982**
Finance expenses	0	202	202
Finance income	(259)	(238)	(497)
Earnings before tax	**3.686**	**0**	**3.686**
Income tax	(1.554)	0	(1.554)
Earnings after tax (a)	**2.132**	**0**	**2.132**

(amounts in €k, except referred otherwise)

36. SUBSEQUENT EVENTS

Following the reporting date, a rapid burst of coronavirus (COVID-19) disease took place, which led to a period of unprecedented health crisis and therefore a global disruption of business operation and daily life. Several counties have already adapted extraordinary and costfull measures of restrain. Some governments have obliged the companies to either cut down or stop their operations. Governments, including the Greek one and those where the Group is operating, have enforced travelling restrains and strict measures of quarantine. The above-mentioned actions have been adopted in many countries and the Greek government has only recently taken actions towards progressive withdrawal of this measures that will lead to a progressive restart of the local economy.

The potential economic consequences from the current crisis on the global economy and business operation cannot be estimated with fair certainty at this point of time due to the rate of the pandemic and the high level of uncertainty driven by the lack of reliable estimation of the effect..

This event is considered as non-adjusting event and therefore it is not stated in the measurement of assets and liabilities if the financial statements for the year ended on 31 December 2019.

Management has reviewed the special conditions and risks that the Company and the Group are exposed, concluding that no significant consequence on profitability exists. Moreover, it’s not expected an intimate significant impact on business operation of the Company. Management will closely monitoring the situation and evaluate the necessity of any further actions in case the period of crisis extended.

Apart from the above-mentioned events, there are no subsequent events after the reporting date that relate with the understanding of the financial statements of the Group and the Company and for which disclosure is required by International Financial Reporting Standards.

Peristeri, July 30, 2020

Chairman of the Board and CEO	Vice President of the Board
Aikaterini Dimas **ID AN 007393**	**Ravi Hegde** **Passport no. Z3795517**
Member of the Board & C.F.O.	Chief Accountant
Thomas Adamidis **ID AE 504276**	**Stavros Koutroulis** **ID Σ 471701** **A’ Class Signature license** **No 0098485**

PKF Euroauditing S.A.
Certified Public Accountants

Audit Tax &
Business advisory

Independent Auditors’ Report

(Translated from the original in Greek)

To the Shareholder of

AHI CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying Separate and Consolidated Financial Statements of AHI CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME (the “Company”) which comprise the Separate and Consolidated Statement of Financial Position as at 31 December 2019, the Separate and Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising 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 AHI CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME and its subsidiaries (the “Group”) as at 31 December 2019 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Management's Responsibilities 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 International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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 which have been incorporated in Greek legislation 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, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism 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 auditors' 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 auditors' 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 these Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

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

α) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 150 and 153 of Law 4548 / 2018 and its contents correspond with the accompanying Separate and Consolidated Financial Statements for the year ended 31 December 2019.

β) Based on the knowledge acquired during our audit, relating to the Company AHI CARRIER SOUTH EASTERN EUROPE AIR-CONDITIONING SINGLE MEMBER SOCIETE ANONYME and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 7 August 2020

Konstantinos A. Gkrekos
Certified Public Accountant
SOEL Reg. No. 24841

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