

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



Annual Financial Statements
(Separate and Consolidated)
for the year ended
on 31 December 2021

in accordance with International Financial Reporting Standards
(I.F.R.S.)

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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. Madhanagopal Chandrakumar, 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 2020 to 31 December 2020, 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, 29 April 2022

Chairman of the Board and CEO

Vice President of the Board

Member of the Board

Aikaterini Dimas
ID AN 007393

Madhanagopal Chandrakumar
Passport no. Z3314661

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 2021 to 31 December 2021

To the Shareholders,

This report of the Board of Directors of AHI CARRIER SOUTH EASTERN EUROPE AIR CONDITIONING SINGLE MEMBER 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 2021 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 2021 to 31 December 2021, its objectives and strategy, the reporting of the important events that took place during 2021, 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 2021

Group

The consolidated operating income (net sales plus other income) amounted to Euro 70,232 thousand in 2021, increased by 25,8% compared to 2020. The total operating expenses of the Group, before depreciation, impairment, provisions and financial results amounted to Euro 63,610 thousand in 2021, marking an increase of 24,9% compared to 2020. The consolidated expenses for depreciation, impairment and provisions amounted to Euro 2,295 thousand increased by 118,8%, mainly reflecting the increase of other provisions and specifically, the conduct of an extraordinary provision amounted of Euro 700 thousand, against the possible risk of a fine to be imposed by the Competition Commission of Greece on the Company. Operating profits before financial and investment activities of the Group amounted to Euro 4,328 thousand compared to Euro 3,869 thousand in 2020. Debt interest and related expenses, excluding debit exchange differences, amounted to Euro 212 thousand, decreased by 9,9%, mainly reflecting the elimination of loans. The income tax of the Group amounted to Euro 1,314 thousand in 2021, increased by 49,4% compared to 2020, mainly reflecting the increased profitability of 2021. Net profits of the Group from operating activities (attributable to the shareholders of the Company) amounted to Euro 2,739 thousand in 2021, compared to Euro 2,719 thousand in 2020, whereas the total comprehensive income after tax amounted to Euro 2,755 thousand compared to Euro 2,798 thousand in 2020.

The consolidated non-current assets of the Group amounted to Euro 3,543 thousand in 2021, decreased by 3,5% compared to 2020, reflecting mainly the decrease of deferred tax assets in 2021. Group's inventories amounted to Euro 12,326 thousand, recording a increase of 10,7% compared to 2020, due to the significant amount of "in-transit" inventories at year end. The commercial receivables of the Group amounted to Euro 25,031 thousand, marking an increase of 15,5% compared to 2020, while the cash and cash equivalents amounted to Euro 9,900 thousand, marking a significant decrease of 5,9% compared to 2020, mainly due to dividends paid amounted to Euro 4,950 thousand. The Group's borrowing, including the effect of IFRS 16, amounted to Euro 1,093 thousand in 2021, decreased by 0,3% compared to 2020. Finally, commercial and other Short-term liabilities amounted, at a consolidated level, to Euro 12,420 thousand, recording a decrease of 35,7% compared to 2020.

Listed below are some key indicators for a better understanding of the Group's position for 2021 (please note that the Group does not use non-financial performance indicators):

			The group	
			2021	2020
LIQUIDITY RATIOS				
CURRENT RATIO (%)	$\frac{\text{Current assets}}{\text{Current liabilities}}$	=	$\frac{48.173}{15.187} = 317,2\%$	$\frac{44.070}{10.868} = 405,5\%$
QUICK RATIO (%)	$\frac{\text{Current assets-Inventory}}{\text{Current liabilities}}$	=	$\frac{35.847}{15.187} = 236,0\%$	$\frac{32.931}{10.868} = 303,0\%$
ACID TEST RATIO (%)	$\frac{\text{Cash and cash equivalents}}{\text{Current liabilities}}$	=	$\frac{9.900}{15.187} = 65,2\%$	$\frac{10.517}{10.868} = 96,8\%$
WORKING CAPITAL TO CURRENT ASSETS (%)	$\frac{\text{Working capital}}{\text{Current assets}}$	=	$\frac{32.986}{48.173} = 68,5\%$	$\frac{33.203}{44.070} = 75,3\%$
CAPITAL STRUCTURE RATIOS				
DEPT TO EQUITY (%)	$\frac{\text{Dept}}{\text{Equity}}$	=	$\frac{17.430}{34.285} = 50,8\%$	$\frac{12.214}{35.530} = 34,4\%$
CURRENT LIABILITIES TO NET WORTH (%)	$\frac{\text{Current liabilities}}{\text{Equity}}$	=	$\frac{15.187}{34.285} = 44,3\%$	$\frac{10.868}{35.530} = 30,6\%$
FIXED ASSETS TO NET WORTH (%)	$\frac{\text{Fixed assets}}{\text{Equity}}$	=	$\frac{1.870}{34.285} = 5,5\%$	$\frac{1.775}{35.530} = 5,0\%$
OWNER'S EQUITY TO TOTAL LIABILITIES (%)	$\frac{\text{Equity}}{\text{Total liabilities}}$	=	$\frac{34.285}{17.430} = 196,7\%$	$\frac{35.530}{12.214} = 290,9\%$
CURRENT ASSETS TO TOTAL ASSETS RATIO (%)	$\frac{\text{Current assets}}{\text{Total assets}}$	=	$\frac{48.173}{51.715} = 93,1\%$	$\frac{44.070}{47.743} = 92,3\%$
ACTIVITY RATIOS				
INVENTORIES TURNOVER RATIO (times)	$\frac{\text{Cost of inventory consumptions}}{\text{Inventory}}$	=	$\frac{51.874}{11.733} = 4,4$	$\frac{40.038}{12.053} = 3,3$
FIXED ASSETS TURNOVER RATIO (times)	$\frac{\text{Net sales revenue}}{\text{Fixed assets}}$	=	$\frac{69.487}{1.870} = 37,2$	$\frac{55.545}{1.775} = 31,3$
DAYS OF SALES OUTSTANDING (D.S.O)	$\frac{\text{Trade receivables} \times 365}{\text{Net sales revenue}}$	=	$\frac{25.031}{69.487} = 131,5$	$\frac{21.670}{55.545} = 142,4$
ASSET TURNOVER RATIO (times)	$\frac{\text{Net sales revenue}}{\text{Total assets}}$	=	$\frac{69.487}{51.715} = 134,4\%$	$\frac{55.545}{47.743} = 116,3\%$
OWNER'S EQUITY TURNOVER RATIO (times)	$\frac{\text{Net sales revenue}}{\text{Equity}}$	=	$\frac{69.487}{34.285} = 202,7\%$	$\frac{55.545}{35.530} = 156,3\%$
PROFITABILITY RATIOS				
GROSS PROFIT MARGIN (%)	$\frac{\text{Gross profit}}{\text{Net sales revenue}}$	=	$\frac{14.612}{69.487} = 21,0\%$	$\frac{12.321}{55.545} = 22,2\%$
NET PROFIT MARGIN (%)	$\frac{\text{Net profit after tax}}{\text{Net sales revenue}}$	=	$\frac{2.739}{69.487} = 3,9\%$	$\frac{2.719}{55.545} = 4,9\%$
RETURN OF INVESTMENT (%)	$\frac{\text{Net profit after tax}}{\text{Equity}}$	=	$\frac{2.739}{34.285} = 8,0\%$	$\frac{2.719}{35.530} = 7,7\%$
EFFICIENCY OF TOTAL ASSETS (%)	$\frac{\text{Net profit after tax}}{\text{Totals assets - Current liabilities}}$	=	$\frac{2.739}{36.528} = 7,5\%$	$\frac{2.719}{36.876} = 7,4\%$
OPERATING EXPENSES RATIOS				
OPERATING RATIO (%)	$\frac{\text{Cost of sales + Operating expenses}}{\text{Net sales revenue}}$	=	$\frac{65.724}{69.487} = 94,6\%$	$\frac{51.784}{55.545} = 93,2\%$
LOANS TO TOTAL ASSETS (%)	$\frac{\text{Loans + Lease liabilities}}{\text{Total assets}}$	=	$\frac{1.093}{51.715} = 2,1\%$	$\frac{1.096}{47.743} = 2,3\%$

The company

The Company's operating income (net sales plus other income) amounted to Euro 57,938 thousand in 2021, increased by 24,2% compared to 2020. The total operating expenses of the Company, before depreciation, impairment, provisions, and financial results amounted to Euro 53,128 thousand in 2021 marking an increase of 22,6% compared to 2020. Corporate expenses for depreciation, impairment, and provisions amounted to Euro 1,590 thousand increased by 79,9%, mainly reflecting the increase of other provisions and specifically, the conduct of an extraordinary provision amounted of Euro 700 thousand, against the possible risk of a fine to be imposed by the Competition Commission of Greece on the Company. Operating profit before financial and investment activities of the Company amounted to Euro 3,221 thousand compared to Euro 2,435 thousand in 2020. Debt interest and related expenses, excluding debt exchange differences, amounted to Euro 188 thousand, decreased by 11,3%, mainly reflecting the elimination of loans. The Company's income tax amounted to Euro 1,194 thousand in 2021, increased by 57,0% compared to 2020 mainly reflecting the increased profitability in 2021. Net profits of the Company for the year from ongoing activities amounted to Euro 1,865 thousand in 2021, compared to Euro 1,518 thousand in 2020 whereas the total comprehensive income after tax amounted to Euro 1,876 thousand compared to Euro 1,518 thousand in 2020.

The non-current assets of the Company amounted to Euro 2,991 thousand in 2021, decreased by 1,9% compared to 2020, mainly reflecting the decrease of deferred tax assets. The Company's inventories amounted to Euro 9.797 thousand marking an increase of 2,0% compared to 2020 due to the significant amount of “in-transit” inventories at year end. The commercial receivables of the Company amounted to Euro 23,693 thousand, marking an increase of 17,3% compared to 2020, while the cash and cash equivalents amounted to Euro 5,593 thousand, recording a decrease of 23,2% compared to 2020 mainly due to dividends paid amounted to Euro 4,950 thousand. The Company's borrowing, including the effect of IFRS 16, amounted to Euro 798 thousand in 2021, increased by 16,1% compared to 2020. Finally, commercial and other Short-term liabilities amounted, at separate level, to Euro 10,639 thousand, recording an increase of 32,3% compared to 2020.

Listed below are some key indicators for a better understanding of the Company's position for 2021 (please note that the Group does not use non-financial performance indicators):

				The company	
				2021	2020
LIQUIDITY RATIOS					
CURRENT RATIO (%)	:	$\frac{\text{Current assets}}{\text{Current liabilities}}$	=	$\frac{39.922}{12.580} = 317,3\%$	$\frac{37.933}{9.397} = 403,7\%$
QUICK RATIO (%)	:	$\frac{\text{Current assets-Inventory}}{\text{Current liabilities}}$	=	$\frac{30.124}{12.580} = 239,5\%$	$\frac{28.327}{9.397} = 301,4\%$
ACID TEST RATIO (%)	:	$\frac{\text{Cash and cash equivalents}}{\text{Current liabilities}}$	=	$\frac{5.593}{12.580} = 44,5\%$	$\frac{7.280}{9.397} = 77,5\%$
WORKING CAPITAL TO CURRENT ASSETS (%)	:	$\frac{\text{Working capital}}{\text{Current assets}}$	=	$\frac{27.342}{39.922} = 68,5\%$	$\frac{28.535}{37.933} = 75,2\%$
CAPITAL STRUCTURE RATIOS					
DEPT TO EQUITY (%)	:	$\frac{\text{Dept}}{\text{Equity}}$	=	$\frac{14.511}{28.402} = 51,1\%$	$\frac{10.455}{30.526} = 34,2\%$
CURRENT LIABILITIES TO NET WORTH (%)	:	$\frac{\text{Current liabilities}}{\text{Equity}}$	=	$\frac{12.580}{28.402} = 44,3\%$	$\frac{9.397}{30.526} = 30,8\%$
FIXED ASSETS TO NET WORTH (%)	:	$\frac{\text{Fixed assets}}{\text{Equity}}$	=	$\frac{1.507}{28.402} = 5,3\%$	$\frac{1.276}{30.526} = 4,2\%$
OWNER'S EQUITY TO TOTAL LIABILITIES (%)	:	$\frac{\text{Equity}}{\text{Total liabilities}}$	=	$\frac{28.402}{14.511} = 195,7\%$	$\frac{30.526}{10.455} = 292,0\%$
CURRENT ASSETS TO TOTAL ASSETS RATIO (%)	:	$\frac{\text{Current assets}}{\text{Total assets}}$	=	$\frac{39.922}{42.913} = 93,0\%$	$\frac{37.933}{40.981} = 92,6\%$
ACTIVITY RATIOS					
INVENTORIES TURNOVER RATIO (times)	:	$\frac{\text{Cost of inventory consumptions}}{\text{Inventory}}$	=	$\frac{43.346}{9.701} = 4,5$	$\frac{34.261}{10.709} = 3,2$
FIXED ASSETS TURNOVER RATIO (times)	:	$\frac{\text{Net sales revenue}}{\text{Fixed assets}}$	=	$\frac{57.096}{1.507} = 37,9$	$\frac{46.280}{1.276} = 36,3$
DAYS OF SALES OUTSTANDING (D.S.O)	:	$\frac{\text{Trade receivables} \times 365}{\text{Net sales revenue}}$	=	$\frac{23.693}{57.096} = 151,5$	$\frac{20.198}{46.280} = 159,3$
ASSET TURNOVER RATIO (times)	:	$\frac{\text{Net sales revenue}}{\text{Total assets}}$	=	$\frac{57.096}{42.913} = 133,1\%$	$\frac{46.280}{40.981} = 112,9\%$
OWNER'S EQUITY TURNOVER RATIO (times)	:	$\frac{\text{Net sales revenue}}{\text{Equity}}$	=	$\frac{57.096}{28.402} = 201,0\%$	$\frac{46.280}{30.526} = 151,6\%$
PROFITABILITY RATIOS					
GROSS PROFIT MARGIN (%)	:	$\frac{\text{Gross profit}}{\text{Net sales revenue}}$	=	$\frac{11.352}{57.096} = 19,9\%$	$\frac{9.513}{46.280} = 20,6\%$
NET PROFIT MARGIN (%)	:	$\frac{\text{Net profit after tax}}{\text{Net sales revenue}}$	=	$\frac{1.865}{57.096} = 3,3\%$	$\frac{1.518}{46.280} = 3,3\%$
RETURN OF INVESTMENT (%)	:	$\frac{\text{Net profit after tax}}{\text{Equity}}$	=	$\frac{1.865}{28.402} = 6,6\%$	$\frac{1.518}{30.526} = 5,0\%$
EFFICIENCY OF TOTAL ASSETS (%)	:	$\frac{\text{Net profit after tax}}{\text{Totals assets - Current liabilities}}$	=	$\frac{1.865}{30.333} = 6,1\%$	$\frac{1.518}{31.584} = 4,8\%$
OPERATING EXPENSES RATIOS					
OPERATING RATIO (%)	:	$\frac{\text{Cost of sales + Operating expenses}}{\text{Net sales revenue}}$	=	$\frac{54.658}{57.096} = 95,7\%$	$\frac{44.104}{46.280} = 95,3\%$
LOANS TO TOTAL ASSETS (%)	:	$\frac{\text{Loans + Lease liabilities}}{\text{Total assets}}$	=	$\frac{798}{42.913} = 1,9\%$	$\frac{687}{40.981} = 1,7\%$

B. OBJECTIVES AND STRATEGY

AHI Carrier S.E. Europe Single Member S.A is responsible for the European activity of AHI CARRIER FZC in Central and South Eastern Europe, for the distribution and after-sales services of Carrier, Toshiba and Totaline air conditioning products.

Mission of the Group is to be the number one choice of customers in air conditioning, heating, ventilation and industrial refrigeration applications throughout its' responsibility region, creating a cozy and productive environment despite the weather conditions, by offering solutions which provide air conditions of high quality.

The quality and efficiency of the services and products offered are a commitment for the Group to continuously strengthen its leadership position, providing products with durability and high performance that exceed the expectations of its customers.

The Group's personnel work every day to provide innovative and reliable products and services that improve the environment and the living conditions of all, while the needs of customers are at the heart of the interest and that is why it is an ongoing effort to anticipate and address them, through the provision of quality products/services and innovative solutions that create a competitive advantage.

Compliance with the highest standards of ethical and professional conduct is a standard commitment of the Group. This includes the relationships maintained with its customers, suppliers, competitors, local communities in which the Group operates and of course its employees.

The main asset of the Group is its human resources and that is why its personal and professional development is encouraged, investing in its training, and aiming at the creation of a working environment dominated by meritocracy, respect and acceptance of diversity. The protection of the safety of employees, customers and the environment is also a fundamental value for the Group.

The permanent goal of the Management team of AHI Carrier Group is to retain a leading position in the relevant market, being a modern high-performance Group, by using its technological excellence and consistently providing excellent experience to its customers.

In particular, the AHI Carrier Group seeks to remain a leader in air conditioning, heating, ventilation and industrial cooling applications, to ensure a leading position in the countries in which it operates, to offer a leading customer service experience, to develop its staff and attract talented employees, to enhance the value created for shareholders and to continue its positive contribution to society and the economy.

C. SIGNIFICANT EVENTS DURING THE CLOSING YEAR

Effects of the Covid-19 pandemic

Covid-19 pandemic was continued during 2021. In Greece, during 1st quarter of 2021, restrictive measures were applied, due to the increase in Covid-19 cases, beginning at Christmas period of previous year. Thus, the Group of AHI Carrier continued to adopt the specific action plan in order to avoid any negative consequences of the pandemic. Greek government began to withdraw gradually the official restrictive measures at middle April 2021. In early May 2021, quarantine measures, began to lose. During summer, percentage of employees working on site increased to 70% and percentage of employees working from home reduced to 30%. Totaline employees and technicians were working on site in full capacity (100%). The rest departments were working in rotation schedule, while employees with specific health needs were working 100% from home. On December, 2021, the Management of the group, taking into account the impending rapid spread of SARS-CoV-2 Omicron, applied an updated quarantine action plan and followed the recommendations of National Public Health Organization of Greece. During the pandemic crisis, Management, continuously acts based on guidelines and directives of official organizations, complying with the requirements and the action plan adopted by the Greek authorities. Respectively, similar action plans were applied to the subsidiaries of the group in Bulgaria and Romania with cooperation with local authorities.

AHI Carrier Group, following the digital transformation that took place previous year, continued to successfully, use all available digital means and the management to take a number of preventive measures. Those measures was regarding “teleworking”, care for the provision of sanitary equipment, providing specialized personal protective equipment for technical staff and activation of direct communication channels for advice on health and psychological support for all employees.

The extent to which the AHI Carrier Group will be affected by COVID-19 pandemic, in the near future, depends mainly on future course of the pandemic.

Procedure regarding the competition commission's own-initiative investigation

Following the audit carried out by the General Directorate of Competition at the Company's offices on February 7, 2019, following an ex officio investigation and pursuant to the audit order of the President of the Competition Commission with No. 683/29.01.2019, during which various documents were displayed and collected, was issued on March 16, 2021, Recommendation with No Oтκ.2359, which was notified to the Company on April 1, 2021. Based on this Recommendation, the Rapporteur recommended to the Competition Committee to establish a fine based on article 1 of Law 3559/2021 and article 101 of the “Treaty on the Operation of the European Union”. The case was discussed at the Full Court of the Competition Commission on 23 and 28 June 2021.

According to the assessment of the legal counsel, a decision with a possible fine is expected in the near future. Taking into account the current data and the estimates of the legal advisor, the Management proceeded to the recognition of a relevant provision of the amount of Euro 700 thousand, against the coverage of the possible risk of the imposition of a fine, an amount that was charged to the corporate and consolidated results of the reporting financial year.

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 2020.

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 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 primary 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 reserved.

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, considering future factors in relation to customers as well as the economic environment they operate.

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

- ☐ Trade receivables
- ☐ Contractual 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 2021, for the Trade Receivables and The Contractual Assets in book value before any impairment value:

The group				
€k	Performing 31/12/2021	Partially performing 31/12/2021	Non performing 31/12/2021	Total 31/12/2021
Trade receivables	18.327	6.704	8.500	33.530
Contractual assets	1	0	0	1
Total	18.328	6.704	8.500	33.531

The company				
€k	Performing 31/12/2021	Partially performing 31/12/2021	Non performing 31/12/2021	Total 31/12/2021
Trade receivables	17.753	5.941	8.068	31.761
Contractual assets	1	0	0	1
Total	17.753	5.941	8.068	31.762

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, 2021 amounted to Euro 9,900 thousands and Euro 5,593 thousands respectively. There are no bank loans as at the end of the fiscal year for the Group or the Company.

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 also purchasing goods from third countries. Therefore is 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 US Dollar, the Great Britain Pound, 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 to support their business operation and maximize value for the benefit of shareholders.

The Group and the Company manage the capital structure and adjust 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 and Company level. Net borrowing includes interest bearing bank 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.

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Short term bank loans	0	0	0	0
Lease liabilities (long term)	595	547	400	259
Lease liabilities (short term)	498	549	398	428
Minus: Cash and cash equivalents	(9.900)	(10.517)	(5.593)	(7.280)
Total leverage	(8.807)	(9.421)	(4.795)	(6.593)
Total equity	34.285	35.530	28.402	30.526
Leverage rate	(0,26)	(0,27)	(0,17)	(0,22)

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 Management recognizes its obligations towards the environment and the need for continuous improvement of its environmental performance. The Group, 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.

The Group, 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.

The Company, proving in practice the continuous effort of protecting the environment, is certified and operates under global certificate "ISO 14001".

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 Hellenic Recovery and Recycling Corporation and Appliances Recycling S.A.

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 Group 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 Group 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.

The Company, proving the sensitive regarding safety of the employees, is certified and operates under global certificate "ISO 45001:2018 Health and Safety Management".

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

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

The Greek and global economies continue to face the effects of the COVID-19 pandemic, even to a lesser extent than previous years, however, both inflationary pressures and facts in Ukraine are affecting the expected economic activity. For 2021, Greece's GDP increased by 8.3%, a development that was based on the demand that had accumulated due to the postponement of expenses during the pandemic, on investments, on the start of the implementation of the Recovery and Resilience Plan projects, and on the dynamic recovery of tourism revenues and exports of goods. The EU's estimate for 2022 predicts a further rise of 4.9%, while the war in Ukraine and inflationary pressures are expected to limit the growth rate. Inflationary pressures are expected to subside, with the prospect that the war in Ukraine will end soon. Specifically, the European Central Bank's estimates for inflation are that in 2023 it will fall to 2.1% and in 2024 to 1.9%.

The gradual elimination of the effects of the coronavirus, the end of the war in Ukraine, the normalization of energy prices and the confirmation of the forecasts that inflationary pressures are short-term, will allow a rapid return to normality and risk appetite, forming a positive outlook for strengthening the climate in domestic businesses as well. In the near future, the contribution of the Recovery Fund's resources is expected to be noticeable, as described in plan Greece 2.0, which is expected to have positive effects on the sizes of the Group.

The excellent organization of the Group, the smooth operation of the consumer market even in particularly difficult situations such as the current ones, the continuous investments in modern equipment and procedures, the lack of loan obligations, the recognition of its credibility internationally, as well as the liquidity available, are the guarantees for long-term survival with significant benefits for shareholders, workers and society in general.

In this context, the Management remains vigilant and continues to implement strict cost rationalization measures in all sectors, in order to support the Group's profitability and cash flow, while it will continue to invest in infrastructure that ensures its comparative advantage and future growth. The Management also constantly examines the particularly demanding conditions and risks to which the Group is exposed for its business activities and has concluded that what is mentioned above is not expected to have a material impact on the results of its operations and its financial performance in the next fiscal year (01/01/2022 - 31/12/2022) as it is estimated that there will be at least a stabilization in terms of the cycle's figures. operations and profitability. The Administration, however, will continue to closely monitor the overall situation and will assess the need for individual actions in case the disruption period is extended again.

The Group will remain committed in 2022 to the achievement of its annual business goals, while creating the conditions for its long-term development. Special emphasis will be given to customer-oriented processes and internal corporate processes, to further improve the customer experience and to achieve a leaner and more flexible operating model.

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 had in their possession, as at 31/12/2021, US dollars, amounted USD 419,496.42.

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, 2021, 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 01/01/2021 - 31/12/2021 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 01/01/2022 -31/12/2022.

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, April 29^h 2022

Yours sincerely

For the Board of Directors

Aikaterini Dimas
Chairman of the Board and CEO

STATEMENT OF FINANCIAL POSITION

€k	Note	The group		The company	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
ASSETS					
Non-current assets					
Property, plant and equipment	4	217	215	141	120
Right-of-use assets	5	1.068	996	780	592
Intangible assets	6	586	564	586	564
Investments in subsidiaries	7	0	0	2	2
Other non current assets	8	195	197	165	169
Deferred tax assets	28	1.478	1.700	1.317	1.601
Total non-current assets		3.543	3.673	2.991	3.048
Current assets					
Inventories	9	12.326	11.139	9.797	9.605
Trade receivables	10	25.031	21.670	23.693	20.198
Contract assets	21	1	264	1	434
Other receivables	11	916	480	837	415
Cash and cash equivalents	12	9.900	10.517	5.593	7.280
Total current assets		48.173	44.070	39.922	37.933
Total assets		51.715	47.743	42.913	40.981
Equity					
Equity attributable to owners of the Parent					
Share capital	13	4.662	4.662	4.662	4.662
Share premium	13	13.577	13.577	13.577	13.577
Statutory and other reserves	14	945	852	945	851
Retained earnings		15.101	16.439	9.218	11.435
Total equity attributable to owners of the Parent		34.285	35.530	28.402	30.526
Non-controlling interest		0	0	0	0
Total equity		34.285	35.530	28.402	30.526
Liabilities					
Non-current liabilities					
Obligations of benefits to the staff	15	270	245	270	245
Lease liabilities	16	595	547	400	259
Provisions	17	1.284	401	1.167	401
Contractual liabilities	21	95	154	95	154
Total non-current liabilities		2.243	1.346	1.931	1.058
Current liabilities					
Short term bank loans	18	0	0	0	0
Current lease liability	16	498	549	398	428
Contractual liabilities	21	1.714	1.084	988	843
Trade payables	19	10.588	7.013	9.249	6.167
Income tax liability	28	555	85	555	85
Other current liabilities	20	1.832	2.137	1.390	1.874
Total current liabilities		15.187	10.868	12.580	9.397
Total liabilities		17.430	12.214	14.511	10.455
Total equity and liabilities		51.715	47.743	42.913	40.981

The comparable figures in the Group's and the Company's Statement of financial position for the year 2020 have been revised by the change in the accounting policy of IAS 19 (see note 2.3.3 and 30)

Notes from page 22 to 80 are an integral part of the financial statements

INCOME STATEMENT

€k	Note	The group		The company	
		01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
<u>Results from continuing operations</u>					
Net sales revenue	22	69.487	55.545	57.096	46.280
Cost of goods sold	24	(54.875)	(43.224)	(45.744)	(36.767)
Gross profit		14.612	12.321	11.352	9.513
Other income	23	744	293	842	384
Distribution Costs	24	(6.573)	(4.780)	(5.016)	(3.957)
Administrative expenses	24	(4.276)	(3.779)	(3.898)	(3.381)
Other expenses	25	(180)	(186)	(59)	(125)
Total operating income		4.328	3.869	3.221	2.435
Finance income	26	62	69	60	64
Finance expenses	27	(336)	(339)	(221)	(221)
Profit before tax		4.053	3.599	3.059	2.279
Income tax	28	(1.314)	(880)	(1.194)	(761)
Profit after tax (a)		2.739	2.719	1.865	1.518
Profit for the year attributable to:					
- Owners of the parent		2.739	2.719	-	-
- Non-controlling interest		0	0	-	-
<u>Other comprehensive income</u>					
<u>Other comprehensive income</u>					
Actuarial gains/losses		15	0	15	0
Deferred tax on actuarial gains/losses		(3)	0	(3)	0
<u>Other comprehensive income</u>					
FX Translation gains/losses on FS of foreign subsidiaries		6	78	0	0
Other comprehensive income after tax (b)		17	78	11	0
Total comprehensive income after tax (a) + (b)		2.755	2.797	1.876	1.518
Total comprehensive income for the year attributable to:					
- Owners of the parent		2.755	2.797	-	-
- Non-controlling interest		0	0	-	-

The comparable figures in the Group's and the Company's Income Statement for the year 2020 have been revised by the change in the accounting policy of IAS 19 (see note 2.3.3 and 30)

Notes from page 22 to 80 are an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY - The Group

	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 2020 (Published)	4.662	13.577	777	14.362	33.379	0	33.379
Changes in accounting policy (Note 30)	0	0	0	353	353	0	353
Restated Balance as at 1 January 2020	4.662	13.577	777	14.715	33.732	0	33.732
Restated Comprehensive income for the year net of tax	0	0	0	2.719	2.719	0	2.719
Restated Other comprehensive income / (loss)	0	0	0	78	78	0	78
Restated Total income for the year net of tax	0	0	0	2.798	2.798	0	2.798
Statutory Reserve	0	0	74	(74)	0	0	0
Dividends paid	0	0	0	(1.000)	(1.000)	0	(1.000)
Balance as at 31 December 2020	4.662	13.577	851	16.438	35.530	0	35.530
Comprehensive income for the year net of tax	0	0	0	2.739	2.739	0	2.739
Other comprehensive income / (loss)	0	0	0	17	17	0	17
Total income for the year net of tax	0	0	0	2.755	2.755	0	2.755
Statutory Reserve	0	0	93	(93)	0	0	0
Dividends paid	0	0	0	(4.000)	(4.000)	0	(4.000)
Balance as at 31 December 2021	4.662	13.577	945	15.101	34.285	0	34.285

Notes from page 22 to 80 are an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY - The Company

The company					
€k	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
Balance as at 1 January 2020 (Published)	4.662	13.577	777	10.669	29.685
Changes in accounting policy (Note 30)	0	0	0	322	322
Restated Balance as at 1 January 2020	4.662	13.577	777	10.992	30.007
Restated Comprehensive income for the year net of tax	0	0	0	1.518	1.518
Restated Other comprehensive income / (loss)	0	0	0	0	0
Restated Total income for the year net of tax	0	0	0	1.518	1.518
Statutory Reserve	0	0	74	(74)	0
Dividends paid	0	0	0	(1.000)	(1.000)
Balance as at 31 December 2020	4.662	13.577	851	11.435	30.526
Comprehensive income for the year net of tax	0	0	0	1.865	1.865
Other comprehensive income / (loss)	0	0	0	11	11
Total income for the year net of tax	0	0	0	1.876	1.876
Statutory Reserve	0	0	93	(93)	0
Dividends paid	0	0	0	(4.000)	(4.000)
Balance as at 31 December 2021	4.662	13.577	944	9.218	28.402

Notes from page 22 to 80 are an integral part of the financial statements

CASH FLOW STATEMENT

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Operating activities				
Profit after tax	4.053	3.599	3.059	2.279
Additions/reductions to:				
Depreciation of tangible and intangible assets	159	125	124	109
Depreciation of rights of use for leased assets	491	466	361	378
Provision for compensation due to retirement	39	221	39	221
Provision for obsolete inventories	(179)	152	(332)	192
Provision for bad debts	573	241	338	205
Other Provision	883	0	766	0
Other non cash adjustments	(41)	0	19	0
Exchange differences	102	74	12	(25)
Net cash used in investing activities	(40)	(30)	(39)	(30)
Interest and other expenses	212	226	188	212
<u>Working capital adjustments:</u>				
Decrease / (Increase) in inventories	(1.007)	1.798	140	2.015
(Increase) / decrease in trade and other receivables	(3.792)	3.114	(3.818)	2.547
Increase in trade payables and other liabilities (except from bank loans)	4.480	(910)	3.634	(608)
Minus:				
Interest paid and other expenses	(211)	(225)	(187)	(210)
Tax paid	(681)	(1.046)	(475)	(814)
Net cash from operating activities (a)	5.040	7.808	3.830	6.469
Investing activities				
Payment for purchase of tangible and intangible assets	(182)	(247)	(167)	(159)
Proceeds from disposal of tangible and intangible assets	1	0	1	0
Interest received	39	0	38	0
Net cash used in investing activities (b)	(142)	(247)	(128)	(158)
Finance Activities				
Proceeds/Payments from/of bank loans and borrowings	0	(1.500)	0	(1.500)
Dividends paid	(4.950)	0	(4.950)	0
Lease repayments	(565)	(544)	(439)	(443)
Net cash used in financing activities (c)	(5.515)	(2.044)	(5.389)	(1.943)
Net increase in cash and cash equivalents (a) + (b) + (c)	(617)	5.516	(1.687)	4.368
Cash and cash equivalents at 1 January	10.427	5.000	7.280	2.912
Cash and cash equivalents at 31 December	9.900	10.517	5.593	7.280

The comparable figures in the Group's and the Company's Cash Flow Statement for the year 2020 have been revised by the change in the accounting policy of IAS 19 (see note 2.3.3 and 30)

Notes from page 22 to 80 are an integral part of the financial statements

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 2020, 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 CARRRIER GLOBAL CORPORATION, the largest provider worldwide in HVAC technologies. Committed to innovation and environmental sustainability, Carrier, 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 (under full consolidation method) 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, 2021 were approved for publication by decision of the Board of the Company on 29 April 2022 and are pending the final approval by the Shareholders Meeting of AHI Carrier.

The number of employees for the Group and the Company as at 31.12.2021 and 31.12.2020 is as follows.

	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Number of employees	110	109	89	88

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 (%)	
				31.12.2020	31.12.2019
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 (corporate and consolidated) have been prepared in accordance with the historical cost principle, except for the assets and liabilities which appear at their fair value and which are described in the Notes of the financial statements.

The financial statements (corporate and consolidated) have also been prepared on the basis of the continuing business principle. The accounting principles used for the preparation and presentation of the financial statements as at 31 December 2021, and described below, have been applied consistently throughout the periods presented.

The financial statements (corporate and consolidated) are presented in thousands of Euro, except when otherwise indicated. Euro is the operational currency of the Company. Any differences between financial statements and notes are due to roundings.

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 28.

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 28.

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 10.

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 15.

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 1 January 2021.

2.2.1. Standards and Interpretations effective for the current financial year

IFRS 16 (Amendment) "Covid-19-Related rent concessions": The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

IFRS 4 (Amendment) "Extension of the temporary exemption from applying IFRS 9": The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 "Insurance Contracts" from applying IFRS 9 "Financial Instruments", so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) "Interest rate benchmark reform – Phase 2": These amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.

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 16 (Amendment) "Covid-19-Related rent concessions" (effective for annual periods beginning on or after 1 April 2021): The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022.

IFRS 17 "Insurance contracts" and Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023): IFRS 17 has been issued in May 2017 and, along with the amendments to IFRS 17 issued in June 2020, 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.

IAS 16 (Amendment) “Property, plant and equipment – Proceeds before intended use” (effective for annual periods beginning on or after 1 January 2022): The amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity’s ordinary activities.

IAS 37 (Amendment) “Onerous contracts – Cost of fulfilling a contract” (effective for annual periods beginning on or after 1 January 2022): The amendment clarifies that ‘costs to fulfil a contract’ comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

IFRS 3 (Amendment) “Reference to the Conceptual Framework” (effective for annual periods beginning on or after 1 January 2022): The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize contingent assets, as defined in IAS 37, at the acquisition date.

IAS 1 (Amendment) “Classification of liabilities as current or non-current” (effective for annual periods beginning on or after 1 January 2023): 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.

IAS 1 (Amendments) “Presentation of Financial Statements” and IFRS Practice Statement 2 “Disclosure of Accounting policies” (effective for annual periods beginning on or after 1 January 2023): The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

IAS 8 (Amendments) “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates” (effective for annual periods beginning on or after 1 January 2023): The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

IAS 12 (Amendments) “Deferred tax related to Assets and Liabilities arising from a Single Transaction” (effective for annual periods beginning on or after 1 January 2023): The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The amendments have not yet been endorsed by the EU.

IFRS 17 (Amendment) “Initial Application of IFRS 17 and IFRS 9 – Comparative Information” (effective for annual periods beginning on or after 1 January 2023): The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The amendment has not yet been endorsed by the EU.

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022):

IFRS 9 “Financial instruments”: The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 “Leases”: The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

2.2.3. Effect of adjustment due to the change in International Accounting Standard (IAS) 19 "Employee benefits" (The International Financial Reporting Interpretations Committee (IFRIC) decision on Attributing Benefit to Periods of Service under a defined benefit plan, in accordance with International Accounting Standard (IAS) 19 "Employee Benefits").

The International Financial Reporting Interpretations Committee issued the final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the way of distribution of benefits in periods of service following a specific defined benefit plan proportionate to that defined in Article 8 of Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan").

This decision differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the “IASB Due Process Handbook (par 8.6)” entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly.

Prior to the issuance of the agenda decision, the Group applied IAS 19 attributing the benefits defined under Article 8, Law 3198/1955, Law 2112/1920, and its amendment by Law 4093/2012 in the period from hiring until the employee retirement date.

The application of this final agenda decision in the accompanying separate and consolidated financial statements has led to attributing benefits in the last 16 years until the date of employee retirement following the scale recorded in Law 4093/2012.

Based on the above, the aforementioned final decision of the Committee's agenda has been treated as a Change in Accounting Policy, applying the change retrospectively from the beginning of the first comparative period, in accordance with paragraphs 19-22 of IAS 8.

Note 30 presents the effect from the application of the final decision on the financial statements of the comparative period taken as a whole as well as on each specific item of the financial statements that has been individually affected.

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 2021.

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.

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:

<u>Item Description</u>	<u>Estimated Useful Life</u>	<u>Depreciation Rates</u>
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 2020.

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 2020.

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 contractual 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 2020.

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 2020.

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 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 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.

a) 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.

b) 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 2020.

Details for the Group's and the Company's leases are included in Note 16.

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 (Loans)

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. Dividends distribution

Dividends payables to the shareholders are recognized as a liability at the moment they are approved by the Shareholders meeting.

3.22. Reclassifications

Whenever necessary, reclassifications of figures are made in the comparative financial statements in order to make them comparable to the way the corresponding items are presented in the financial statements for the reported fiscal year. For the sake of comparability, there are also reclassifications of figures in the relevant Notes. All the above reclassifications, when are made, have no effect on the equity or the results of the Company and the Group.

The annual corporate and consolidated financial statements for the year ended 31 December 2021 do not include reclassifications of figures for the comparative period.

4. TANGIBLE FIXED ASSETS

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

	The group			
	Land and buildings	Machinery	Plant and equipment	Total
€k				
<u>Cost</u>				
As at 1 January 2020	247	299	545	1.091
Additions	49	6	79	134
Reclasses	0	0	1	1
Disposals and write offs	0	0	0	0
As at 31 December 2020	296	305	625	1.227
<u>Accumulated Depreciation</u>				
As at 1 January 2020	(237)	(279)	(438)	(955)
Charge for the year	(8)	(3)	(44)	(55)
Reclasses	0	0	(1)	(1)
Disposals and write offs	0	0	0	0
As at 31 December 2020	(245)	(282)	(484)	(1.011)
Net book value as at 31 December 2020	52	23	141	216
<u>Cost</u>				
As at 1 January 2021	296	305	625	1.227
Additions	2	24	49	75
Reclasses	0	0	0	0
Disposals and write offs	0	0	0	0
As at 31 December 2021	298	330	674	1.302
<u>Accumulated Depreciation</u>				
As at 1 January 2021	(245)	(282)	(484)	(1.011)
Charge for the year	(13)	(4)	(57)	(73)
Reclasses	0	0	0	0
Disposals and write offs	0	0	0	0
As at 31 December 2021	(258)	(286)	(541)	(1.085)
Net book value as at 31 December 2021	40	43	133	217

	The company			
	Land and buildings	Machinery	Plant and equipment	Total
€k				
<u>Cost</u>				
As at 1 January 2020	247	273	509	1.029
Additions	0	6	40	46
Reclasses	0	0	1	0
Disposals and write offs	0	0	0	0
As at 31 December 2020	247	279	550	1.076
<u>Accumulated Depreciation</u>				
As at 1 January 2020	(237)	(262)	(416)	(915)
Charge for the year	(6)	(3)	(30)	(40)
Reclasses	0	0	(1)	(1)
Disposals and write offs	0	0	0	0
As at 31 December 2020	(243)	(265)	(448)	(956)
Net book value as at 31 December 2020	4	14	102	120
<u>Cost</u>				
As at 1 January 2021	247	279	550	1.076
Additions	0	23	37	59
Reclasses	0	0	0	0
Disposals and write offs	0	0	0	0
As at 31 December 2021	247	301	587	1.136
<u>Accumulated Depreciation</u>				
As at 1 January 2021	(243)	(265)	(448)	(956)
Charge for the year	(3)	(3)	(32)	(38)
Reclasses	0	0	0	0
Disposals and write offs	0	0	0	0
As at 31 December 2021	(246)	(268)	(480)	(995)
Net book value as at 31 December 2021	1	33	107	141

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

For the year ended 31 December, 2021, the management evaluated that there is no indication of book value exceed the recoverable amount of Property, Plant and Equipment.

5. RIGHT OF USE OF LEASED ASSETS

The recognized rights of use of leased assets at the beginning (1 January, 2021) and the end of fiscal year (31 December, 2021), for the Group and the Company, are as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Right of use for leased buildings	710	438	536	187
Right of use for leased transportation means	324	515	211	362
Right of use for leased machinery	34	43	34	43
Right of use for leased assets	1.068	996	780	592

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 1/1/2020 - 1st Implementation of I.F.R.S. 16	921	798
Plus: Right of use additions:		
- Buildings	227	0
- Transportation means	292	149
- Machinery	23	23
Minus: Depreciation on right of use		
- Buildings	(205)	(170)
- Transportation means	(250)	(197)
- Machinery	(11)	(11)
Balance as at 31/12/2020	997	592
Plus: Right of use additions:		
- Buildings	519	519
- Transportation means	43	31
- Machinery	0	0
Minus: Depreciation on right of use		
- Buildings	(238)	(170)
- Transportation means	(243)	(182)
- Machinery	(10)	(10)
Balance as at 31/12/2021	1.068	780

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

Lease liabilities are analyzed in note 16.

6. 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
<u>Cost</u>		
As at 1 January 2020	652	652
Additions	113	113
Disposals and write offs	0	0
As at 31 December 2020	765	765
<u>Accumulated Depreciation</u>		
As at 1 January 2020	(132)	(132)
Additions	(69)	(69)
Disposals and write offs	0	0
As at 31 December 2020	(201)	(201)
Net book value as at 31 December 2020	564	564
<u>Cost</u>		
As at 1 January 2021	765	765
Additions	108	108
Disposals and write offs	0	0
As at 31 December 2021	873	873
<u>Accumulated Depreciation</u>		
As at 1 January 2021	(201)	(201)
Additions	(85)	(85)
Disposals and write offs	0	0
As at 31 December 2021	(287)	(287)
Net book value as at 31 December 2021	586	586

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, 2021, and 31 December, 2020, there are no intangible assets with infinite useful life.

7. INVESTMENTS IN SUBSIDIARIES

The investments in subsidiaries are as follows:

Entity name	% of Participation	Country	Carrying Value	
			31.12.2021	31.12.2020
AHI CARRIER BULGARIA HVAC BULGARIA EOOD	100,00%	Bulgaria	1	1
AHI CARRIER ROMANIA SRL	100,00%	Romania	1	1
Total			2	2

For the year ended 31 December 2021, there is no cumulative impairment loss at the book value of investments in subsidiaries of the Company.

8. OTHER NON CURRENT ASSETS

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

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Guaranties given on leased buildings	159	159	138	138
Guaranties given on leased transportation means	28	31	21	25
Guaranties given on utilities	1	1	1	1
Other guaranties	7	7	5	5
Total	195	197	165	169

9. INVENTORIES

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

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Finished goods	10.001	11.654	7.224	10.026
Stock in transit	3.660	999	3.660	999
Provision for obsolete inventories	(1.335)	(1.514)	(1.087)	(1.420)
Total	12.326	11.139	9.797	9.605

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

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance as at 1/1	1.514	1.362	1.420	1.228
Provision charged in the period	153	192	0	192
Reversal of prior years provision	(332)	(40)	(332)	0
Balance as at 31/12	1.335	1.514	1.087	1.420

10. TRADE RECEIVABLES

Trade receivables as at 31 December, 2021 are as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Domestic customers	12.917	11.198	12.917	11.198
Foreign customers	8.129	6.996	4.480	3.545
Receivables from related parties	788	752	2.739	2.604
Doubtful customers	3.540	3.551	3.469	3.479
Notes overdue	1.180	1.180	1.180	1.180
Cheques receivable	6.886	5.830	6.886	5.830
Cheques overdue	91	91	91	91
Bad debt provision	(8.500)	(7.927)	(8.068)	(7.729)
Total	25.031	21.670	23.693	20.198

The movement of the provision of impairment of trade receivables is as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance as at 1/1	7.927	7.685	7.729	7.524
Provision charged in the period	186	0	38	0
Impact of implementation of IFRS 9	422	266	301	205
Reversal of prior years provision	(36)	(25)	0	0
Balance as at 31/12	8.500	7.927	8.068	7.729

The aging of trade receivables is as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Not overdue or impaired	18.327	13.694	17.753	13.631
Overdue and impaired				
up to 30 days past due	1.253	1.674	935	1.414
31 - 120 days past due	3.343	3.982	3.078	3.575
121 - 270 days past due	2.021	1.752	1.844	1.423
271 - 360 days past due	86	569	84	156
Total	25.031	21.670	23.693	20.198

11. OTHER RECEIVABLES

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

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Prepaid and withheld taxes	18	30	0	0
VAT receivable	272	67	272	67
Public sector other receivables	118	3	118	3
Debit balances of vendors and creditors	160	42	160	40
Λοιποί χρεώστες διάφοροι	0	6	0	0
Other advances paid (custom brokers, employees)	159	102	106	101
Prepaid expenses	189	230	181	203
Total	916	480	837	415

12. CASH AND CASH EQUIVALENTS

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

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Cash in transit and in hand	3	7	3	7
Cash at bank	9.897	10.510	5.590	7.273
Total	9.900	10.517	5.593	7.280

The Company and the Group had in their possession, as at 31/12/2021, US dollars, amounted USD 419,496.42.

13. 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, 2021, there was no change in Company's share capital.

The share premium, for the year ended 31 December, 2021 and 31 December 2020, amounts to 13.577 euro

The Share Capital of the Company for the year ended 31 December, 2021, 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

14. 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, 2021 and 31 December, 2020, the statutory reserve was 945k euro and 851k euro respectively. The Statutory Reserve cannot be distributed to Shareholders.

The Statutory and Other Reserves are as follow:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Statutory reserve	944	851	945	851
Other reserves	1	1	0	0
Total	945	852	945	851

15. OBLIGATIONS OF BENEFITS TO THE STAFF

Defined Contribution Plans

Contributions to social security, for the year ended 31 December, 2021, amounted 906k Euro for the Group and 856k Euro for the Company. (2020: 938k Euro and 897k 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 Group and the Company make provision for the compensation of staff due to exit from the service for their employees, who are entitled to a termination allowance when they remain in the service until the normal retirement age. This allowance is calculated on the basis of the years of service and the remuneration of the employees at the date of retirement, in accordance with the applicable labour legislation. The above obligations for compensation for exit from the service they usually expose the Group and the Company to actuarial risks, such as interest rate risk and the risk of changes in wages. Therefore, a reduction in the discount rate used in calculating the present value of the expected future cash outflows or an increase in future salaries will increase the liabilities of the Group and the Company respectively.

The accrued benefits provision of every period, is presented in financial statements in accordance with I.F.R.S. 19 « Defined Benefit Plans», following the decision of IFRIC regarding the allocation of benefits in kind in years of service, 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:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Service cost component	39	36	39	36
Cost of special termination benefits	0	184	0	184
Interest cost component	1	2	1	2
Total	40	223	40	223

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

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Total obligation recognized as at 01/01	245	250	245	250
Interest cost component	1	2	1	2
Service cost component	39	36	39	36
Cost of special termination benefits	0	184	0	184
Benefits paid during the fiscal year	0	(228)	0	(228)
Αναλογιστικό κέρδος / (ζημία) στην υποχρέωση	(15)	(0)	(15)	(0)
Total	270	245	270	245

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

	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Average yearly long term inflation rate	1,70%	1,70%	1,70%	1,70%
Rate of compensation increase	2,20%	2,20%	2,20%	2,20%
Discount Rate	0,80%	0,30%	0,80%	0,30%

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.

16. LEASE LIABILITIES

Lease liabilities are as follow:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Lease liabilities under I.F.R.S. 16	1.093	1.096	798	687
Minus: Amount due during next fiscal year	(498)	(549)	(398)	(428)
Minus: Amount due during next fiscal year	595	547	400	259

The movement of lease liabilities is as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance as at 01/01	1.096	1.086	687	958
Additions	561	554	549	172
Payments	(565)	(544)	(439)	(443)
Balance as at 31/12	1.093	1.096	798	687

Minimum leases payables are as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
up to 1 year	513	570	413	449
From 2 to 5 years	629	570	412	272
5+ years	0	0	0	0
Total	1.142	1.140	824	722
Minus:				
Future financial expenses	(49)	(44)	(27)	(35)
Present value of minimum lease payments	1.093	1.096	798	687

Present value analysis of lease liabilities is as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
up to 1 year	498	549	398	428
From 2 to 5 years	595	547	400	259
5+ years	0	0	0	0
Total	1.093	1.096	798	687

17. PROVISIONS

Provisions are as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Warranty provision	584	401	466	401
Other extraordinary provisions	700	0	700	0
	1.284	401	1.167	401

The movement of the provision is as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance as at 01/01	401	411	401	411
Provision charged in the period	883	0	766	0
Reversal of prior years provision	0	(11)	0	(11)
Balance as at 31/12	1.284	401	1.167	401

Following the audit carried out by the General Directorate of Competition at the Company's offices on February 7, 2019, following an ex officio investigation and pursuant to the audit order of the President of the Competition Commission with No. 683/29.01.2019, during which various documents were displayed and collected, was issued on March 16, 2021, Recommendation with No Ouk.2359, which was notified to the Company on April 1, 2021. Based on this Recommendation, the Rapporteur recommended to the Competition Committee to establish a fine based on article 1 of Law 3559/2021 and article 101 of the "Treaty on the Operation of the European Union". The case was discussed at the Full Court of the Competition Commission on 23 and 28 June 2021.

According to the assessment of the legal counsel, a decision with a possible fine is expected in the near future. Taking into account the current data and the estimates of the legal advisor, the Management proceeded to the recognition of a relevant provision of the amount of Euro 700 thousand, against the coverage of the possible risk of the imposition of a fine, an amount that was charged to the corporate and consolidated results of the reporting financial year.

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. For fiscal year 2021, due to the aforementioned reason, the corporate and consolidated results were charged with an additional provision of the amount of Euro 65 thousand, and Euro 183 thousand, respectively.

18. SHORT TERM BANK LOANS

Balance of short-term bank loans as at December 31,2021 is zero (December 31,2020: zero). Loans, if existed, regard the credit lines of the Parent Company.

The movement of these borrowings is as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance as at 01/01	0	1.500	0	1.500
Amount granted	0	3.000	0	3.000
Amount paid	0	(4.500)	0	(4.500)
Balance as at 31/12	0	0	0	0

19. TRADE PAYABLES

Trade payables are as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Domestic vendors	1.453	1.325	1.453	1.325
Foreign vendors	491	464	215	242
Payables to related parties	7.846	5.151	7.512	4.525
Estimated purchases/expenses	798	73	69	76
Total	10.588	7.013	9.249	6.167

20. OTHER CURRENT LIABILITIES

Other current liabilities are as follows:

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Dividends Payable to Shareholders	0	950	0	950
VAT payable	155	58	0	0
Payroll tax payable	109	126	104	112
Other creditors' tax payable	18	7	4	7
Other tax payable	9	58	6	55
National insurance payable	173	191	161	179
Other payables to staff	872	317	791	295
Sales commissions payable	54	32	54	31
Other payables	427	395	262	242
Credit balance of other debtors	14	2	8	2
Total	1.832	2.137	1.390	1.874

21. CONTRACTUAL ASSETS AND LIABILITIES

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

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Contractual assets (long term)	0	0	0	0
Contractual assets (short term)	1	264	1	434
Total contractual assets	1	264	1	434
Contractual liabilities (long term)	95	154	95	154
Contractual liabilities (short term)	1.714	1.084	988	843
Total contractual liabilities	1.809	1.237	1.083	997

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.

22. NET SALES

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

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Domestic sales	34.529	26.671	34.529	26.671
Domestic returns of sales	(419)	(145)	(419)	(145)
European Union sales	27.723	21.259	15.877	12.734
European Union returns of sales	(199)	(24)	(22)	(8)
Sales to foreign countries (outside EU)	4.452	4.510	4.392	4.510
Returns of sales to foreign countries (outside EU)	(1)	(0)	(1)	(0)
Domestic sales of services	2.488	2.373	2.488	2.373
European Union sales of services	892	885	232	130
Sales of services to foreign countries (outside EU)	21	16	20	14
Total	69.487	55.545	57.096	46.280

23. OTHER INCOME

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

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Revenue from subsidies	3	12	3	12
Other revenue related to sales	69	23	57	21
Management fees	154	134	299	305
Revenue from recharged expenses	17	13	17	13
Gains on fixed assets disposal	1	0	1	0
Revenue from unused inventory impairment provisions	332	39	332	0
Revenue from unused bad debt provisions	36	25	0	0
Other extraordinary gains	133	47	133	33
Total	744	293	842	384

24. EXPENSES PER SEGMENT/CATEGORY

Cost analysis per segment/category is as follows:

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Cost of goods sold	54.875	43.224	45.744	36.767
Distribution Costs	6.573	4.780	5.016	3.957
Administrative expenses	4.277	3.779	3.898	3.381
Total	65.724	51.784	54.658	44.104

The analysis of expenses per category is presented below

Staff costs

The weighted average of the employees for the Group and Company during fiscal year 2021 was 109 and 89 respectively (Fiscal year 2020: 116 people and 95 people).

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Wages and salaries	4.425	3.776	3.628	3.108
Employees' allowances and expenses	142	124	130	112
Social security contributions	736	906	694	856
Compensation to employees	0	0	0	0
Provisions for employee retirement or redundancy compensation	39	221	39	221
Total	5.342	5.027	4.491	4.296

Other operating expenses

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Cost of inventory and services	51.874	40.038	43.346	34.261
Professionals' fees (service)	1.808	1.887	1.537	1.436
Other fees	901	705	826	590
Other services (telephony, electricity, water)	228	203	211	185
Short term leases	45	38	23	21
Insurances	268	259	151	188
Storage cost	434	577	346	486
Repair and maintenance expenses	24	74	24	53
Other taxes/duties	42	47	39	43
Transportation expenses	574	441	465	326
Travelling expenses	114	142	104	132
Advertisement expenses	1.409	1.033	1.185	953
Other expenses	366	265	321	250
Depreciation on tangible and intangible fixed assets	159	125	124	109
Depreciation on right of use	491	466	361	378
Provision for Inventory obsolescence	154	192	0	192
Bad debts provision	186	0	38	0
Impact of implementation of I.F.R.S. 9	422	266	301	205
Other provisions	884	0	766	0
Total	60.382	46.757	50.167	39.808

25. OTHER EXPENSES

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

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Recycling fees	105	90	14	29
Tax fines	2	1	2	1
Other extraordinary expenses	74	95	43	95
Total	180	186	59	125

26. FINANCE INCOME

Finance income is as follows:

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Interest received from bank deposits	1	1	0	0
FX gains	22	38	22	34
Income from discounts due to early payments to vendors	38	30	38	30
Total	62	69	60	64

27. FINANCE EXPENSES

Finance expenses are as follows:

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Discounts due to downpayments	123	107	123	107
Interest expense of short term loans	0	27	0	27
Letters of guarantee fees	11	8	11	8
Other bank fees and expenses	39	39	31	31
Interest expense of actuarial report	1	2	1	2
Financial cost of leases	38	44	22	37
FX losses	125	112	33	9
Total	336	339	221	221

28. INCOME AND DEFERRED TAX

In accordance with Greek tax legislation, income tax rate applied on Greek legal entities for the fiscal year ended at 31th of December 2021 is 22% (31th of December 2020: 24%)

Income tax rate applied on legal entities established in Bulgaria and Romania is 10% and 16% respectively (2020: 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 4646/2020, 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 tax 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 2015 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.

In accordance with Greek Tax Law 4799/2021:

- a. Income tax rate applied on Greek legal entities for fiscal years 2021 onwards, is reduced at 22% and
- b. A prepayment of income tax is obligatory calculated on 80% of the current income tax. This prepayment is offset with the income tax of the next year after a tax audit from 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 – 2020. 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 2021 is still in progress by PKF EUROAUDITING 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, 2021 and December 31, 2020 is as follows:

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
<u>Current income tax expense</u>				
Current fiscal year	(1.074)	(624)	(893)	(475)
Prior year adjustments	(21)	27	(21)	27
Current income tax expense	(1.096)	(597)	(914)	(448)
<u>Deferred tax</u>				
Tax rate reduction	0	(146)	0	(146)
Temporary tax differences effect	(219)	(137)	(280)	(167)
Deferred tax expense	(219)	(283)	(280)	(313)
Income tax expense	(1.314)	(880)	(1.194)	(761)

Reconciliation of income tax expense driving by the current tax rate for the Greek entity (2021: 22%, 2020: 24%) is as follows:

€k	The group		The company	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Profit before tax	4.053	3.599	3.059	2.279
Tax using the Company's domestic tax rate	(913)	(898)	(673)	(547)
<u>Tax effect of:</u>				
Tax-exempt income	0	233	0	228
Non-deductible expenses	(497)	(298)	(500)	(323)
Prior years adjustments	(21)	27	(21)	27
Effect of tax rates in foreign jurisdictions	118	201	0	0
Changes in domestic tax rate	0	(146)	0	(146)
Income tax expense	(1.314)	(880)	(1.194)	(761)

Income tax payable for the Group and the Company as at December 31, 2021 amounts €k 555 and €k 555 respectively (December 31, 2020: €k 85 and €k 85 respectively).

Deferred tax assets are as follows:

The group					
	Balance as at 1/1/2021	P&L effect	OCI effect	Balance as at 31/12/2021	Deferred tax assets Deferred tax liability
€k					
Right of use of fixed assets	21	(17)	0	4	4 -
Inventories	353	(29)	0	324	324 -
Trade receivables	1.147	(196)	0	951	951 -
Obligations of benefits to the staff	54	9	(3)	59	59 -
Provisions	88	23	0	111	111 -
Other current liabilities	37	(8)	0	29	29 -
Total	1.700	(219)	(3)	1.478	1.478 0

The company					
	Balance as at 1/1/2021	P&L effect	OCI effect	Balance as at 31/12/2021	Deferred tax assets Deferred tax liability
€k					
Right of use of fixed assets	21	(17)	0	4	4 -
Inventories	312	(73)	0	239	239 -
Trade receivables	1.124	(220)	0	904	904 -
Obligations of benefits to the staff	54	9	(3)	59	59 -
Provisions	88	14	0	103	103 -
Other current liabilities	2	6	0	9	9 -
Total	1.600	(280)	(3)	1.317	1.317 0

The group					
	Balance as at 1/1/2020	P&L effect	OCI effect	Balance as at 31/12/2020	Deferred tax assets Deferred tax liability
€k					
Δικαιώματα χρήσης περιουσιακών στοιχείων	39	(18)	0	21	21 -
Inventories	340	43	(30)	353	353 -
Trade receivables	1.276	(129)	0	1.147	1.147 -
Obligations of benefits to the staff	60	(6)	(0)	54	54 -
Provisions	99	(11)	0	88	88 -
Other current liabilities	199	(162)	0	37	37 -
Total	2.012	(283)	(30)	1.700	1.700 0

The company					
	Balance as at 1/1/2020	P&L effect	OCI effect	Balance as at 31/12/2020	Deferred tax assets Deferred tax liability
€k					
Δικαιώματα χρήσης περιουσιακών στοιχείων	38	(17)	0	21	21 -
Inventories	295	18	0	312	312 -
Trade receivables	1.255	(131)	0	1.124	1.124 -
Obligations of benefits to the staff	60	(6)	(0)	54	54 -
Provisions	99	(11)	0	88	88 -
Other current liabilities	167	(165)	0	2	2 -
Total	1.913	(313)	(0)	1.600	1.600 0

29. 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:

€k	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
	Sales	Purchases	Sales	Purchases
AHI CARRIER CZ s.r.o.	354	5	398	18
AHI CARRIER FZC	3	139	72	51
AHI CARRIER GmbH	149	125	90	5
AHI CARRIER HVAC BULGARIA EOOD	3.706	49	3.624	3
AHI CARRIER ROMANIA SRL	1.911	9	1.487	2
AHIC (Australia) Pty Ltd	2	0	0	0
ALARKO CARRIER SANAYI VE TICARET AS	0	1.633	3	91
BEIJER DEUTSCHLAND GMBH	0	0	1	2
BEIJER ECR IBERICA, S.L.	0	0	0	2
BEIJER REF ITALY SRL	0	232	0	208
CARRIER ERCD	0	1.219	0	1.046
CARRIER FRIGEL ΑΠΟΣΤΟΛΟΥ ΑΕ	799	0	838	3
CARRIER POLSKA SP. Z.O.O.	1	0	0	0
CARRIER REFRIG.OPERAT.CZECH REP.SRO	0	0	0	69
CARRIER SCS	29	7.479	12	5.998
CARRIER TRANSICOLD LTD	12	47	9	7
CARRIER DISTRIBUTION ITALY S.R.L.	0	253	0	117
CENTURY CARRIER RESIDENTIAL AIR-CON	0	9.351	(0)	8.320
CLK CORPORATION	0	283	0	140
COMPAGNIE INDUST.D'APPLIC.THERMIQUE	0	561	0	682
COMPANIA INDUS.DE APLIC.TERMICAS SA	2	3.070	43	2.738
MIDEA ELECTRIC TRADING CO.PTE.LTD	0	0	0	77
PROFROID (CARRIER SCS)	0	72	1	103
Foshan Midea Carrier Air Conditioning Equipment Co Ltd	3	0	17	0
TOSHIBA CARRIER (THAILAND) CO LTD	100	0	0	0
TOSHIBA CARRIER EUROPE S.A.S	1	12.936	5	8.192
TOSHIBA CARRIER UK LTD	0	432	0	399
TOSHIBA CLIMATISATION TFD SND	0	0	0	40
BEPEMHΞ X.-OTIS ABETE	3	3	3	1
CIPRIANI PHE SRL	0	19	0	41
Carrier Klimatechnik GmbH	27	0	0	0
UTS CARRIER L.L.C.	0	1	0	0
Total	7.100	37.917	6.603	28.355

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

€k	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
	Sales	Purchases	Sales	Purchases
AHI CARRIER CZ s.r.o.	354	5	398	18
AHI CARRIER FZC	3	144	72	51
AHI CARRIER GmbH	151	130	90	5
AHIC (Australia) Pty Ltd	2	0	0	0
ALARKO CARRIER SANA YI VE TICARET AS	0	1.846	3	139
BEIJER DEUTSCHLAND GMBH	0	25	1	3
BEIJER ECR IBERICA, S.L.	0	25	0	2
BEIJER REF ITALY SRL	0	232	0	208
CARRIER DISTRIBUTION ITALY SPA	1	0	0	0
CARRIER ERCD	0	1.368	0	1.167
CARRIER FRIGEL ΑΠΟΣΤΟΛΟΥ ΑΕ	799	0	838	3
CARRIER POLSKA SP. Z.O.O.	1	0	0	0
CARRIER REFRIG.OPERAT.CZECH REP.SRO	0	0	0	80
CARRIER SCS	29	9.396	12	7.562
CARRIER TRANSICOLD LTD	12	47	10	7
CARRIER DISTRIBUTION ITALY S.R.L.	0	253	0	117
CIAT FRANCE	0	0	0	253
CENTURY CARRIER RESIDENTIAL AIR-CON	0	9.351	0	8.320
CLK CORPORATION	0	283	0	140
COMPAGNIE INDUST.D'APPLIC.THERMIQUE	0	773	0	705
COMPANIA INDUS.DE APLIC.TERMICAS SA	6	3.702	43	3.166
MIDEA ELECTRIC TRADING CO.PTE.LTD	0	0	0	77
PROFROID (CARRIER SCS)	0	76	1	103
Foshan Midea Carrier Air Conditioning Equipment Co Ltd	3	0	17	0
TOSHIBA CARRIER (THAILAND) CO LTD	100	0	0	0
TOSHIBA CARRIER EUROPE S.A.S	1	17.444	5	11.601
TOSHIBA CARRIER UK LTD	0	635	0	589
TOSHIBA CLIMATISATION TFD SND	0	0	0	40
BEPEMHE X.-OTIS ABETE	3	3	3	1
CIPRIANI PHE SRL	0	26	0	59
Carrier Klimatechnik GmbH	27	0	0	0
Carrier Airconditioning Benelux BV	1	0	0	0
UTS CARRIER L.L.C.	0	1	0	0
Total	1.492	45.763	1.492	34.417

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

€k	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
	Receivables (The Company)	Payables (The Company)	Receivables (The Company)	Payables (The Company)
AHI CARRIER CZ s.r.o.	80	0	9	0
AHI CARRIER FZC	0	29	0	0
AHI CARRIER GmbH	110	0	0	0
AHI CARRIER HVAC BULGARIA EOOD	247	0	871	2
AHI CARRIER ROMANIA SRL	1.710	0	1.069	0
ALARKO CARRIER SANAYI VE TICARET AS	0	290	0	0
BEIJER ECR IBERICA, S.L.	0	0	0	2
BEIJER REF ITALY SRL	0	29	0	41
CARRIER ERCD	0	130	0	121
CARRIER FRIGEL ΑΠΟΣΤΟΛΟΥ ΑΕ	534	0	533	0
CARRIER POLSKA SP. Z.O.O.	1	0	0	0
CARRIER SCS	33	1.383	13	1.209
CARRIER TRANSICOLD LTD	14	0	3	0
CARRIER DISTRIBUTION ITALY S.R.L.	0	108	0	2
CENTURY CARRIER RESIDENTIAL AIR-CON	0	2.333	0	1.877
CLK CORPORATION	0	1	0	1
COMPAGNIE INDUST.D'APPLIC.THERMIQUE	0	66	0	138
COMPANIA INDUS.DE APLIC.TERMICAS SA	2	721	85	321
PROFROID (CARRIER SCS)	0	50	0	4
Foshan Midea Carrier Air Conditioning Equipment Co Ltd	6	0	21	0
TOSHIBA CARRIER EUROPE S.A.S	1	2.355	0	741
TOSHIBA CARRIER UK LTD	0	19	0	65
BEPEMHΞ X.-OTIS ABETE	1	0	1	0
Total	2.739	7.512	2.604	4.525

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

€k	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
	Receivables (The Group)	Payables (The Group)	Receivables (The Group)	Payables (The Group)
AHI CARRIER CZ s.r.o.	80	0	9	0
AHI CARRIER FZC	0	29	0	0
AHI CARRIER GmbH	112	0	0	0
ALARKO CARRIER SANA YI VE TICARET AS	0	290	0	0
BEIJER ECR IBERICA, S.L.	0	0	0	2
BEIJER REF ITALY SRL	0	29	0	41
CARRIER ERCD	0	141	0	130
CARRIER FRIGEL ΑΠΟΣΤΟΛΟΥ ΑΕ	534	0	533	0
CARRIER POLSKA SP. Z.O.O.	1	0	0	0
CARRIER SCS	33	1.449	13	1.346
CARRIER TRANSICOLD LTD	14	0	3	0
CARRIER DISTRIBUTION ITALY S.R.L.	0	108	0	2
CENTURY CARRIER RESIDENTIAL AIR-CON	0	2.333	0	1.877
CLK CORPORATION	0	1	0	1
COMPAGNIE INDUST.D'APPLIC.THERMIQUE	0	89	0	230
COMPANIA INDUS.DE APLIC.TERMICAS SA	4	939	172	454
PROFROID (CARRIER SCS)	0	50	0	4
Foshan Midea Carrier Air Conditioning Equipment Co Ltd	6	0	21	0
TOSHIBA CARRIER EUROPE S.A.S	1	2.355	0	970
TOSHIBA CARRIER UK LTD	0	35	0	93
BEPEMHΞ X.-OTIS ABETE	1	0	1	0
Carrier Klimatechnik GmbH	1	0	0	0
Carrier Airconditioning Benelux BV	1	0	0	0
Total	788	7.847	751	5.151

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, 2021 and 31 December, 2020 amounted to Euro 785k and Euro 840k respectively.

30. IMPACT OF THE IFRIC DECISION - DISTRIBUTION OF BENEFITS OVER PERIODS OF SERVICE (IAS No. 19)

The following tables show the impact of the adoption of the decision of the IFRIC on the allocation in a period of service of staff benefits and which was implemented by the Group and the Company retroactively as a change of accounting policy (Note 2.2.3)).

Specifically, the following tables include the adjustments that are recognized:

1. For each element of the corporate and consolidated statement of financial position for the year ended 31 December 2019.
2. For each item of the corporate and consolidated statement of financial position, income statement and cash flow statement for the year ended 31 December 2020 (comparative period), and
3. The notes of the elements of the corporate and consolidated statement of financial position and income statement for the year ended 31 December 2020 (comparative period) that were affected by the adoption of that decision.

30.1. Restated statement of financial position for the year ended 31 December 2019

€k	The Group	
	Published 31/12/2019	Changes in accounting policy 31.12.2019
ASSETS		
Non-current assets		
Property, plant and equipment	137	0
Right-of-use assets	921	0
Intangible assets	520	0
Investments in subsidiaries	0	0
Other non current assets	186	0
Deferred tax assets	2.114	(102)
Total non-current assets	3.877	(102)
Current assets		
Inventories	12.968	0
Trade receivables	25.469	0
Contract assets	44	0
Other receivables	813	0
Cash and cash equivalents	5.000	0
Total current assets	44.294	0
Total assets	48.171	(102)
Equity		
Equity attributable to owners of the Parent		
Share capital	4.662	0
Share premium	13.577	0
Statutory and other reserves	777	0
Retained earnings	14.362	353
Total equity attributable to owners of the Parent	33.378	353
Non-controlling interest	0	0
Total equity	33.378	353
Liabilities		
Non-current liabilities		
Obligations of benefits to the staff	705	(455)
Lease liabilities	593	0
Provisions	411	0
Contractual liabilities	141	0
Total non-current liabilities	1.851	(455)
Current liabilities		
Short term bank loans	1.500	0
Current lease liability	493	0
Contractual liabilities	776	0
Trade payables	8.061	0
Income tax liability	8	0
Other current liabilities	2.103	0
Total current liabilities	12.942	0
Total liabilities	14.793	(455)
Total equity and liabilities	48.171	(102)

€k	The Company	
	Published 31.12.2019	Changes in accounting policy Restated 31.12.2019
ASSETS		
Non-current assets		
Property, plant and equipment	114	0
Right-of-use assets	798	0
Intangible assets	520	0
Investments in subsidiaries	2	0
Other non current assets	171	0
Deferred tax assets	2.015	(102)
Total non-current assets	3.621	(102)
Current assets		
Inventories	11.812	0
Trade receivables	22.967	0
Contract assets	44	0
Other receivables	787	0
Cash and cash equivalents	2.912	0
Total current assets	38.522	0
Total assets	42.143	(102)
Equity		
Equity attributable to owners of the Parent		
Share capital	4.662	0
Share premium	13.577	0
Statutory and other reserves	777	0
Retained earnings	10.669	322
Total equity attributable to owners of the Parent	29.686	322
Non-controlling interest	0	0
Total equity	29.686	322
Liabilities		
Non-current liabilities		
Obligations of benefits to the staff	674	(424)
Lease liabilities	529	0
Provisions	411	0
Contractual liabilities	141	0
Total non-current liabilities	1.756	(424)
Current liabilities		
Short term bank loans	1.500	0
Current lease liability	429	0
Contractual liabilities	145	0
Trade payables	6.958	0
Income tax liability	0	0
Other current liabilities	1.669	0
Total current liabilities	10.701	0
Total liabilities	12.457	(424)
Total equity and liabilities	42.143	(102)

30.2. Restated financial statements for the year ended 31 December 2020

Statement of financial position – consolidated - restatement

€k	The Group	
	Published 31.12.2020	Changes in accounting policy 31.12.2020
ASSETS		
Non-current assets		
Property, plant and equipment	215	0
Right-of-use assets	996	0
Intangible assets	564	0
Investments in subsidiaries	0	0
Other non current assets	197	0
Deferred tax assets	1.846	(146)
Total non-current assets	3.819	(146)
Current assets		
Inventories	11.139	0
Trade receivables	21.670	0
Contract assets	264	0
Other receivables	480	0
Cash and cash equivalents	10.517	0
Total current assets	44.070	0
Total assets	47.889	(146)
Equity		
Equity attributable to owners of the Parent		
Share capital	4.662	0
Share premium	13.577	0
Statutory and other reserves	852	0
Retained earnings	15.860	578
Total equity attributable to owners of the Parent	34.951	578
Non-controlling interest	0	0
Total equity	34.951	578
Liabilities		
Non-current liabilities		
Obligations of benefits to the staff	969	(724)
Lease liabilities	547	0
Provisions	401	0
Contractual liabilities	154	0
Total non-current liabilities	2.071	(724)
Current liabilities		
Short term bank loans	0	0
Current lease liability	549	0
Contractual liabilities	1.084	0
Trade payables	7.013	0
Income tax liability	85	0
Other current liabilities	2.137	0
Total current liabilities	10.868	0
Total liabilities	12.938	(724)
Total equity and liabilities	47.889	(146)

Statement of financial position – separate - restatement

€k	The Company		
	Published	Changes in	Restated
	31.12.2020	accounting policy	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	120	0	120
Right-of-use assets	592	0	592
Intangible assets	564	0	564
Investments in subsidiaries	2	0	2
Other non current assets	169	0	169
Deferred tax assets	1.741	(141)	1.601
Total non-current assets	3.189	(141)	3.048
Current assets			
Inventories	9.605	0	9.605
Trade receivables	20.198	0	20.198
Contract assets	434	0	434
Other receivables	415	0	415
Cash and cash equivalents	7.280	0	7.280
Total current assets	37.933	0	37.933
Total assets	41.121	(141)	40.981
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	851	0	851
Retained earnings	10.936	499	11.435
Total equity attributable to owners of the Parent	30.027	499	30.526
Non-controlling interest	0	0	0
Total equity	30.027	499	30.526
Liabilities			
Non-current liabilities			
Obligations of benefits to the staff	884	(639)	245
Lease liabilities	259	0	259
Provisions	401	0	401
Contractual liabilities	154	0	154
Total non-current liabilities	1.697	(639)	1.058
Current liabilities			
Short term bank loans	0	0	0
Current lease liability	428	0	428
Contractual liabilities	843	0	843
Trade payables	6.167	0	6.167
Income tax liability	85	0	85
Other current liabilities	1.874	0	1.874
Total current liabilities	9.397	0	9.397
Total liabilities	11.094	(639)	10.455
Total equity and liabilities	41.121	(141)	40.981

Income Statement – consolidated- restatement

€k	Published 01.01.2020 - 31.12.2020	The group Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
<u>Results from continuing operations</u>			
Net sales revenue	55.545	0	55.545
Cost of goods sold	(43.224)	0	(43.224)
Gross profit	12.321	0	12.321
Other income	296	(3)	293
Distribution Costs	(4.807)	0	(4.807)
Administrative expenses	(3.780)	27	(3.753)
Other expenses	(186)	0	(186)
Total operating income	3.845	24	3.869
Finance income	69	0	69
Finance expenses	(345)	6	(339)
Profit before tax	3.569	30	3.599
Income tax	(881)	2	(880)
Profit after tax (a)	2.687	32	2.719
<u>Other comprehensive income</u>			
<u>Figures not reclassified in P&L in the future</u>			
Actuarial gains/losses	(239)	239	0
Deferred tax on actuarial gains/losses	46	-46	0
<u>Figures that may be reclassified in P&L in the future</u>			
FX Translation gains/losses on FS of foreign subsidiaries	78	0	78
Other comprehensive income after tax (b)	(115)	193	78
Total comprehensive income after tax (a) + (b)	2.573	225	2.798

Income Statement – separate - restatement

€k	Published 01.01.2020 - 31.12.2020	The company Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
<u>Results from continuing operations</u>			
Net sales revenue	46.280	0	46.280
Cost of goods sold	(36.767)	0	(36.767)
Gross profit	9.513	0	9.513
Other income	384	0	384
Distribution Costs	(3.957)	0	(3.957)
Administrative expenses	(3.407)	27	(3.380)
Other expenses	(125)	0	(125)
Total operating income	2.408	27	2.435
Finance income	64	0	64
Finance expenses	(226)	6	(221)
Profit before tax	2.246	32	2.279
Income tax	(762)	1	(761)
Profit after tax (a)	1.484	34	1.518
<u>Other comprehensive income</u>			
<u>Figures not reclassified in P&L in the future</u>			
Actuarial gains/losses	(183)	183	0
Deferred tax on actuarial gains/losses	40	(40)	0
<u>Figures that may be reclassified in P&L in the future</u>			
FX Translation gains/losses on FS of foreign subsidiaries	0	0	0
Other comprehensive income after tax (b)	(143)	143	0
Total comprehensive income after tax (a) + (b)	1.341	177	1.518

Cash flow Statement – consolidated- restatement

€k	Published 01.01.2020 - 31.12.2020	The group Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
Operating activities			
Profit after tax	3.569	30	3.599
<u>Additions/reductions to:</u>	0	0	
Depreciation of tangible and intangible assets	125	0	125
Depreciation of rights of use for leased assets	466	0	466
Provision for compensation due to retirement	245	(24)	221
Provision for obsolete inventories	152	0	152
Provision for bad debts	241	(0)	241
Warranty Provision	0	0	0
Other non cash adjustments	0	0	0
Exchange differences	74	0	74
Net cash used in investing activities	(30)	0	(30)
Interest and other expenses	233	(6)	226
<u>Working capital adjustments:</u>	0	0	
Decrease / (Increase) in inventories	1.798	0	1.798
(Increase) / decrease in trade and other receivables	3.114	0	3.114
Increase in trade payables and other liabilities (except from loans)	(910)	(0)	(910)
Minus:	0	0	
Interest paid and other expenses	(225)	0	(225)
Tax paid	(1.046)	0	(1.046)
Net cash from operating activities (a)	7.808	0	7.808
Investing activities			
Payment for purchase of tangible and intangible assets	(247)	0	(247)
Proceeds from disposal of tangible and intangible assets	0	0	0
Proceeds from dividends	0	0	0
Interest received	0	0	0
Net cash used in investing activities (b)	(247)	0	(247)
Finance Activities			
Proceeds/Payments from/of loans and borrowings	(1.500)	0	(1.500)
Interest paid	0	0	0
Dividends paid	0	0	0
Lease repayments	(544)	0	(544)
Net cash used in financing activities (c)	(2.044)	0	(2.044)
Net increase in cash and cash equivalents (a) + (b) + (c)	5.516	0	5.516
Cash and cash equivalents at 1 January	5.000	0	5.000
Cash and cash equivalents at 31 December	10.517	0	10.517

Cash flow Statement – separate - restatement

€k	Published	The company	Restated
	01.01.2020 - 31.12.2020	Changes in accounting policy	01.01.2020 - 31.12.2020
Operating activities			
Profit after tax	2.246	32	2.279
Additions/reductions to:			
Depreciation of tangible and intangible assets	109	0	109
Depreciation of rights of use for leased assets	378	0	378
Provision for compensation due to retirement	247	(27)	221
Provision for obsolete inventories	192	0	192
Provision for bad debts	205	0	205
Warranty Provision	0	0	0
Other non cash adjustments	0	0	0
Exchange differences	(25)	0	(25)
Net cash used in investing activities	(30)	0	(30)
Interest and other expenses	217	(6)	212
Working capital adjustments:			
Decrease / (Increase) in inventories	2.015	0	2.015
(Increase) / decrease in trade and other receivables	2.547	0	2.547
Increase in trade payables and other liabilities (except from loans)	(608)	0	(608)
Minus:			
Interest paid and other expenses	(210)	0	(210)
Tax paid	(814)	0	(814)
Net cash from operating activities (a)	6.469	0	6.469
Investing activities			
Payment for purchase of tangible and intangible assets	(159)	0	(159)
Proceeds from disposal of tangible and intangible assets	0	0	0
Proceeds from dividends	0	0	0
Interest received	0	0	0
Net cash used in investing activities (b)	(158)	0	(158)
Finance Activities			
Proceeds/Payments from/of loans and borrowings	(1.500)	0	(1.500)
Interest paid	0	0	0
Dividends paid	0	0	0
Lease repayments	(443)	0	(443)
Net cash used in financing activities (c)	(1.943)	0	(1.943)
Net increase in cash and cash equivalents (a) + (b) + (c)	4.368	0	4.368
Cash and cash equivalents at 1 January	2.912	0	2.912
Cash and cash equivalents at 31 December	7.280	0	7.280

30.3. Restated notes for the year ended 31 December 2020

Obligations of benefits to the staff – Restated P&L Effect

€k	The group		
	Published	Changes in accounting policy	Restated
	31.12.2020		31.12.2020
Service cost component	54	(17)	36
Cost of special termination benefits	191	(7)	184
Interest cost component	8	(6)	2
Total	253	(30)	223

€k	The company		
	Published	Changes in accounting policy	Restated
	31.12.2020		31.12.2020
Service cost component	52	(16)	36
Cost of special termination benefits	195	(11)	184
Interest cost component	8	(6)	2
Total	255	(32)	223

Obligations of benefits to the staff – Restated present value of liability Effect

€k	The group		
	Published	Changes in accounting policy	Restated
	31.12.2020		31.12.2020
Total obligation recognized as at 01/01	705	(455)	250
Interest cost component	8	(6)	2
Service cost component	54	(17)	36
Cost of special termination benefits	191	(7)	184
Benefits paid during the fiscal year	(228)	0	(228)
Actuarial gain/loss in liability	239	(239)	(0)
Total	969	(724)	245

€k	The company		
	Published	Changes in accounting policy	Restated
	31.12.2020		31.12.2020
Total obligation recognized as at 01/01	674	(424)	250
Interest cost component	8	(6)	2
Service cost component	52	(16)	36
Cost of special termination benefits	195	(11)	184
Benefits paid during the fiscal year	(228)	0	(228)
Actuarial gain/loss in liability	183	(183)	(0)
Total	884	(639)	245

Other income – Restated

€k	The group		
	Published 01.01.2020 - 31.12.2020	Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
Revenue from subsidies	12	0	12
Other revenue related to sales	23	0	23
Management fees	134	0	134
Revenue from recharged expenses	13	0	13
Gains on fixed assets disposal	40	0	40
Revenue from unused inventory impairment provisions	25	0	25
Revenue from unused provisions of obligations of benefits to the staff	2	(3)	(1)
Other extraordinary gains	47	0	47
Total	296	(3)	294

Staff costs – Restated

€k	The group		
	Published 01.01.2020 - 31.12.2020	Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
Wages and salaries	3.776	0	3.776
Employees' allowances and expenses	124	0	124
Social security contributions	906	0	906
Compensation to employees	0	0	0
Provisions for employee retirement or redundancy compensation	247	(27)	221
Total	5.054	(27)	5.027

€k	The company		
	Published 01.01.2020 - 31.12.2020	Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
Wages and salaries	3.108	0	3.108
Employees' allowances and expenses	112	0	112
Social security contributions	856	0	856
Compensation to employees	0	0	0
Provisions for employee retirement or redundancy compensation	247	(27)	221
Total	4.323	(27)	4.296

Finance expenses – Restated

€k	The group		
	Published 01.01.2020 - 31.12.2020	Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
Discounts due to downpayments	107	0	107
Interest expense of short term loans	27	0	27
Letters of guarantee fees	8	0	8
Other bank fees and expenses	39	0	39
Interest expense of actuarial report	8	(6)	2
Financial cost of leases	44	0	44
FX losses	112	0	112
Total	345	(6)	339

€k	The company		
	Published 01.01.2020 - 31.12.2020	Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
Discounts due to downpayments	107	0	107
Interest expense of short term loans	27	0	27
Letters of guarantee fees	8	0	8
Other bank fees and expenses	31	0	31
Interest expense of actuarial report	8	(6)	2
Financial cost of leases	37	0	37
FX losses	9	0	9
Total	226	(6)	221

Income tax – Restated – P&L Effect

€k	The group		
	Published 01.01.2020 - 31.12.2020	Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
<u>Current income tax expense</u>			
Current fiscal year	(624)	0	(624)
Prior year adjustments	27	0	27
Current income tax expense	(597)	0	(597)
<u>Deferred tax</u>			
Tax rate reduction	(158)	13	(146)
Temporary tax differences effect	(126)	(11)	(137)
Deferred tax expense	(284)	2	(282)
Income tax expense	(881)	2	(880)

€k	The company		
	Published 01.01.2020 - 31.12.2020	Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
Current income tax expense			
Current fiscal year	(475)	0	(475)
Prior year adjustments	27	0	27
Current income tax expense	(448)	0	(448)
Deferred tax			
Tax rate reduction	(158)	13	(146)
Temporary tax differences effect	(156)	(11)	(167)
Deferred tax expense	(314)	1	(313)
Income tax expense	(762)	1	(761)

Income tax – Restated – Reconciliation of income tax expense

€k	The group		
	Published 01.01.2020 - 31.12.2020	Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
Profit before tax	3,569	30	3,599
Tax using the Company's domestic tax rate	(890)	(7)	(898)
<u>Tax effect of:</u>			
Tax-exempt income	233	0	233
Non-deductible expenses	(294)	(4)	(298)
Prior years adjustments	27	0	27
Effect of tax rates in foreign jurisdictions	202	0	201
Changes in domestic tax rate	(158)	13	(146)
Income tax expense	(881)	1	(880)

€k	The company		
	Published 01.01.2020 - 31.12.2020	Changes in accounting policy	Restated 01.01.2020 - 31.12.2020
Profit before tax	2,246	32	2,279
Tax using the Company's domestic tax rate	(539)	(8)	(547)
<u>Tax effect of:</u>			
Tax-exempt income	228	0	228
Non-deductible expenses	(320)	(4)	(323)
Prior years adjustments	27	0	27
Effect of tax rates in foreign jurisdictions	0	0	0
Changes in domestic tax rate	(158)	13	(146)
Income tax expense	(762)	1	(761)

Deferred tax– Restated – Balances

€k	The group						
	Published Balance as at 1/1/2020	Changes in accounting policy	Restated Balance as at 1/1/2020	P&L effect	OCI effect	Balance as at 31/12/2020	Deferred tax assets Deferred tax liability
Right of use of fixed assets	39	0	39	(18)	0	21	21
Inventories	340	0	340	43	(30)	353	353
Trade receivables	1276	0	1.276	(129)	0	1.147	1.147
Obligations of benefits to the staff	162	(102)	60	(6)	(0)	54	54
Provisions	99	0	99	(11)	0	88	88
Other current liabilities	199	0	199	(162)	0	37	37
Total	2.114	(102)	2.012	(283)	(30)	1.700	1.700

€k	The company						
	Published Balance as at 1/1/2020	Changes in accounting policy Balance as at 1/1/2020	Restated Balance as at 1/1/2020	P&L effect	OCI effect	Balance as at 31/12/2020	Deferred tax assets Deferred tax liability
Δαπάνια χρήσης περιουσιακών στοιχείων	38	0	38	(17)	0	21	21
Inventories	295	0	295	18	0	312	312
Trade receivables	1.255	0	1.255	(131)	0	1.124	1.124
Obligations of benefits to the staff	162	(102)	60	(6)	(0)	54	54
Provisions	99	0	99	(11)	0	88	88
Other current liabilities	167	0	167	(165)	0	2	2
Total	2.015	(102)	1.913	(313)	(0)	1.600	1.600

31. 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, of the amount of Euro 176k as at 31 December, 2021. (31 December, 2020 Euro 360k).

32. 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 continuously 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, 2021.

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 primary 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
- ☐ Contractual 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 Contractual 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 2021 and the year ended 31 December, 2020, for the Trade Receivables, The Current Assets and the Other Currents Assets:

The group				
	Performing 31/12/2021	Partially performing 31/12/2021	Non performing 31/12/2021	Total 31/12/2021
€k				
Trade receivables	18.327	6.704	8.500	33.530
Contractual assets	1	0	0	1
Total	18.328	6.704	8.500	33.531

The group				
	Performing 31/12/2020	Partially performing 31/12/2020	Non performing 31/12/2020	Total 31/12/2020
€k				
Trade receivables	13.694	7.976	7.927	29.597
Contractual assets	264	0	0	264
Total	13.958	7.976	7.927	29.861

The company				
	Performing 31/12/2021	Partially performing 31/12/2021	Non performing 31/12/2021	Total 31/12/2021
€k				
Trade receivables	17.753	5.941	8.068	31.761
Contractual assets	1	0	0	1
Total	17.753	5.941	8.068	31.762

The company				
	Performing 31/12/2020	Partially performing 31/12/2020	Non performing 31/12/2020	Total 31/12/2020
€k				
Trade receivables	13.631	6.566	7.729	27.927
Contractual assets	434	0	0	434
Total	14.066	6.566	7.729	28.361

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 2021 was Euro 9,900k and Euro 5,593k respectively. There are no short-term bank loans as at the end of the fiscal year.

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 31/12/2021
Lease liabilities	498	595	0	1.093
Contractual liabilities	1.714	95	0	1.809
Trade payables	10.588	0	0	10.588
Income tax liability	555	0	0	555
Other current liabilities	1.832	0	0	1.832
Total	15.187	690	0	15.877

The company				
€k	Up to 1 year	From 2 to 5 years	5+ years	Total 31/12/2021
Lease liabilities	398	400	0	798
Contractual liabilities	988	95	0	1.083
Trade payables	9.249	0	0	9.249
Income tax liability	555	0	0	555
Other current liabilities	1.390	0	0	1.390
Total	12.580	495	0	13.075

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 bank loans.

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

The Group and the company had no obligations from bank loans during and at year end of 2021.

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 operates in Southeastern Europe and is also purchasing goods from third countries. Therefore is 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 US Dollar, the Great Britain Pound, the Bulgarian BGN and the 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 2020), deducting the cash and cash equivalents.

€k	The group		The company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Short term bank loans	0	0	0	0
Lease liabilities (long term)	595	547	400	259
Lease liabilities (short term)	498	549	398	428
Minus: Cash and cash equivalents	(9.900)	(10.517)	(5.593)	(7.280)
Total leverage	(8.807)	(9.421)	(4.795)	(6.593)
Total equity	34.285	35.530	28.402	30.526
Leverage rate	(0,26)	(0,27)	(0,17)	(0,22)

33. EFFECTS OF THE COVID-19 PANDEMIC AND NEXT YEAR OUTLOOK

Covid-19 pandemic was continued during 2021. In Greece, during 1st quarter of 2021, restrictive measures were applied, due to the increase in Covid-19 cases, beginning at Christmas period of previous year. Thus, the Group of AHI Carrier continued to adopt the specific action plan in order to avoid any negative consequences of the pandemic. Greek government began to withdraw gradually the official restrictive measures at middle April 2021. In early May 2021, quarantine measures, began to lose. During summer, percentage of employees working on site increased to 70% and percentage of employees working from home reduced to 30%. Totaline employees and technicians were working on site in full capacity (100%). The rest departments were working in rotation schedule, while employees with specific health needs were working 100% from home. On December, 2021, the Management of the group, taking into account the impending rapid spread of SARS-CoV-2 Omicron, applied an updated quarantine action plan and followed the recommendations of National Public Health Organization of Greece. During the pandemic crisis, Management, continuously acts based on guidelines and directives of official organizations, complying with the requirements and the action plan adopted by the Greek authorities. Respectively, similar action plans were applied to the subsidiaries of the group in Bulgaria and Romania with cooperation with local authorities.

AHI Carrier Group, following the digital transformation that took place previous year, continued to successfully, use all available digital means and the management to take a number of preventive measures. Those measures was regarding “teleworking”, care for the provision of sanitary equipment, providing specialized personal protective equipment for technical staff and activation of direct communication channels for advice on health and psychological support for all employees.

The extent to which the AHI Carrier Group will be affected by COVID-19 pandemic, in the near future, depends mainly on future course of the pandemic. The Greek and global economies continue to face the effects of the COVID-19 pandemic, even to a lesser extent than previous years, however, both inflationary pressures and facts in Ukraine are affecting the expected economic activity. For 2021, Greece's GDP increased by 8.3%, a development that was based on the demand that had accumulated due to the postponement of expenses during the pandemic, on investments, on the start of the implementation of the Recovery and Resilience Plan projects, and on the dynamic recovery of tourism revenues and exports of goods. The EU's estimate for 2022 predicts a further rise of 4.9%, while the war in Ukraine and inflationary pressures are expected to limit the growth rate. Inflationary pressures are expected to subside, with the prospect that the war in Ukraine will end soon. Specifically, the European Central Bank's estimates for inflation are that in 2023 it will fall to 2.1% and in 2024 to 1.9%.

The gradual elimination of the effects of the coronavirus, the end of the war in Ukraine, the normalization of energy prices and the confirmation of the forecasts that inflationary pressures are short-term, will allow a rapid return to normality and risk appetite, forming a positive outlook for strengthening the climate in domestic businesses as well. In the near future, the contribution of the Recovery Fund's resources is expected to be noticeable, as described in plan Greece 2.0, which is expected to have positive effects on the sizes of the Group.

The excellent organization of the Group, the smooth operation of the consumer market even in particularly difficult situations such as the current ones, the continuous investments in modern equipment and procedures, the lack of loan obligations, the recognition of its credibility internationally, as well as the liquidity available, are the guarantees for long-term survival with significant benefits for shareholders, workers and society in general.

In this context, the Management remains vigilant and continues to implement strict cost rationalization measures in all sectors, in order to support the Group's profitability and cash flow, while it will continue to invest in infrastructure that ensures its comparative advantage and future growth. The Management also constantly examines the particularly demanding conditions and risks to which the Group is exposed for its business activities and has concluded that what is mentioned above is not expected to have a material impact on the results of its operations and its financial performance in the next fiscal year (01/01/2022 - 31/12/2022) as it is estimated that there will be at least a stabilization in terms of the cycle's figures. operations and profitability. The Administration, however, will continue to closely monitor the overall situation and will assess the need for individual actions in case the disruption period is extended again.

The Group will remain committed in 2022 to the achievement of its annual business goals, while creating the conditions for its long-term development. Special emphasis will be given to customer-oriented processes and internal corporate processes, to further improve the customer experience and to achieve a leaner and more flexible operating model.

34. SUBSEQUENT EVENTS

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.

Peristeri, April 29th, 2022

Chairman of the Board and CEO

.....
Aikaterini Dimas
ID AN 007393

Vice President of the Board

.....
Madhanagopal Chandrakumar
Passport no. Z3314661

Member of the Board &
C.F.O.

.....
Thomas Adamidis
ID AE 504276

Chief Accountant

.....
Stavros Koutroulis
ID Σ 471701
A' Class Signature license
No 0098485

Independent Auditors' Report **(Translated from the original in Greek)**

To the sole 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 2021, 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 2021 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

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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.

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.



Audit Tax &
Business advisory

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:

- a. In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 150 and 153 of Law 4548/2018 and its contents correspond with the accompanying separate and consolidated financial statements for the year ended 31 December 2021.
- b. 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, 31 May 2022

Konstantinos A. Gkrekos
Certified Public Accountant
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