

F.G. EUROPE S.A.

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P.C. Reg. No. 13413/06/B/86/111



**ANNUAL FINANCIAL REPORT
COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IFRS)**

**In accordance with
Article 4 of L. 3556/2007**

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F.G. EUROPE S.A.
SOCIETE ANONYME WHOLESALE OF ELECTRICAL AND ELECTRONIC
APPLIANCES

BOARD OF DIRECTORS ANNUAL REPORT ON THE FISCAL YEAR PERIOD
ENDED 31/12/2019

To the Shareholders of F.G. EUROPE S.A.,

The Company's Board of Directors hereby submits its Annual Report on the Fiscal Year ended December 31st, 2019, prepared in accordance with provisions set forth in Law 2190/1920, as replaced, from 1/1/2019, from the articles 150-154, Law 4548/2018, Law 3556/2007 and the Decision No. 7/448/11-10-2007 of the Board of Directors of HCMC.

This Report provides brief information on the financial results, current financial status and any changes thereto, recent developments and other changes of the Company and the Group during the fiscal year period from January 1st, 2019 until December 31st, 2019.

Reference is also made to any significant events that took place during fiscal year 2019 and in any way affecting the Annual Financial Statements- Company and Consolidated-, to any significant risks that may arise for the Company and the Group, and to significant transactions between the Company and any related parties in accordance with IAS 24.

Companies of the **F.G. EUROPE Group**:

F.G. EUROPE S.A.: Parent Company of the Group. Active in the Durable Consumer Goods market (importing and acting as wholesaler of Air-conditioning Units of all types, both for residential and professional use, White Electrical Home Appliances, and Consumer Electronics).

F.G. EUROPE is a longtime wholesaler and distributor of durable consumer goods as the exclusive trusted partner of two of the largest manufacturers in their sector, Fujitsu and Midea. From mid-2012, F.G. EUROPE became the exclusive distributor for the Greek Market of Air-conditioning Units and from March 2013 of the White Appliances of the Chinese manufacturer giant Midea. Midea is one of the largest manufacturing and export companies of White Electrical Home Appliances, globally.

Meanwhile, F.G. EUROPE carries its own line of white electrical home appliances under its own brand name, ESKIMO, which presence dates back to 1958.

During the year 2019, F.G. EUROPE became the exclusive distributor of the white appliances Hitachi to the Hellenic market.

F.G. EUROPE is active in 12 countries in total (Greece and Southeastern Europe) as the exclusive distributor of Fujitsu General Ltd products (mainly air-conditioners). Furthermore, starting from 2015, F.G. EUROPE is the exclusive distributor of Midea products in the Balkans, and, from 2017, also in Great Britain and Ireland.

FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET ANONIM SIRKETI: In order to expand the Company's operation in Turkey, a subsidiary company was incorporated in 2014, based in Istanbul, for sale of all types of air-conditioners in Turkey. The company's share capital amounts to €4,604 thousands and FG EUROPE's participation stake is 55%.

FG EUROPE ITALIA SPA: In order to expand the Company's operation in Italy, a subsidiary company was incorporated in 2014, based in Milano, for sale of all types of air-conditioners in Italy.

The share capital amounts to €1,402 thousands and FG EUROPE SA participation stake is 49% after the completion of the agreement that took place at 04/01/2019 with which FUJITSU GENERAL LIMITED became the main shareholder with participation stake 51% .

FG EUROPE UK LIMITED: In order to expand the Company's operation in UK, a subsidiary company was incorporated in 2017, based in London, for sale of all types of air-conditioners in UK and Ireland. The share capital amounts to €587 and FG EUROPE SA participation stake is 100%.

R.F. ENERGY S.A.: Subsidiary of the Group. F.G. EUROPE S.A. currently owns a 50% stake. Restis Family also owns a 50% share. R.F. ENERGY is a holding company, and its business scope is development, management and ownership of energy production projects, focused on Renewable Energy Sources.

The RF ENERGY's subsidiaries, during the period 01/01/19-31/12/19 were the below:

Percentage of Interest

Name of Subsidiary	<u>Operation</u>	<u>31/12/19</u>
Direct Stake		
• CITY ELECTRIC SINGLE MEMBER S.A.	Energy production	100.00%
• R.F. ENERGY OMALIES SINGLE MEMBER S.A.	Energy production	100,00%

Furthermore, the below companies were RF ENERGY's subsidiaries until 30/06/19, afterwards they are reported as discontinued operations because of their sale:

Name of subsidiary	<u>Discontinued Operation</u>	Percentage of Interest <u>30/06/2019</u>
Direct Stake		
• KALLISTI ENERGEIAKI S.A.	Energy Production	100,00%
• AIOLIKI KYLINDRIAS S.A.	Energy Production	100,00%
• YDROHLEKTRIKI ACHAIAS S.A.	Energy Production	100,00%
• AIOLIKI ADERES S.A.	Energy Production	100,00%

A. Recent Developments – Changes to the Financial Figures of the Company and the Group

The profits after tax amount to €7.67 mil. against 1.04 mil. increased by 637.50%. The abovementioned increase resulted from the 51% subsidiary sale in Italy.

The Company's total sales amount to €94,10 against €78.29 in 2018, increased by 20,19%, because of increase in sales in the internal market.

The proportion internal/abroad sales in 2019 were 53/47 versus 60/40 in 2018

At the Parent Company Level:

The air conditioner sales amount to €85,40 mil. versus € 72,51 mil., increased by 17,78%. In the internal market, the Air conditioner sales amount to €35.15 mil. Versus €25.51 mil. in 2018, increased by 37,79%.

During 2019, ESKIMO's and Hitachi's brand white appliances sales revenue were increased, amounting to €8.71 mil. against €5.78 mil. in 2018, significantly increased by 50,69%.

The Company's gross profit is reported €19.17 mil. in 2019 versus €16.59 in 2018.

The gross profit rate was decreased (21,19% compared to 20,37% in 2019)

The Parent company's general expenses (administration, disposition, etc) were increased and amount to €14.39mil. versus €12.48mil. in 2018.

The functional profit EBITDA of 2019 amounts to €6.71 mil. in 2019 versus €4.45 mil. in 2018, increased by 50,79%. The operating margin was increased 7,13% in 2019 compared to 5,68% in 2018.

The financial result of the period was profit €2.89 in 2019 versus loss €3.11 in 2018, a result from the 51% sale of Subsidiary's shares in Italy which is reported in "Other Financial income" account.

The profit before tax of the company mainly occurred from the 51% sale Subsidiary's sale in Italy, configured €7.67mil. in 2019 versus €1.04mil. in 2018

The profit after tax amounts to €3.84 mil. in 2019 versus €0.52mil. in 2018.

The inventories of the company are decreased by 39,26%, amounting to €25.67mil. versus 42,26mil. in 31/12/2018.

The Trade receivables are shown increased by 25.65%, amounting to €40.37 versus €32.13mil. in 2018. The above increase was resulted from Parent Company's receivable, as a consequence of the increase in sales. The amount of the receivables is expected to be reduced after liquidation the upcoming months.

The Company's Total Liabilities reduced to €75.24 in 2019 versus €92.35 in 2018, arising from the decrease of the Company's liabilities to the Banks.

At the Group Level:

Sales: The total Group sales revenue arising from continuing and discontinued operations were configured €103.57mil in 2019 versus €93.43mil. in 2018.

Gross Profit: The Group's Gross Profit, arising from continuing and discontinued operations, decreased by 4,25% amounting to €24.76mil. versus €25.86mil. in 2018. The gross profit rate was configured to 23,91% compared to 2018(27,68%).

General Expenses: The Group's general expenses, arising from continuing and discontinued operations, are shown decreased by 13,48%, amounted to €17.58mil. versus €19.95mil. in 2018.

EBITDA: Earnings before interest, tax, depreciation, and amortization, arising from continuing and discontinued operations, are increased by 11,57% amounting to €10.70mil. in 2019 versus €9.59mil. in 2018. The operating margin rate was configured 10,33% versus 10,26% in 2018.

Financial Income: The financial income of €41.90mil. mainly arises from the revenue that resulted from the 51% sale of Subsidiary's shares in Italy and the 100% sale of the four RF ENERGY's subsidiaries' shares.

Cash and Cash Equivalent: Cash and Cash Equivalent of the Group are shown highly increased, amounting to €24.39mil. against €2.60mil., as a result of abovementioned 100% sale of the four RF Energy's subsidiaries.

Trade and other receivables: Group's Trade and Other receivables are increased by 15,66% (€38.93mil. in 2019 versus €33.66mil. in 2018) as a result of the increase of Parent Company's receivables.

Inventories: Group's inventories are decreased by 38,69%, amounting to €27.37mil. versus €44.64 at 31/12/2018, as a result of the reduction in inventories that were destined for the Subsidiary in Italy.

Total Liabilities: Group's total liabilities decreased by 32,74% (€77.40mil. in 2019 versus €115.08mil in 2018) because of the reduction in Parent Company's total liabilities.

B. ALTERNATIVE PERFORMANCE MEASURES (APM)

The Group is using APMs as a decision-making tool regarding the assessment of its performance. These APMs could be helpful in the better understanding of the finance and operating results, the financial position and the cash flow statement of the Group. The APMs should always be examined in combination with the financial results according to IFRS and under any circumstances they cannot replace them.

For performance evaluation of the Company and the Group, several profitability ratios are used. These are: EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), EBITDA Margin (EBITDA/ Sales), Earnings Before Taxes Margin (EBT/ Sales), ROE (Return on Equity). Also, inventory turnover ratio and liquidity ratios are used (Current and Quick Ratio).

The Administration has proceeded to the reform of the ratios of the Group for the comparative period (2018) for the purpose of taking under consideration only the data of the continuing operations, in order to be comparable with the data of 2019. No other change has taken place for the calculation of the ratios.

Calculation on APMs presented below:

B1. Liquidity Ratios (Continuing Operations)

In order to assess liquidity and count its ability to deal with current liabilities as they fall due, the Group is calculating below ratios:

	2019	2018	Definition
Current Ratio (Company level)	1,58	1,86	Current Assets / Current Liabilities
Current Ratio (Group level)	2,02	1,94	
Quick Ratio Company level)	0,99	0,82	(Current Assets – Inventory) / Current Liabilities
Quick Ratio (Group level)	1,41	0,87	

B.2. Inventory Turnover Ratio (Continuing Operations)

In order to show the efficient use of inventory, the Group is calculating Inventory Turnover Ratio.

This ratio counts the number of days that inventory is stocked before it is sold.

	2019	2018	Definition
Inventory Turnover Ratio (Company	125	250	Inventory / Cost of Sales * 365

level)			
Inventory Turnover Ratio (Group level)	131	395	

B.3. Return of Equity Ratio (ROE) (Continuing Operations)

In order to assess the effectiveness of equity, the Group is calculating the Return of Equity Ratio (ROE).

This ratio is showing the Profits after Taxes as a percentage of Equity.

Return of Equity Ratio is calculated in order to show how effective an entity is using its equity in order to create profit, expressed as a percentage.

ROE is used as an indication of effectiveness, showing how much profit can be realized by the use of resources invested by the shareholders (share capital) and reserves.

	2019	2018	Definition
Return of Equity Ratio (Company level)	12,13%	1,88%	Profit after tax / Equity
Return of Equity Ratio (Group level)	-1,70%	-8,40%	

B.4. Performance Ratios

In order for the assessment of its performance, the Group is calculating several performance ratios:

B.4.1. Profit before Taxes Margin is showing profit before taxes as a percentage of sales

	2019	2018	Definition
Profit before Taxes Margin (Company level)	8,15%	1,32%	Profit before Taxes / Sales
Profit before Taxes Margin (Group level)	-0,04%	-3,59%	

B.4.2. EBITDA Margin which shows EBITDA as a percentage of sales.

	2019	2018	Definition
EBITDA Margin (Company level)	7,13%	5,68%	EBITDA (*) / Sales
EBITDA Margin (Group level)	6,18%	2,80%	

(*) EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization calculated as follows:

	Group		Company	
	2019	2018	2019	2018
Profit before Taxes	(40)	(2.128)	7.670	1.035
+ Finance cost	5.062	9.863	6.602	3.997
- Debit Exchange Differences	(848)	(5.944)	(142)	(533)

- Finance income	(666)	(5.328)	(9.488)	(884)
+ Credit Exchange Differences	588	5.122	195	688
+ Depreciation of PPE and intangible assets	1.944	71	1.875	145
- Depreciation of Grants for assets	-	-	-	-
EBITDA	6.040	1.656	6.712	4.448

C. Significant events occurred in the reporting period

The Share Purchase Agreement (SPA) for the 51% sale of FG EUROPE ITALIA's shares was signed on 4/1/2019. The original agreement took place on 7/9/2018. The consideration was €10mil. versus investment in Subsidiaries (51%) €715 thousands. On the 21/2/2019, after the completion of the sale, the company was renamed FUJITSU GENERAL COMERCIAL AIR CONTITIONGI ITALIA SPA.

On 8/3/2019, F.G EUROPE AE purchased from TAICHI HOLDINGS LTD, with an amount of €34 thousands, the 18,33% shares of its subsidiary F.G. EUROPE KLIMA TEKNOLOJILERY SANAYIVE TICARET A.S.. Consequently, the total investment increased to 73,33% from 55%.

On 8/5/19, SILANER INVESTEMENTS LTD, 100% subsidiary of CYBERONICA SA, which is controlled by mr.Fidakis Georgios, made a successful public offer for the purchase of the 8,98%(4.744.053 shares) of F.G.EUROPE's share capital. With the 5/862/19 19.12.19 decision, the Hellenic Capital Market Commission approved the request of SILANER INVESTEMENTS LTD for squeeze out of FG EUROPE's SA shares, according with the article 27 of Law.3461/2006.

On 28/06/2019, the 50% subsidiaries' sale AIOLIKI ADERES SA, KALLISTI ENERGIAKI SA, AIOLIKI KILINDRIAS SA YDROHLEKTRIKI ACHAIAS SA, was completed. The total consideration of the sale was €55.493mil. versus Investment in Subsidiaries €17.585 mil.

In 2019, F.G. EUROPE SA undertook the distribution of HITACHI's white appliances in the Hellenic Market.

The annual shareholders meeting took place on the 28th of June 2019 at which attended and legally represented eleven (11) shareholders who are the 87,92% representers of the Company's share capital. Given that, the meeting unanimously:

1.Approved the Stand alone and Consolidated Financial statements of the period 01/01/18-31/12/18

2. Decided not to pay dividend to the Shareholders

3.Appointed for 2-year period the new BoD who is consisted as below:

Fidakis Georgios, son of Athanasios, Chairman of the Board- Executive Member

Pantousis Ioannis, son of Dimitrios, Managing Director-Executive Member

Demenagas Konstantinos, son of Andreas-Fotios,-Executive Member

Oikonomopoulos Panagiotis, son of Konstantinos, Non-executive Member

Lioukas Spiros, son of Konstantinos, Independent Non-executive Member

Pimblis Nikolaos, son of Euarestos, Independent Non-executive Member

Katsoulakos Ioannis, son of Sokratis, Independent Non-executive Member

4.Appointed new member for the Committee on Budgetary Control, according with the article 44 of law 4449/2017 as below:

Mr.Psaltakis Charalambos, retired financial Auditor as President

Mr .Lioukas Spiros, non-executive member of the Bod and also retired professor of the Economic University of Athens as Member

Mr Oikonomopoulos Panagiotis non-executive member of the Bod as Member

5. Gave Discharge both to the members of the BoD and Auditors for the closing period 01/01/18-31/12/2018
 6. Gave authorization, according with article 99 and 100 of the law 4548/2018 and approved the acceptance of the contracts between the Company and the member of the Bod or related companies with them.
 7. Gave permission to the members of the Bod and the Directors of the Company, according with the article 98. Par.1 of law 4548/2018, to participate to the management of related companies.
 8. Elected the auditor firm GRANT THORTON to proceed with financial and tax audit for the reporting period 01/01/-31/12/19 and also approved the compensation.
 9. Approved the 100% sale of RF energy's subsidiaries, KALLISTI ENERGEIAKI SA, AIOLIKI ADERES SA, AIOLIKI KILINDRIAS SA HYDROHLEKTRIKI ACHAIAS SA with an amount of €55.000mil.(without permissions and taxes) and authorized the members of BoD according to article 14 Law.3461/2006 to proceed with the all necessary actions for the deal completion .
 10. Until now, there is no compensation policy both for the members of BoD and General managers according the article 110 of law.4548/2018. Given that, the Shareholders meeting was informed and was also accepted by the body.
- Finally, an extended report of the positive progress both Company and Group took place, with the ambition that this will be continued.

D. Perspectives for the year 2020

The good progress both of Company and Group is expected to continue in the upcoming period. The continuation of the growth of the sales in Balkans, the consistent increasing involvement in British Market and also the further increase of the sales revenue arising from internal market both from air conditioner and ESKIMO products, are the main priorities of the Group Administration. At the same time, Group administration looks forward for the expected increase in sales in the internal market, arising from the distribution of HITACHI's white appliance which started on 1/4/2019. Further analysis of the perspectives of 2020, related with the effect of COVID 19, will be given in unit E.

E. Main Events after the reporting period

In the below unit, events which took place after the reporting period are reported as follow:

On 14/02/2020, Group's subsidiary called RF ENERGY, the 100% shareholder of the subsidiary ENERGY OMALIES SINGLE MEMBER SA, proceeded with the sign of MoU with TERNA ENERGY SA for the transfer and the purchase of the 100% participation stake of the above subsidiary. In the abovementioned MoU, legal, technical and financial due diligence was provided by TERNA ENERGEIAKI to R.F. ENERGY OMALIES, which was completed on 15/3/2020. The Share Purchase Agreement (SPA) was signed on 23/4/2020 at which date the transfer of the shares took place. The consideration of the sale is based on specific terms and conditions and is expected to be gradually paid in accordance with those at the latest by 31/12/2023.

Appearance of pandemic COVID-19: Risks – Impacts – Adoption of measures

In March 2020, Worldwide Organization of Health (WHO) declared the pandemic COVID-19, which its rapid infection, has damaged every business and financial operation and also caused a slow-down in substantial sectors of the economy.

The country-members of EU in order to limit the spread of the pandemic took restrictive measures which had a massive impact on FG EUROPE's operations. In order to combat the pandemic, The Hellenic Government took restrictive measures which included the free movement restriction of citizens and the closing of the retail stores. At this moment, the normal activity of the retail stores and the free movement of citizens has been restored.

Risks of pandemic COVID-19

Pandemic has caused a significant number of risks that has to be under consideration for the financial position and the Statement of Profit or Loss of the reporting period 2020, which are mainly focused on the sectors below:

The reduction in revenues during summer period: The segment has strong seasonal operation. The period June-September is by far the most profitable period of the year, consequently, has the greatest impact on year's profit. New Decisions of restoring restrictive measures both on the citizens' free movement and consumer habits would have an impact both on the Group Sales and economic outturn of the year 2020.

Financial position/Liquidity: The strong equity structure and the significant Cash and Cash equivalent is a result of FG EUROPE Administration's actions. Although, the pandemic created new conditions which resulted liquidity danger for the Group. Another issue that has to be considered is the receipt restriction of the postdate checks arising from client which were affected from the pandemic according with the Greek Law.

Credit Risk: The Company handles the Credit Risk sufficiently and has develop credit Risk procedures in order to succeed the limitation of doubtful debts. Although, the appearance of the pandemic has created new conditions and requires the vigilance for the face of possible "inability to pay" cases that may arise.

Covenants: On the substance of loan contracts, The Group shall be conformed with specific terms including financial ratios. The financial impact of COVID-19 on the Group's operations is uncertain at this moment. The Group monitors the situation closely in order to request and achieve the waiver of covenants if needed.

Implications on the Group Financial Performance

The recent developments are going to affect the financial performance of the group for the year 2020 significantly.

The range of casualties depends on factors such as the duration of the pandemic, the possibility of the imposition of new additional measures, and the size of the detrimental impact on the global economy.

Specifically, the reduction in sales revenues of the April 2020 compared to sales revenues of April 2019 amounted to 50%. The above-mentioned reduction is related with corresponding reduction in operating circle amounted to 1.5mil. for April. The comparative percentage reduction in sales revenue is estimated 25% for the month May 2020, significantly improved compared with this of last month. Although, the sales revenue from continuing operations were increased by 27% compared to the same period of 2019 (sales to associate FUJITSU AIR CONTIONTING ITALIA SPA are not included).

Gradual improvement is expected in upcoming months in the light of relaxation of the restrictive measures.

The Group administration evaluates in consistent basis any new element which arises from the evolution of the disease and from the relevant decisions that the Hellenic Authorities take. Furthermore, The Group administration adjust the plans at regular intervals with major concern to protect the financial position of the Group. Within the framework of the consistent monitoring of the evolution of the Group's performance, an estimation took place that the operating cycle of the Group will be reduced between 5% and 20%.

Although it is noted that while the phenomenon is in decline, the above estimations and acceptances have high degree of uncertainty. The facts could change to positive or negative as the pandemic has long term characteristics.

Implications on the Group Financial Position

Taking under consideration the current conditions, the uncertainty and rapidly changing environment, the administration targets to the liquidity maximization of the Group. The Administration makes every effort to keep the sufficient working capital and locates cost saving in order to protect the cash flows of the Group.

Also, under the estimations that took place for the Company's progress, the Group liquidity fully covers the needs of it for the next 12 months.

Adoption measures for the response of pandemic COVID-19

The Company has set four main targets in response of the exceptional situation which pandemic of coronavirus caused:

- I. The health protection both of employees and collaborators of the Company. The main purpose of the Group is the health protection of the employees and collaborators. Therefore, the Administration took preventive measures by giving specific guidance for the actions that an employee has to take in case of symptoms of the decease appears.
- II. Reduction measures of the operating cost and strengthening of the financial position of the Group.
- III. The rapid spread and the intensity of the pandemic caused a significant damage at almost entire economy. The above facts led the administration to take decisions in order to minimize the operating cost and strengthen the Group financial position which are the below:
- IV. The control of the operating expenses has been decided. Specifically, every category of operating expense was examined in detail and according the administration's decision only the necessary needs will be implemented.

All the respite measures, that the Hellenic Government announced, was used in order to ensure the sufficient liquidity even in case the pandemic take long term characteristics. Within this framework, the Company used all the regulations and transferred all the tax and banking liabilities from 31/8/2020 to 30/09/2020.

Actions are taken for further improvement of liquidity via banking grants.

In addition to the above, there is no other significant events in or after the reporting period that either have to be reported or differentiate the accounts of the financial statements

F. Risks and Uncertainties

Financial Risk Management

Financial risk factors: The Group's operations entail exposure to various financial risks (including foreign exchange risk, interest rate risk, cash flow risk, price risk credit risk and liquidity risk). The Group's risk management policy is focused on the unpredictability of the financial markets targeting the minimization of the factors that can negatively affect the financial performance of the

Group. The Group uses financial derivative products in certain cases, in order to hedge its exposure to certain risks.

The risk management is conducted by the Company's financial management department in accordance with the policy authorized by the Company's Board of Directors. The financial management department detects, evaluates and hedges financial risks in close cooperation with the Group's other departments. The Board of Directors provides guidelines for the risk management in general and specifically covering such areas of risk as foreign exchange risk, interest rate risk, credit risk, the use of derivatives and non-financial instruments as well as the investment of additional liquidity.

The sensitivity of the Group's and the Company's figures after tax 24% for 2019 and 29% for 2018 respectively.

Market Risks

Foreign exchange risk: The Group operates internationally and as a result, it is exposed to foreign exchange risks arising from commercial operations in foreign currencies (USD and JPY) with customers and suppliers using currencies other than the Euro. In order to minimize risks the Group on occasion hedges its exposure to foreign currency risk through derivative contracts but does not use hedging accounting.

On 31/12/2019, Profit/ (Loss) after Tax and the equity for the Group and the Company would have been (€-1) and (€-5 and €144) respectively in 2018 (lower) / higher, if € was weaker / stronger than USD by 10% (for the respective period of 2018 the fluctuation was 10%), with the other variables held constant mainly as a result of losses / gains from foreign exchange differences on the settlement of trade liabilities hedged by credit / debit exchange differences on the conversion of cash and cash equivalents.

On 31/12/2019, Profit after Tax and the equity for the Group and Company would have been €-14 and €-6 respectively (€-4 both for the Group and Company in 2018) (lower) / higher, if € was weaker / stronger than JPY by 5% (for the respective period of 2018 the fluctuation was 10%), with the other variables held constant mainly as a result of gains / losses from foreign exchange differences on the collection of trade receivables and the conversion of cash and cash equivalents hedged by losses / gains on the settlement of trade liabilities.

On 31/12/2019, Profit/ (Loss) after Tax and the equity both for the Group and the Company would have been € 7 (€2 and €1 respectively for the Group and the Company in 2018) respectively (lower) / higher, if € was weaker / stronger than GBP by 6% (for the comparative period of 2018 the fluctuation was 10%), with the other variables held constant mainly as a result of losses / gains from foreign exchange differences on the settlement of trade liabilities hedged by credit / debit exchange differences on the conversion of cash and cash equivalents.

Price volatility risk: The Group is exposed to price volatility risks resulting from investment in shares of listed companies, which for the purposes of preparing the Financial Statements are recognized as financial assets available for sale. In order to hedge this risk the Group diversifies its stock portfolio. Such diversification in the Group's portfolio is authorized by the Company's Board of Directors.

Shares of the portfolio are included in the General Index of the ASE. The effect that an increase/decrease in the General Index of the ASE would have on equity of the Group for the fiscal year. The analysis is based on the assumption of increase / decrease of the General Index of the ASE by 21,14%, with all other variables held constant and the shares held by the Company following exactly this change.

On the 31/12/19, Profits after Tax and Equity would have changed by € 1(€0 in 2018) as a result of gains/losses arising from the evaluation of the financial assets.

Cash flow and interest rate risks: The Group has not interest-bearing assets and hence income and operating cash flows are not substantially affected by the changes in interest rates. Interest rate risk results mainly from short and long term borrowing in Euro and in floating interest rates.

The Group assesses its exposure to interest rate variation on a constant basis taking under examination any chance of refinancing of its existing obligations under different conditions and terms. On this basis the Group assesses any potential influence to its financial result arising out of contingent variations in interest rates pertaining to mid-term and long term financing facilities.

On 31/12/2019, profit/(loss) after tax and equity, both for the Group and Company would have changed by €50 (€401 in 2018) (lower) / higher, if the € interest rates were 20 basis points higher both for the Group and Company, as the R.F. ENERGY S.A Group of Companies didn't have loans. (For the comparative period of 2018 the fluctuation for R.F. ENERGY S.A. was 86 basis points and for the Company it was 2 basis points) . This would mainly happen due to lower financial costs for bank loans with floating rate in €.

Credit risk: Credit risk is hedged at Group level. Such credit risk mainly arises from the existence of potentially doubtful receivables. For credit risk management purposes, the Group has policies in place in order to continuously assess clients' credibility taking into consideration the client's financial standing, previous transactions with the client and the client's credit history. Such factors and other are monitored on a steady basis and cannot be exceeding predefined levels for any individual client. Sales to individuals are conducted in cash. Sales to individuals are about 1% of the total turnover of the Group and carried out mainly in cash. During the FY 2017 no excess in credit levels was noted and the Group does not expect any substantial potential losses which come as a result of inability to collect receivables. Moreover, the Company's receivables are spread in a wide number of customers, so there is no concentration and consequently severely limited credit risk.

The maximum exposure of the Group and the Company on 31/12/2019, regarding Credit Risk, is presented and analyzed in Note 15.

Liquidity risk: Liquidity risk management ensures sufficient cash and cash equivalents and secured credit ability through existing financing for working capital and issuance of letters of guarantee to suppliers, which amounted to €87.337 and € 87.262 for the Group and the Company respectively on 31/12/2019 (€116.958 and € 114.691 for the Group and the Company respectively on 31/12/2018).

The Group monitors and controls cash on a daily basis, taking into consideration expected cash flows.

The table below analyses the Group's liabilities based on the remaining contractual life at balance sheet date. The amounts presented below are in nominal values plus interest and, therefore, it is possible to differ from the amounts presented in the statement of financial position.

Consolidated December 31, 2019	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	15.722	2.000	5.500	8.915
Leasing	1.326	1.381	3.830	9.604
Trade and other payables.....	27.818	-	-	-
Total	44.866	3.381	9.330	18.519

Consolidated December 31, 2018	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	15.958	8.260	31.245	15.535
Trade and other payables.....	21.209	-	-	-
Total	37.167	8.260	31.245	15.535

The table below analyses the Company's liabilities based on the remaining contractual life at balance sheet date. The amounts presented below are in nominal values plus interest and, therefore, it is possible to differ from the amounts presented in the statement of financial position.

Company	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
December 31, 2019				
Borrowings.....	15.647	2.000	5.500	8.915
Leasing	1.306	1.360	3.758	9.213
Trade and other payables.....	27.160	-	-	-
Total	44.113	3.360	9.258	18.128

Company	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
December 31, 2018				
Borrowings.....	15.335	7.820	29.925	15.535
Trade and other payables.....	25.964	-	-	-
Total	41.299	7.820	29.925	15.535

G. Own Shares

As at December 31st 2019, FG EUROPE S.A. does not own any of its shares.

H. Internal Code of Conduct

The Company operates under an internal code of conduct, which is updated and kept abreast of current events, in order to incorporate any issues arising pertaining to matters of corporate governance, as well as any changes in the organizational structure of the Company.

I. Corporate Social Responsibility

F.G. EUROPE S.A. is especially sensitive to matters of environmental awareness and protection, responsibility towards its employees and contribution to society as a whole, through sponsorships and actions. Social responsibility is developed and implemented through a system of values, objectives and actions relating to corporate governance.

Respect for the environment, promoting renewable energy sources, taking part in recycling initiatives and implementing recycling policies, all are guidelines incorporated in FG Europe's strategy. The companies of the Group, following a path of sustainable growth, operate in a manner that protects both the environment and the health and safety of their employees.

Management's commitment is to continue, also in the future, actions aimed at relieving our fellow men, sparing no material and moral burden.

J. Dividend Policy

In accordance with relevant provisions of Greek Law, it is required that the Company must distribute a minimum of 35% of its net profit after tax and deductions for accounting reserve as dividend to its shareholders. Nevertheless, the Law provides that this obligation can be waived by a General Assembly of Shareholders resolution, in which a majority of at least 70% of shareholders are represented and vote.

K – Internal Control

Internal Control – Audit Committee

The Board should present a balanced and clear assessment of the company's position and prospects and ensure the integrity of financial statements and disclosures to shareholders and to the public.

The Board should maintain a sound system of internal control to safeguard shareholders' investment and the company's assets and ensure that significant risks are identified and adequately managed. The Board should regularly review the corporate strategy, the main risks to the business,

and the effectiveness of the systems of internal control in managing these risks. The review should cover all material controls, including financial, operational and compliance controls, as well as the risk management systems. The Board, through its audit committee (where applicable) should also develop a direct and ongoing relationship with and receive regular reports from the company's auditors in respect of the effective functioning of the control system.

Internal Control System and Risk Management

Main features of the internal control system:

The Company's internal audit is conducted by the Head of the Internal Audit and in accordance with the audit plan set by the Audit Committee.

It is noted that the audit, according to which the respective Report is issued, is conducted within the current framework. During his exercise of control, the Head of Internal Audit takes note of all necessary books, documents, records, bank accounts and portfolios of the Company, with the continuing cooperation of the Management in order to be provided with all information and data necessary for the smooth implementation of planned and emergency audits and preparation of reports provided with the utmost accuracy in the information and conclusions contained therein. The audit does not include any assessment of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management as well, since these are subject to review by the statutory auditor of the Company.

The purpose of the audit is to assess the overall level and operating procedures of internal control system. In each test period, some areas – control fields are selected, while the operation of the Shareholder Services Department and the Office of Corporate Communications is permanently monitored and reviewed.

The Company fully complying with the provisions and requirements of Law 3693/2008, elected at the Annual General Assembly held on 30/6/2015 the Audit Committee, consisting of three independent non-executive members of the Board.

The responsibilities and duties of the Audit Committee shall consist of:

1. Regarding the system of Internal Control and Information Systems, the Audit Committee:

- a) Monitors the financial reporting process and the reliability of financial statements of the company. Also, it should oversee any formal announcement relating to the financial performance of the company and examine the key points of the financial statements that involve significant judgments and estimates on behalf of the Management.
- b) Oversees internal financial controls of the company and monitors the effectiveness of the systems of Internal Control and Risk Management of the company unless this responsibility clearly belongs to the Board of Directors or another committee. For this purpose, the Audit Committee should periodically review the systems of Internal Control and Risk Management to ensure that the main risks are identified, faced and disclosed correctly.
- c) Should address conflicts of interest during transactions of the company and its subsidiaries with related parties and submit relevant reports to the BoD.
- d) To the extent required by the company policy, supports the BoD as to obtain adequate information for making decisions relating to transactions between related parties.
- e) Should consider the existence and the content of those procedures under which personnel of the company may, in confidence, express their concern about possible illegalities and irregularities in financial reporting or other matters relating to the operation of the company. It should ensure the existence of procedures for effective and independent investigation of such matters and for appropriate response, as well.

2. Regarding the oversight of the Internal Audit, the Audit Committee:

- a) Should ensure the functioning of the internal audit in accordance with international standards for the professional application of internal control. It identifies and examines the rules of the internal audit of the company.
- b) Monitors and supervises the proper functioning of the internal audit and examines quarterly control reports.
- c) Ensures the independence of the internal audit, recommending to the Board the appointment and dismissal of the head of the internal audit
- d) Evaluates the head of the internal audit

3. Regarding the supervision of the regular audit, the Audit Committee:

- a) Should, through the Board, make recommendations to the General Assembly on the appointment, reappointment and withdrawal of the regular auditor and approving the remuneration and terms of the appointment of the regular auditor.
- b) Reviews and monitors regular auditor's independence and objectivity and the effectiveness of the audit process, taking into account the relevant professional and regulatory requirements in Greece.
- c) Examines and monitors the provision of additional services to the company by the audit company that owns the regular auditor/s. For that purpose, it should develop and implement a policy for hiring statutory auditors on the provision of non-audit services and oversee its implementation.
- d) Should discuss with the auditor about the essential audit differences that arose during the audit, regardless of whether they subsequently resolved or remained unresolved.
- e) Should discuss with the auditor about the report referred to deficiencies in the internal control system, particularly in those relating to the process of providing financial reporting and the preparation of financial statements.

Mission of the Audit Committee is to ensure the effectiveness and efficiency of corporate operations, testing the reliability of financial reporting to investors and the shareholders of the Company. Other missions are the compliance of the Company with the current legal and regulatory framework, the safeguard of the investments and assets of the Company and the identification and dealing with major risks.

It is clarified that the Regular Auditor of the Company, who conducts the audit of the annual and interim financial statements, does not provide other non-audit services to the Company or is associated with any other relationship with the Company, in order to ensure the objectivity, impartiality and independence.

The Audit Committee meets today four times a year. There is no specific operation rule of the audit committee, since the duties and responsibilities of that committee are adequately specified in the current provisions. There are not specific resources for the Audit Committee for use to hire external consultants, since its composition, the specialized knowledge and experience of its members ensure its effective operation.

Support to the Board of Directors, by the Audit Committee, in order to obtain adequate information for decision-making on issues related to transactions between related parties, is not required by the applicable policy of the Company.

Glyfada, June 19, 2020

**Chairman of the
Board of Directors**

Georgios Fidakis

Independent Auditor's Report

To the shareholders of FG Europe SA

Report on the audit of the separate and consolidated financial statements ***Opinion***

We have audited the accompanying separate and consolidated financial statements of the company "FG Europe S.A." (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2018, and the separate and consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as of December 31, 2018, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the separate and consolidated financial statements" section of our report. During our audit, we remained independent of the Company and the Group, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as transposed in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the separate and consolidated Financial Statements

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

In preparing the separate and consolidated financial statements, management is responsible for assessing the 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 or the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as they have been transposed 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 as they have been transposed 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 auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note the following:

- a) The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 43bb of Greek Codified Law 2190/1920.
- b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 43a and 107A and of paragraph 1 (cases c' and d') of article 43bb of Greek Codified Law 2190/1920 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31/12/2018.

Based on the knowledge we obtained during our audit about the FG Europe S.A. and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

Athens, June 19 2020
The Certified Public Accountant

Christina Tsironi
I.C.P.A. Reg No. 36671

F.G. EUROPE S.A.

**128, Vouliagmenis Ave.
166 74 Glyfada
P.C. Reg. No. 13413/06/B/86/111**

**ANNUAL FINANCIAL STATEMENTS
COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019**

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Statement of Comprehensive Income (Consolidated)
For the Years ended December 31, 2019 and 2018
(All amounts in Euro thousands unless otherwise stated)



Group						
1/1-31/12/2019			1/1-31/12/2018			
	Continuing operations	Discontinued operations(1.4)	Total	Continuing operations	Discontinued operations(1.4)	Total
Sales	6 97.680	5.886	103.566	59.208	34.222	93.430
Less cost of sales	7 (75.883)	(2.921)	(78.804)	(41.288)	(26.278)	(67.566)
Gross profit	21.797	2.965	24.762	17.920	7.944	25.864
Other operating income	6 5	2	7	86	641	727
Distribution expenses	7 (13.645)	-	(13.645)	(12.452)	(3.392)	(15.844)
Administrative expenses	7 (3.573)	(124)	(3.697)	(3.109)	(948)	(4.057)
Other operating expenses	7 (230)	(7)	(237)	(38)	(6)	(44)
interests and taxes	4.354	2.836	7.190	2.407	4.239	6.646
Finance income	7.2 666	3	669	5.329	6	5.335
Finance costs	7.2 (4.871)	(91)	(4.962)	(9.556)	(571)	(10.127)
Other	7.2 2	46.378	46.380	-	-	-
Results from associates	7.2 (191)	-	(191)	-	-	-
Earnings before taxes	(40)	49.126	49.086	(1.820)	3.674	1.854
Income tax expense	8 (810)	(13.632)	(14.442)	(442)	(864)	(1.306)
Net profit for the period	(850)	35.494	34.644	(2.262)	2.810	548
Attributable as follows:						
Equity holders of the Parent	(1.098)	22.788	21.690	(2.442)	2.702	260
Minority interest	248	12.706	12.954	180	108	288
attributable to the	(850)	35.494	34.644	(2.262)	2.810	548
reclassified to the						
Employee benefits	22 193	-	193	105	-	105
Income tax expense	(45)	-	(45)	(30)	-	(30)
	148	-	148	75	-	75
Amounts reclassified to the income statement:						
Exchange differences	(5)	-	(5)	(315)	-	(315)
Other Comprehensive Income after taxes	143	-	143	(240)	-	(240)
Total Comprehensive Income	(707)	35.494	34.787	(2.502)	2.810	308
Attributable as follows:						
Equity holders of the Parent	(956)	22.788	21.832	(2.651)	2.810	159
Minority interest	249	12.706	12.955	149	-	149
Net profit (after tax) attributable to the Group	(707)	35.494	34.787	(2.502)	2.810	308
Earnings per share (expressed in Basic	(0,0208)	0,4316	0,4108	(0,0462)	0,0512	0,0049

Statement of Comprehensive Income (Company)
For the Years ended December 31, 2019 and 2018
(All amounts in Euro thousands unless otherwise stated)



		Company	
		1/1-31/12/2019	1/1-31/12/2018
Sales	6	94.097	78.293
Less cost of sales	7	(74.931)	(61.705)
Gross profit		19.166	16.588
Other operating income	6	5	43
Distribution expenses	7	(12.286)	(10.575)
Administrative expenses	7	(2.099)	(1.889)
Other operating expenses	7	(2)	(19)
Earnings before interests and taxes		4.784	4.148
Finance income	7.2	203	883
Other Finance income	7.2	9.285	-
Finance costs	7.2	(6.602)	(3.996)
Earnings before taxes		7.670	1.035
Income tax expense	8	(3.833)	(514)
Net profit for the period		3.837	521
Attributable as follows:			
Equity holders of the Parent			
Minority interest			
Net profit (after tax) attributable to the Group		-	-
Amounts non-reclassified to the income statement:			
Revaluation of Employee benefits obligations	22	182	101
Income tax expense		(44)	(30)
		138	71
Amounts reclassified to the income statement:			
Exchange differences			
Other Comprehensive Income after taxes		138	71
Total Comprehensive Income after taxes		3.975	592
Earnings per share (expressed in €s):			
Basic		0,0727	0,0099

Statement of Financial Position
(Company and Consolidated)
For the Years ended December 31, 2019 and 2018
(All amounts in Euro thousands unless otherwise stated)



		Group		Company	
	Note	31/12/2019	31/12/2018	31/12/2019	31/12/2018
ASSETS					
Non-current assets					
Property, plant and equipment	9	5.708	41.966	459	473
Investments in PPE right to use	2.2.9	15.594	-	15.102	-
Leased Tangible assets	9	228	232	228	232
Intangible assets	9	3	6.159	3	4
Investments in subsidiaries	1.2.2	-	-	9.643	28.814
Investments in associates	1.3.1	3.215	-	687	
Long term receivables	10	7.387	9.844	7.291	9.756
Deferred taxes	21	1.067	5.060	474	4.037
Other Financial assets	11	3.471	1.005	3.471	1.005
Total non-current assets		36.673	64.266	37.358	44.321
Current assets					
Inventories	12	27.371	44.643	25.670	42.259
Trade receivables	13	38.933	33.658	40.375	32.132
Cash and cash equivalents	14	24.387	2.601	3.465	1.294
Total current assets		90.691	80.902	69.510	75.685
Available for sale investments		-	7.140	-	-
Total assets		127.364	152.308	106.868	120.006
SHAREHOLDERS' EQUITY & SHAREHOLDERS' EQUITY					
Share capital	15	15.840	15.840	15.840	15.840
Share premium	16	6.731	6.731	6.731	6.731
Reserves	17	3.640	3.767	4.138	3.963
Retained earnings		10.432	(12.039)	4.922	1.122
		36.643	14.299	31.631	27.656
Minority interest		13.320	16.311	-	-
Total shareholders' equity		49.963	30.610	31.631	27.656
LIABILITIES					
Non-current liabilities					
Long term Borrowings	19	16.415	52.795	16.415	51.102
Long term Leasings	2.2	14.815	-	14.331	-
Retirement benefit obligations	22	420	644	378	576
Deferred government grants	20	-	12.736	-	-
Long-term provisions		-	2.152	-	-
Deferred taxes	21	859	4.940	-	-
Other long-term liabilities		26	25	-	-
Total non-current liabilities		32.535	73.292	31.124	51.678
Current liabilities					
Short term Borrowings	19	843	6.470	768	6.319
Short term portion of long term borrowings	19	14.879	8.812	14.879	8.389
Short term Leasings	2.2	1.326	-	1.306	-
Current tax liabilities		8.576	90	314	-
Trade and other payables	18	19.242	26.419	26.846	25.964
Total current liabilities		44.866	41.791	44.113	40.672
Total liabilities		77.401	115.083	75.237	92.350
Liabilities related to the available for sale		-	6.615	-	-
Total equity and liabilities		127.364	152.308	106.868	120.006

Statements of Changes in Equity (Company and Consolidated)
For the Years ended December 31, 2019 and 2018
(All amounts in Euro thousands unless otherwise stated)



<u>Group</u>	Share capital	Share premium	Legal reserve	Special tax reserves	Retained earnings / (Losses)	Total	Minority interest	Total equity
Balance on December 31, 2017	15.840	6.731	4.396	(643)	(8.944)	17.380	21.560	38.940
Change in Accounting Policy (Note 2)	-	-	-	-	(3.295)	(3.295)	-	(3.295)
Adjusted balance on January 1, 2018	15.840	6.731	4.396	(643)	(12.239)	14.085	21.560	35.645
Year's changes:								
Net profit for the period	-	-	-	-	260	260	288	548
Other Comprehensive Income	-	-	-	(101)	-	(101)	(139)	(240)
Total Comprehensive Income	-	-	-	(101)	260	159	149	308
Legal Reserve	-	-	118	-	(59)	59	(59)	-
Subsidiary capital return	-	-	-	-	-	-	(5.337)	(5.337)
Share issue costs	-	-	-	(3)	-	(3)	(3)	(6)
Balance on December 31, 2018	15.840	6.731	4.514	(747)	(12.039)	14.299	16.311	30.610
Year's changes:								
Net profit for the period	-	-	-	-	21.690	21.690	12.954	34.644
Other Comprehensive Income	-	-	-	144	-	144	(1)	143
Total Comprehensive Income	-	-	-	144	21.690	21.834	12.953	34.787
Legal reserve	-	-	(391)	-	391	-	-	-
Purchase of minority rights	-	-	-	-	-	-	(34)	(34)
Share issue costs	-	-	-	-	-	-	(162)	(162)
Adjustment of minority rights	-	-	-	120	390	510	(510)	-
(Increase)/ Decrease shareholding of Subsidiaries	-	-	-	-	-	-	(15.238)	(15.238)
Balance on December 31, 2019	15.840	6.731	4.123	(483)	10.432	36.643	13.320	49.963

<u>Company</u>	Share capital	Share premium	Legal reserve	Actuarial gains / (Losses)	Special tax reserves	Retained earnings / (Losses)	Total
Balance on December 31, 2017	15.840	6.731	4.005	(113)	-	3.897	30.360
Change in Accounting Policy (Note 2)	-	-	-	-	-	(3.296)	(3.296)
Balance on January 1, 2018	15.840	6.731	4.005	(106)	(7)	601	27.064
Year's changes:							
Net profit for the period	-	-	-	-	-	521	521
Other Comprehensive Income	-	-	-	71	-	-	71
Total Comprehensive	-	-	-	71	-	521	592
Balance on December 31, 2018	15.840	6.731	4.005	(35)	(7)	1.122	27.656
Year's changes:							
Net profit for the period	-	-	-	-	-	3.837	3.837
Other Comprehensive Income	-	-	-	138	-	-	138
Total Comprehensive Income..	-	-	-	138	-	3.837	3.975
Legal reserve	-	-	37	-	-	(37)	-
Balance on December 31, 2019	15.840	6.731	4.042	103	(7)	4.922	31.631

Statements of Cash Flows (Company and Consolidated)
For the Years ended December 31, 2019 and 2018
(All amounts in Euro thousands unless otherwise stated)



	Group		Company	
	1/1- 31/12/2019	1/1- 31/12/2018	1/1- 31/12/2019	1/1- 31/12/2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before tax (and minority interest) from continuing operations	(40)	(1.826)	7.670	1.035
Profit before tax (and minority interest) from discontinued operations	49.126	3.680	-	-
Add/ (less) adjustments for:	-	-	-	-
Depreciation and amortization	4.623	5.474	1.875	145
Provisions	642	901	457	704
Exchange rate differences	(1)	(273)	(17)	(105)
Result of investment activity	(46.941)	2.074	(9.386)	2.090
Interest and similar expenses	4.113	4.172	3.895	3.455
Government grants recognized in income	(852)	(1.704)	-	-
Employee benefits	226	249	217	202
Impairment charges	-	-	2.566	-
Operating result before changes in working capital	10.896	12.747	7.277	7.526
Add/ (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories	17.382	(8.183)	16.486	(6.702)
(Increase) / decrease in receivables and prepayments	(24.316)	6.819	(14.112)	1.048
Increase / (decrease) in trade and other payables	5.388	(2.224)	811	(141)
(Increase) in long term receivables	(8)	(2.149)	(1)	(2.081)
Operating cash flow from discontinued activities	10.244	(318)	-	-
Total cash inflow / (outflow) from operating activities	19.586	6.692	10.461	(350)
Interest and similar expenses paid	(4.165)	(4.186)	(4.037)	(4.042)
Income taxes paid	(1)	-	(1)	(2)
Interest and similar expenses paid - from discontinued operations	(23)	(542)	-	-
Total net inflow / (outflow) from operating activities	15.397	1.964	6.423	(4.394)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
(Purchase) of subsidiaries and other investments	(159)	(2.000)	5.537	(2.000)
Return on capital from subsidiaries	-	-	15.238	-
Proceeds from sales of subsidiaries, associates, joint ventures and other investments	64.874	-	10.000	-
(Purchase) of PPE and intangible assets	(1.357)	(72)	(105)	(48)
Proceeds from the sale of subsidiaries and other investments	93	33	93	33
Interest income	9	6	3	2
investment cash flows from discontinued operations	3	(42)	-	-
Total net cash inflow / (outflow) from investing activities	63.463	(2.075)	30.766	(2.013)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Proceeds from share capital Decrease	(20.376)	26	-	-
share Capital return	(168)	-	-	-
share Capital return from subsidiaries	-	-	(35)	-
Proceeds from borrowings	-	9.980	-	9.980
Payments of borrowings	(33.828)	(5.301)	(33.763)	(4.881)
Payments of Leasings	(1.257)	-	(1.219)	-
Cash flow from discontinued operations	(1.833)	(6.953)	-	-
Total net cash inflow from financing activities	(57.462)	(2.248)	(35.017)	5.099
Net increase / (decrease) in cash and cash equivalents	21.398	(2.359)	2.172	(1.308)
Exchange rate differences	(1)	(1)	(1)	(1)
Cash and cash equivalents continuing perations at beginning of period	2.605	4.961	1.294	2.603
Cash and cash equivalents from discontinued operations at beginning of period	385	-	-	-
Cash and cash equivalents at end of period	24.387	2.601	3.465	1.294

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The funds of the consolidated statement of comprehensive income and cash flows for the comparative period ended 31/12/18 have been restated to include only continuing operations.
The results of discontinuing operations are separately disclosed and analyzed in a separate note (note 6) in accordance with the requirements of IFRS 5 «non-current assets held for sale and discontinued operations».

1. Incorporation and Business of the Group

1.1 General information and activities

The parent company F.G. EUROPE S.A. (hereinafter referred to as “the Company”) and its subsidiaries (hereinafter referred to as “the Group”) activate:

- The company in the import and wholesale of all types of air conditioners, all types of white and consumer electronics electrical appliances, televisions and in the wholesale of rendered services of mobile telephony.
- The subsidiaries **F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S., F.G. EUROPE ITALIA S.P.A. and F.G. EUROPE UK LTD**, take action in the import and wholesale of all types of air conditioners, while **R.F. ENERGY S.A.** and its subsidiaries below activate in the field of electric energy production from renewable energy sources.

- **CITY ELECTRIC S.A.**

- **R.F. ENERGY OMALIES S.A.**

The Company and the Group are domiciled in Greece, in the municipality of Glyfada, with registered offices: 128, Vouliagmenis Ave., GR-16674 Glyfada, Greece. The total number of personnel occupied as of December 31, 2018 is 98 for the Company and 127 for the Group. After the 4/873/ 12.03.2020 decision of the Hellenic Capital Market commission the Company’s shares deleted from stock exchange tablets.

The remaining total expense relates to the Group's total profit of € 143 and the corporation's net profit of € 138. These results arose from: a) Group losses of € 5 from exchange differences during the conversion of foreign holdings, and b) Profit from the revaluation of "personnel benefit obligations" of € 148 and € 138 for the group and the company respectively

1.2 Group structure and activities

The subsidiaries contained with the method of full consolidation in the attached consolidated financial statements of the group are the following:

Name	Country	Share as of December 31, 2019	Method of consolidation
• F.G. EUROPE S.A.	Greece	Parent company	Full consolidation
• F.G. EUROPE ITALIA S.P.A.	Italy	49,00% (a)	Full consolidation
• F.G. EUROPE UK L.T.D.	U.K.	100.00% (a)	Full consolidation
• F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S.	Turkey	73,33% (a)	Full consolidation
• R.F. ENERGY S.A.	Greece	50.00% (a)	Full consolidation
• CITY ELECTRIC S.A.	Greece	50.00% (b)	Full consolidation
• R.F. ENERGY S.A. OMALIES S.A.	Greece	50.00% (b)	Full consolidation

Note: a) Direct investments, b) Indirect investments

F.G. EUROPE’s holding share in the company R.F. ENERGY S.A. is to 50.00%. Due to the fact that the existing shareholders’ agreement concerning the appointment of the majority of Board Members through F.G. EUROPE S.A., R.F. ENERGY is fully consolidated in the Company’s financial statements, with the method of full consolidation.

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F.G. EUROPE S.A. participates with 10.00% in the share capital of ANAKYKLOSI SYSKEVON SYMMETOCHIKI S.A. which is not included in the consolidated financial statements of the Group and the Company as ‘Other Financial Instruments’ according the classification of IFRS 9.

1.2.1 Changes in the structure of the Group

In the Consolidated Financial Statements of the six-month period ending on the 30th June 2019 the Group no longer includes: (i) Hydroilektriki Axaias SA, (ii) Aioliki Kylindrias SA, (iii) Kallisti Energy SA and (iv) Aioliki Aderes SA which were sold in June 2019 by a 50% subsidiary of the RF ENERGY Group. (Note 1.3.2)

In the Consolidated Financial Statements of the six-month period ending on the 30th June 2019 the company Fujitsu General Commercial Italia (former FG Europe Italia Spa) which was divested in January 2019 (sale of 51% of its shares). This company is now consolidated by equity method with 49% percentage. (Note 1.3.1)

1.2.2. The investments in subsidiaries of the Company are as follows:

Investments in Subsidiaries as at 31/12/2019					
Subsidiary name	Balance as at 31/12/2018	Additions 1/1-31/12/19	Reductions 01/01-31/12/19	Impairments	Balance as at 31/12/19
1 R.F. ENERGY S.A	23.950	-	(15.237)	-	8.713
2 F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S	2.532	35	-	(2.567)	-
3 F.G. EUROPE ITALIA S.P.A	1.402	-	(1.402)	-	-
4 F.G EUROPE UK LTD	930	-	-	-	930
Total	28.814	35	(16.639)	(2.567)	9.643

Investments in Subsidiaries as at 31/12/2018					
Subsidiary name	Balance as at 31/12/2017	Additions 1/1-31/12/18	Reductions 01/01-31/12/18	Impairments	Balance as at 31/12/18
1 R.F. ENERGY S.A	29.287	-	(5.337)	-	23.950
2 F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S	2.532	-	-	-	2.532
3 F.G. EUROPE ITALIA S.P.A	1.402	-	-	-	1.402
4 F.G EUROPE UK LTD	930	-	-	-	930
Total	34.151	-	(5.337)	-	28.814

The Parent company as of 30/06/2019 carried out a impairment review of its holdings as part of the sale of its subsidiaries. An impairment review of investment in associates was carried out. The control was conducted on the basis of generally accepted valuation models which include data based on both

Notes to the Financial Statements (Company and Consolidated)
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unobservable and observable data market. The evaluation of the value of the non-negotiable holdings focuses on both exogenous and endogenous agents in active markets.

Management has evaluated their five-year business plans of subsidiaries and determine the value in use of each subsidiary based on their method Discounted Free Cash Flows. It was used as a discount rate the average weighted average cost of capital of each subsidiary (WACC) and which was determined from 5.94% to 11.28% depending on the subsidiary.

The impairment review carried out showed impairment for the subsidiary A company in Turkey amounting to € 2.567 was recognized in the results of the parent company period. For the other subsidiaries it did not occur the need to impair their value.

1.2.3 Subsidiaries with important Non-controlling interests

	Proportion of ownership and voting rights of non -controlling interests		Profits attributable to non -controlling interests		Cumulative non-controlling interests	
Subsidiary name	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
RF ENERGY GROUP	50%	50%	11.496	958	13.294	16.224
FG EUROPE KLIMA TEKNOLOGILERI SANAYI VE TIKARET A.S.	26,67%	45%	(21)	(670)	26	87

R.F. ENERGY S.A.	31/12/2019	31/12/2018
Non-current assets	5.980	51.432
Current assets	29.570	17.979
Total assets	35.550	69.411
Long-term liabilities	513	22.082
Short-term liabilities	8.448	12.932
Total liabilities	8.961	35.014
Shareholders equity attributable to the equity holders of the paren	13.294	18.173
Non-controlling interests	13.294	16.224
Total shareholders' equity	26.588	34.397

	31/12/2019	31/12/2018
Sales	5.966	10.254
Net profit after tax attributable to the Equity holders of the Parent	11.496	958
Net profit after tax attributable to minority interest	11.496	958
Net profit after tax	22.992	1.916
Other Comprehensive Income after taxes	10	5
Total Comprehensive Income after taxes attributable to the Equity holders of the Parent	11.501	960
Total Comprehensive Income after taxes attributable to minority interest	11.501	960
Total Comprehensive Income after taxes	23.002	1.920

FG EUROPE TURKEY

F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET AS	31/12/2019	31/12/2018
Non-current assets	415	451
Current assets	4.501	5.032
Total assets	4.916	5.483
Long-term liabilities	16	11
Short-term liabilities	4.802	5.280
Total liabilities	4.818	5.291
Shareholders equity attributable to the equity holders of the parent company	72	106
Non-controlling interests	26	87
Total shareholders' equity	98	193
	31/12/2019	31/12/2018
Sales	6.452	3.798
Net profit after tax attributable to the Equity holders of the Parent	(58)	(818)
Net profit after tax attributable to minority interest	(21)	(670)
Net profit after tax	(79)	(1.488)
Other Comprehensive Income after taxes	(15)	(313)
Total Comprehensive Income after taxes attributable to the Equity holders of the Parent	(69)	(991)
Total Comprehensive Income after taxes attributable to minority interest	(25)	(810)
Total Comprehensive Income after taxes	(94)	(1.801)
Net cash flow from operating activities	(29)	(414)
Net cash flow from investing activities	(4)	(21)
Net cash flow from financing activities	(65)	(418)
Total net cash flow	(98)	(853)

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1.3 Significant Events

1.3.1 Sale of a subsidiary with loss of control

The rest of the Group's and the Company's investments in associates at 31/12/2019 are analyzed as follows:

Group					
Investments in associates at 31/12/2019					
Subsidiary name	Balance as at 31/12/2018	Additions 1/1- 31/12/2019	Results from Associates 1/1- 31/12/2019	Fair value 1/1- 31/12/2019	Balance as at 31/12/2019
1 FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA	-	-	(191)	3.406	3.215
Total	-	-	(191)	3.406	3.215
Company					
Investments in associates at 31/12/2019					
Subsidiary name	Balance as at 31/12/2018	Additions 1/1- 31/12/2019	Fair value 1/1- 31/12/2019	Balance as at 31/12/2019	
1 FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA	-	687	-	687	
Total	-	687	-	687	

On 4/1/2019, the Share Purchase Agreement (SPA) between FG EUROPE SA and FUJITSU was signed. The initial agreement between FG EUROPE and FUJITSU GENERAL LIMITED for the transfer of 51% of the shares of its subsidiary in Italy FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA took place on September 9 of 2018. The price was € 10.000, against the cost of corresponding participation (of 51%), of € 715 and a gain in parent level € 9.285. The subsidiary was classified as an asset held for sale at the Annual Financial Report on 31/12/2018. The amount of € 10.000 It was fully recovered during fiscal year 2019. The parent company retained a percentage 49% of subsidiary FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA with loss of control. The remaining percentage was valued at the date sale at fair value in accordance with IFRS 10 Consolidated Financial Statements paragraph B98. Fair value was determined by based on commonly accepted methods and amounting to € 3.407.

After losing control of FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA the investment that remained in the Group, namely 49%, was recognized in the Statement of Financial Position in the Investments in associates' account and is consolidated by equity method. For the six-month period ended 30/06/2019 the result of FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA which was consolidated by the equity method.

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For the reporting period ending 31/12/201, FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA's operating result that has been consolidated via equity method is expense amounting to € 191 and is reported under "Investment in Associate" account.

Fixed Assets	146
Deffered Taxes	186
Inventories	2.412
Trades and other receivables	4.012
Cash and cash equivalents	384
Retirement benefit obligations	(112)
Long-term provisions	(96)
Trades and other Payables	(6.409)
Total shareholders' equity	523
Price	10.000
Fair value at the percentage of 49%	3.407
Profit from the sale	12.884

The above profit from the sale was reflected in its discontinued operations Consolidated Statement of Comprehensive Income under Other Finance Results.

1.3.2 Sale of subsidiaries

On 28/06/2019, the sale of the 50% subsidiaries Aioliki Aderes SA, Kallisti Energy SA, Aioliki Kylindrias SA and Hydroilektriki Axaias SA was completed, with the transfer of 100% of the shares for a total consideration of € 55.493. The results of these subsidiaries are included in the Statement of Comprehensive Income of the period 01 / 01- 30/06/2019 to the day of sale and were shown at Statement of Comprehensive Income as discontinued operations.

At the date of sale, the values of the assets and the related with these subsidiaries' obligations are as follows:

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Cost	Amount
Fixed Assets	34.984
Intangible assets	565
Asset with right to use	17
Other long-term receivables	2
Trades and other receivables	4.654
Cash and cash equivalents	234
Deffered Tax Liabilities	(5.889)
Retirement benefit obligations	(27)
Grants	(11.884)
Long-term Leasing obligations	(13)
Other provisions	(2.216)
Vendors and other short-term Obligations	(4.473)
Short-term of Long-term Leasing Obligations	(6)
Σύνολο Ιδίων Κεφαλαίων	(15.948)
Price	55.493
Intangible assets	(5.396)
expenses associated with the sale	(653)
Profit from the sale	33.496

The above profit from the sale was reflected in its discontinued operations Statement of Comprehensive Income under Other Financial Statements.

1.3.3 Acquisition of an additional stake in a subsidiary

In March 2019, the Parent company completed the acquisition of the add-on 18.33% of the share capital of the subsidiary FG EUROPE KLIMA SANAYI TECHNOLOGY VE TICARET A.S. for the price of € 35. After the above the Parent Company now holds 73.33% of the total shareholding capital of the subsidiary. The above transaction is a change to non controlling holdings without altering the control of the subsidiary and treated accounting based on IFRS 10. The result of this transaction was the reduction of non-controlling interests by € 34 and the burden on them Group retained earnings of € 1.

1.3.4 Public offer

On 08.05.2019, SILANER INVESTEMENTS LTD, a 100% subsidiary of the company CYBERONICA SA, which is controlled by Mr. Fidakis Georgios, proceeded to a mandatory public offering to acquire all of FG EUROPE's shares, namely 8.98% (4,744,053 shares) of its share capital.

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1.4. Discontinued operations

On 28/06/2019, the sale of the 50% subsidiaries Aioliki Aderes SA, Kallisti Energy SA, Aioliki Kylindrias SA and Hydroilektriki Axaias SA was completed, with the transfer of 100% of the shares for a total consideration of € 55.493. The results of these subsidiaries are included in the Statement of Comprehensive Income of the period 01 / 01- 30/06/2019 to the day of sale and were shown at Statement of Comprehensive Income as discontinued operations because Management has judged in accordance with the requirements of IFRS 5, the subsidiaries that were sold are a distinct activity that is not expected to continue immediately future.

Income and expenses, profits and losses related to discontinued operations are not included in the Group's results from continuing operations for the period 01/01-30/06/2019, and are presented in the results from discontinued operations.

It is also reported in the discontinued operations' profit or loss the profit from the sale of the Italian subsidiary FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA.

It is noted that the corresponding funds for the above activities are presented on discontinued activities in the comparative period 01/01 – 31/12/2019.

The Group's net results from discontinued operations for the periods 01/01-31/12//2019 and 01/01-31/12/2018 are presented as follows:

	Discontinued operations (FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA)	Discontinued operations R.F. ENERGY S.A.	Total
	1/1- 31/12/2019	1/1- 31/12/2019	1/1- 31/12/2019
Sales	-	5.886	5.886
Less cost of sales	-	(2.921)	(2.921)
Gross profit	-	2.965	2.965
Other operating income	-	2	2
Distribution expenses	-	-	-
Administrative expenses	-	(124)	(124)
Other operating expenses	-	(7)	(7)
Earnings before interests and	-	2.836	2.836
Finance Income	-	3	3
Other financial results	12.882	33.496	46.378
Finance costs	-	(91)	(91)
Earnings before taxes	12.882	36.244	49.126
Income tax expense	(3.146)	(10.486)	(13.632)
Net profit for the period	9.736	25.758	35.494

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	Discontinued operations (FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA)	Discontinued operations R.F. ENERGY S.A.	Total
	1/1- 31/12/2018	1/1- 31/12/2018	1/1- 31/12/2018
Sales	23.968	10.254	34.222
Less cost of sales	(20.180)	(6.098)	(26.278)
Gross profit	3.788	4.156	7.944
Other operating income	567	74	641
Distribution expenses	(3.392)	-	(3.392)
Administrative expenses	(760)	(188)	(948)
Other operating expenses	-	(6)	(6)
Earnings before interests and	203	4.036	4.239
Finance Income	(15)	21	6
Finance costs	-	(263)	(263)
Earnings before taxes	188	3.794	3.982
Income tax expense	(80)	(784)	(864)
Net profit for the period	108	3.010	3.118

The following table shows the net operating cash flows, investment and financing activities relating to discontinued operations for the periods 01/01-31/12/2019 and 01/01-31/12/2018:

	01/01-31/12/2019	01/01-31/12/2018
Total net inflow/(outflow) from operating activities	10.221	(878)
Total net inflow/(outflow) from investing activities	3	(42)
Total net inflow/(outflow) from financing activities	(1.833)	(6.953)
Total net cash flow from discontinued activities	8.391	(7.873)

2. Significant Accounting Policies used by the Group

2.1 Basis of Preparation of Financial Statements

These consolidated and company financial statements (hereinafter referred to as “Financial Statements”) have been prepared according to International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board(IASB),interpreted by the Standing Interpretations Committee and adopted by the European Union on the 31st of December 2019.Furthermore the above financial statements have been established under the going concern principle.

Consequently, because of the uncertainty that derives from COVID-19 pandemic, there is a case of affection on the operations and perspectives of the Group.. Although, the Administration believe that the cash and cash equivalent can handle the situation at this moment.

The financial statements of the Group, have been prepared based on the cost principle record, as amended for the fair value adjustment of the following:

- financial assets and liabilities
- financial assets available for sale

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The functional currency is Euro (currency of the Country where the parent company's registered) and all amounts are presented in thousands Euros unless mentioned otherwise.

Differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

The funds of the consolidated statement of comprehensive income and cash flows for the comparative period ended 31/12/18 have been restated to include only continuing operations.

The results of discontinued operations are separately disclosed and analyzed in a separate note (note 6) in accordance with the requirements of IFRS 5 « non-current assets held for sale and discontinued operations».

2.2. Changes in Accounting Policies

2.2.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2019.

- **IFRS 16 “Leases” (effective for annual periods beginning on or after the beginning of the reporting period), after 01/01/2019)**

In January 2016, the IASB issued a new IFRS 16 Standard. The purpose of the IASB's work was to develop a new Standard for Leasing defines the principles that both parties apply to a contract - ie customer ('the lessee') and supplier ('the lessor') - to provide relevant information on leases in a way that accurately reflects these transactions. For in order to achieve this, the lessee must recognize the assets and liabilities arising from the lease. The new Standard has impact on the consolidated financial statements. Analytically:

The Group and the Company have adopted IFRS 16 “Leases” from the 1st January 2019. IFRS 16 introduces a single lease recognition model in financial statements. By adopting the standard the Group recognizes as an employee in the statement of financial position rights to use the assets; and leasing obligations, the date on which the leased assets become available for use. The accounting treatment of leases for lessors remains the same that of IAS 17.

The Group and the Company applied IFRS 16 using the simplified IFRS 16 transition method. According to this method, the standard is applied retroactively to cumulative effect of its application to be recognized on 1 January 2019. Accordingly, with the above, the comparative information of 2018 has not been restated and are reported in accordance with IAS 17. Changes in Accounting lease policies are discussed below.

A. As a lessee

The Group and the Company lease various assets such as ships and buildings. As an employee under the previous accounting policy, the Group and the Company classified leases as operating or financing based

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on the assessment of whether they are transferred all the risks and rewards associated with owning an asset assets, irrespective of the final transfer or non-ownership of the asset this.

IFRS 16 recognizes the right of use assets and lease obligations for most of the leases in which is contracted as a lessee, with the exception of small leases whose payments were recorded in the income statement over a straight-line basis over the entire period lease.

The recognized rights of use assets relate to the following categories of assets and are presented under the heading 'Tangible assets fixed assets with right to use':

	Group		Company	
	31/12/2019	1/1/2019	31/12/2019	1/1/2019
Right to use for:				
- Buildings	14.809	16.527	14.809	16.420
- Cars	293	184	293	184
- fields for installation of Wind Farms	492	265	-	-
Total	15.594	16.976	15.102	16.604

The Group reflects the lease liabilities in the "Long-term Leasing Obligations "and" Short-term Leasing Obligations "in Statement of Financial Position.

Important accounting policies:

Leases are recognized in the Statement of Financial Position as a right of use asset and a lease obligation on the date that leased fixed assets become available for use. Each rent is divided between lease liability and interest, which is charged to the results throughout duration of the lease to achieve a fixed interest rate on the rest of the lease financial liability in each period.

Rights of use assets are initially measured at cost, and they are then reduced by the amount of accumulated depreciation and any impairment. The right of use is amortized over the shorter of the useful life of the asset or its lease term, using the straight-line method. The initial the measurement of asset usage rights consists of:

- The amount of the initial measurement of the lease liability.
- Lease payments made on or before the start date, reduced by the number of discounts or other incentives offered,
- Initial costs, which are directly linked to the lease.
- Recoverable costs.

Finally, they are adjusted to specific remeasures of the respective liability lease.

Lease liabilities are initially measured at the present value of the leases, which were not paid at the commencement of the lease. They are discounted at the imputed rate of rent or, if this rate cannot be determined by the contract, by borrowing differential interest rate (IBR). The differential borrowing rate is the cost that o the lessee would have to pay to borrow the necessary capital to acquire an asset of similar value to the leased asset, in one similar economic environment and with similar terms and conditions.

Lease liabilities include the net present value of:

- fixed rents (including "substantially" fixed rents rent),
- Variable rents depending on an indicator,

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- Residual value, expected to be paid,
- The price of exercising a market right, if the lessor is almost certain that will exercise the right,
- Penalties for termination of a lease if the lessor chooses this right.

After their initial measurement, the lease liabilities increase from their financial cost and are reduced by the payment of rents. End, are revalued when there is a change in: (a) rents due to a change in an index; (b) an estimate of the amount of residual value expected to be paid, or c) evaluation of a purchase or extension option, which is relatively certain exercise or a right to terminate the contract, which is relatively certain will practice.

During the transition, the Group and the Company made use of the following practices facilities provided by IFRS 16 for leases that were classified as operating in accordance with IAS 17.

- Use of the previous evaluations made during its implementation IAS 17 and IFRIC Interpretation 4 to determine whether a contract contains a lease, or if a contract is a lease on the original date implementation.
- Use of accounting for operating leases for leases that have duration of less than 12 months on 1 January 2019.
- Use of a single discount rate in a lease portfolio with similar characteristics.
- Excluding initial direct costs for the measurement of allowances use of fixed assets at the date of the first implementation.

B. As a lessor

When tangible assets are leased to finance, the present value of leases are recognized as a receivable. The difference between the gross amount of the claim and the present value of the receivable is recognized as deferred financial income. Lease income is recognized in the income statement during the year duration of the lease using the net investment method, which represents a constant periodic yield. The Group and the Company do not are contracted as lessor.

C. Impact on the Financial Statements

Effects of the adoption of IFRS 16 on the transition:

	Group	Company
Lease agreements as at 31/12/2018	30.281	26.440
(minus): non-active variable terms Lease agreements	(2.871)	-
(minus): Short-terms Lease agreements	(1.285)	(840)
Plus/(Minus): Other Adjustments	(485)	(485)
Total	25.640	25.115
Average interest rate	7%	7%
Valuation on fair value at 1/1/2019	16.976	16.604
Leasing Obligations recognized at 1/1/2019	16.976	16.604
Long-term Leasing obligations	16.454	16.106
Short-term Leasing obligations	522	498
Total	16.976	16.604

Effects of the adoption of IFRS 16 on the period:

As a result of the first application of IFRS 16, in relation to the leases that previously classified as operating, on the 31/12/2019 the Group recognized € 15.594 right of use assets and € 16.141 lease liabilities while Company € 15.102 and € 15.637 respectively.

In addition, in relation to the above leases, the Group recognized depreciation and amortization financial expenses rather than lease expenses. For the reporting period which ended 31/12/2019 the Group recognized € 1.769 depreciation and € 1.354 financial expenses while the Company € 1.753 and € 1.354 respectively.

• IFRIC 23 “Income Tax Uncertainty Management” (effective for annual periods beginning on or after 01/01/2019)

In June 2017, the IASB issued a new IFRIC Interpretation 23. IAS 12 “Income Taxes” defines the accounting treatment of the current and deferred tax, but does not specify how it should reflect the effects of uncertainty. IFRIC 23 includes the additional IAS 12 requirements, specifying how the effects of uncertainty on tax accounting should be reflected in income. The new Interpretation has no effect on the consolidated Financial Statements.

• Amendments to IFRS 9: “Prepaid Negative Returns” (effective for annual periods beginning on or after 01/01/2019)

In October 2017, the IASB issued limited amendments for purposes of IFRS 9. Based on the current requirements of IFRS 9, a financial entity would measure a financial asset with a negative fair value through the results, as well as its attribute 'Negative return' could be considered to create potential cash flows which consist not only of capital and interest payments. Based on amendments, entities are permitted to measure specifically prepaid financial assets with negative return on amortized cost or fair value through other comprehensive income, provided that a specific condition is met. The modifications have no effect on Consolidated Financial Statements.

• Amendments to IAS 28: “Investment in Associate and Joint Ventures ”(effective for annual periods beginning on or after that date 01/01/2019)

In October 2017, the IASB issued limited amendments purpose in IAS 28. The purpose of these amendments is to provide clarification on the accounting for long-term holdings in an associate or joint venture - to which the equity method does not apply - under IFRS 9. The amendments have no effect on the consolidated Financial Statements.

• Annual Improvements to IFRSs - 2015-2017 Cycle (effective for annual periods beginning on or after 01/01/2019)

In December 2017, the IASB issued “Annual Improvements to IFRSs - Cycle 2015-2017 ”, which consists of a series of modifications to some Standards and is part of the IFRS Annual Improvement Program. The amendments included in this cycle are: IFRS 3 - IFRS 11: Equity rights previously held by the acquirer in a joint venture operation, IAS 12: Impact of income tax on payments for financial instruments classified as equity items, IAS 23: Costs loans eligible for capitalization. The amendments shall apply annually periods beginning on or after 1 January 2019. No amendments impact on the consolidated financial statements.

• Amendments to IAS 19: “Amendment, Disclosure or Settlement Designated Benefits Plan ”(applicable for annual periods starting on or after 01/01/2019)

In February 2018, the IASB issued limited amendments purpose in IAS 19, which requires an entity to use up-to-date actuarial assumptions when determining current costs service and net interest for the remaining period following the amendment, the cutting or settling a defined benefit plan. Purpose of the the amendments are intended to enhance the understanding of the financial statements; and providing more useful information to these users. Modifications have / have no effect on the consolidated Financial Statements

2.2.2 New Standards, Interpretations, Revisions and Amendments to Existing Standards that have not yet entered into force or have not been adopted by European Union

The following new Standards, Interpretations and Amendments to Standards have been issued by International Accounting Standards Board (IASB), but either not yet effective or have not been adopted by the European Union.

- **Revision of the Financial Reporting Conceptual Framework (Applicable for annual periods beginning on or after 01/01/2020)**

In March 2018, the IASB revised its Conceptual Framework Financial Report, the purpose of which was to incorporate significant issues that were not covered, as well as updating and provision clarification regarding specific guidelines. The Revised Conceptual The Financial Reporting Framework includes a new chapter on measurement, which analyzes the concept of measurement, including factors to consider when selecting a measurement base, issues related to presentation and disclosure in the Financial Statements and guidance on the derecognition of assets and liabilities from the Financial Statements. Furthermore, its revised Conceptual Framework Financial Reporting includes improved definitions of its assets and liabilities, guidance that facilitates the implementation of these definitions, updating the criteria for the recognition of assets and obligations, as well as clarifications on important areas, such as roles management, preservation and uncertainty when measuring the financial information. The Group will examine the impact of all of the above Financial Statements. The above have not been adopted by the European Union.

- **Modifications to its Conceptual Framework Reports Financial Reporting (effective for annual periods beginning on) on or after 01/01/2020)**

In March 2018, the IASB issued Amendments to its Reports Conceptual Framework of Financial Reporting Following Review of. Some Standards include explicit references to its earlier editions Conceptual Framework of Financial Reporting. Purpose of these modifications are updating the above reports and support for transition to the revised Financial Reporting Conceptual Framework. The Group will examine the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IFRS 3: "Definition of a Business" (effective for annual periods beginning on or after 01/01/2020)**

In October 2018, the IASB issued limited amendments The purpose of IFRS 3 is to improve the definition of a business. The modifications will help companies determine whether an acquisition is an acquisition business combination or acquisition of assets. The amended definition points out that the outlet of a

business is to provide goods and services to customers, while the earlier definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and third parties. In addition to amending the definition of business, the IASB through its version provides additional guidance. The Group will consider the impact of all of the above in its Financial Statements. The above have not been adopted by European Union.

• Amendments to IAS 1 and IAS 8: "Definition of Essentials" (Applicable for annual periods beginning on or after 01/01/2020)

In October 2018, the IASB issued amendments to its definition essential in order to make it easier for companies to practice substantive size judgment. Defining the essential helps companies to decide what information should be included in their Financial Statements Situations. The new definition amends IAS 1 and IAS 8. Amendments clarify the definition of what is essential and how it should be applied, including the definition of guidance that has so far been included in other standards. The Group will consider the impact of all of the above on its Financial Statements Situations. The above have not been adopted by the European Union.

• IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January) start on or after 01/01/2021)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The purpose of the IASB's work was to development of a single principle-based standard for accounting for all types of insurance contracts, including and reinsurance contracts held by an insurer. A Single Template principles-based will enhance the comparability of financial reporting between entities, jurisdictions and capital markets. IFRS 17 specifies Requirements that an entity must apply to finance information related to insurance contracts it issues and contracts reinsurance he holds. The Group will consider the impact of all of the above on Financial Statements. The above have not been adopted by the European Union.

2.3 Basis of Consolidation

2.3.1. Subsidiary Companies

The consolidated financial statements include the financial statements of the parent company and all entities in which the parent company exercises control (its subsidiaries) as of December 31, 2019.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statement of the subsidiaries is prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- ▶ Derecognises the assets (including goodwill) and liabilities of the subsidiary
- ▶ Derecognises the carrying amount of any non-controlling interest
- ▶ Derecognises the cumulative translation differences, recorded in equity
- ▶ Recognises the fair value of the consideration received

- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive Income to profit or loss or retained earnings, as appropriate.

2.3.2 Investments in associates

An entity can be reported as associate when the group exercises substantive influence but not control or joint control. The substantive control is exercised through participation in financial or operational decisions of the economic entity.

The results of operation and the assets and liabilities of these economic entities are consolidated using the equity method excluding the case if classified as available for sale.

The investment is recognized at cost, and is adjusted to recognize the investor's share of the earnings or losses of the investee after the date of acquisition and is adjusted for any accumulated impairment loss.

The cost exceeding the fair value of the acquisition (assets – liabilities – contingent liabilities) is recorded as goodwill in the period of acquisition included in the account of investments in other companies.

If the total cost is below the fair value of the assets and liabilities the difference is charged directly to the statement of income of the respective period.

If the Group undertakes transactions with these companies, the related gains or losses are eliminated in the extent of the Group's participation in the related company. Any losses in transactions indicate impairment of the transferred asset, in which case a related impairment provision is recorded.

2.4 Business Combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. 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 incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate IFRS 3.16 classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair 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 will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. IAS 36.80 If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.5 Operating Segments

IFRS 8 "Operating Segments" sets criteria for the determination of the segment reporting format of the entity. Segments are determined based on the Group's structure. The Group's financial decision makers review financial information separately as reported by the parent company and each of the Group's consolidated subsidiaries. The reportable segments are determined using the quantitative thresholds set by the Standard.

A business segment is defined as a group of assets or operations with different risks and returns from other business segments. A geographical segment is defined as a geographical area where goods are sold or services offered that is subject to different risk and returns than do other geographical areas.

2.6 Foreign currency translation

The Group's functional currency is the Euro. Transactions involving other currencies are translated into Euro using the exchange rates which are in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies are adjusted using the official exchange rates. Gains or losses resulting from period end foreign currency remeasurement are reflected in the statements of income.

2.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Cost includes all directly related costs for the acquisition of the asset.

Expenses in subsequent periods are capitalized in the cost amount of the related assets if they increase the useful life of the asset and / or its production potential or reduce its operating cost.

Repairs and maintenance are charged to the income statement as incurred.

The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the consolidated statements of income.

Depreciation: Depreciation of property, plant and equipment is computed based on the straight-line method at rates, which approximate average economic useful lives reviewed on an annual basis. The useful lives and depreciation rates assumed per asset category are set out below:

	Years of useful life	Depreciation rate
• Hydroelectrical plant	50	2%
• Leasehold improvements	7 – 25	4% - 14%
• Plant and equipment	4 – 20	5% - 24%
• Furniture and fixture	3 – 10	10% - 30%
• Vehicles	6 – 10	10% - 16%
• Intangible assets	4 – 10	10% - 25%
• Energy production licenses	35 - 45	1,5% - 2,5%

- Licenses 10 - 15 6% - 10%

Leasehold improvements are amortized over the term of the lease.

Investments in real estate property

Investments in real estate are recognized initially at acquisition cost, which is increased with all those costs associated with the transaction of the acquisition. Also during the subsequent measurement method followed them cost less accumulated depreciation and any damage compensation

Depreciation: Depreciation of Investments in real estate property, is computed based on the straight-line method at rates, which approximate average economic useful lives reviewed on an annual basis. The useful lives and depreciation rates assumed per asset category are set out below:

	Years of useful life	Depreciation rate
• Buildings	50	2%

2.8 Borrowing Costs

Underwriting, legal and other direct costs incurred in connection with the issuance of long-term debt adjust the carrying amount of the liability and are amortized using the effective interest rate method over the life of the debt. All borrowing costs are recognized as an expense when incurred. Cost of borrowing is added to the cost to the extent that relates to the construction period of the fixed assets.

2.9 Intangible assets

Trademarks and licenses

Trademarks and licenses are valued at cost less any accumulated depreciation. Depreciation is calculated using the straight line method during the useful life of the asset that is up to 10 years. Energy production licenses are valued at cost less any accumulated depreciation. Depreciation is calculated using the straight line method during the useful life of the asset that is between 40 – 50 years.

2.10 Impairment of assets except Goodwill

The intangible assets that have an infinite useful life and are not amortized are reviewed at least annually to determine whether there is an indication if impairment and the carrying amount.

Assets that are depreciated are tested of impairment each time there is an indication that the carrying amount is not recoverable.

The recoverable amount is the maximum between the net selling price representing the possible proceeds from the sale of an asset in an arms' length transaction, after deduction of any additional direct cost for the sale of the asset, and the value in use representing the discounted future net cash flows from the continuing use and ultimate disposal of an asset using an appropriate discount rate.

If the recoverable amount is less than the carrying amount the carrying amount is written down to the level of the recoverable amount.

An impairment loss is recognized in the income statement of the related period occurred except if the asset was adjusted in value, when the loss reduces the special value adjustment reserve.

When in subsequent periods the loss must be reversed the carrying amount of the asset is increased to of the reviewed estimated recoverable amount in the extent that the new carrying amount is not greater than the carrying amount that would result as if the impairment was never recorded in prior periods.

The reversal of an impairment loss is recognized as income in the income statement except for the case that the asset was value adjusted case in which the reversal of the impairment loss increases the related special value adjustment reserve.

In order to evaluate impairment losses, assets are integrated into the smallest units creating cash flows.

2.11 Financial instruments

Financial assets

Initial and subsequent measurement

Purchases and sales of financial assets are recognized at the date of transaction at which the entity is obliged to buy or sell the asset. The initial measurement is at fair value model plus any direct commission that derives from the transaction, except the instruments that are recognized at fair value with changes in net profit.

The subsequent measurement of the below financial instruments depends on the classification

a) Financial assets or liabilities measured at fair value through the statement of income

A financial asset or financial liability that meets either of the following conditions:

- Is classified as held for trading (including derivatives but excluding instruments designated for hedging purposes, acquired or designed for the purchase or repurchase purposes and finally those who are part of a portfolio including recognized financial instruments).
- Upon initial recognition it is designated by the entity as at fair value through the statement of income.
- On the balance sheet the transactions and the valuation at fair value are presented separately as derivative financial instruments. Changes in fair value of these derivatives are charged to the statement of income.

b) Held for trade financial assets

Available-for-sale financial assets include those non derivative financial assets that are designated in this category and cannot be classified in one of the above categories. Upon initial recognition the available-for-sale financial assets are valued at fair value and the related gains or losses are directly charged to reserves of equity until these assets are sold or characterized as impaired.

When sold or characterized as impaired the gains or losses are transferred to income. Impairment losses recognized in the statement of income are not reversed through the statement of income.

c) Receivables from customers

Accounts receivable are recognized and carried at originally invoiced amounts and subsequently are valued at amortized cost with the use of the effective interest rate less any impairment losses. Impairment losses (losses from doubtful accounts) are recognized when objective indication exists that the Group will be unable to collect all amounts due. The amount of impairment loss is the difference between the carrying amount of the receivables and the net present value of the discounted with the effective interest rate future cash flows. The amount of impairment loss is charged to the income statement. At each reporting period/date, all accounts receivable are assessed based on historical trends and statistical information and a provision is recorded for the probable and reasonably estimated loss for these accounts. The balance of such allowance for doubtful accounts is adjusted by recording a charge to the consolidated statement of income of the reporting period. All accounts receivable for which collection is not considered probable are written-off.

Derecognition of Financial asset:

Financial assets shall be derecognized when:

- The contractual rights for cash flows has ended

- The Group and the Company keeps the right for inflows although has take over an obligation to a third party to pay its total amount, without significant delay, in the form of contractual transaction. The Group and the Company has transferred the rights for inflows arising from the financial asset and at the same time has transfer all the risks and the benefits or has transferred the control of the abovementioned asset. Where the Group and the company has transferred the rights for inflows arising from the financial asset but has not transferred the risks and the benefits of this, then the financial asset is recognized as asset of Company's continuing engagement. The continuing engagement which has form of gurantee, is measured at its lowest of residual value and fair value less cost to sell.

When the continuing engagement is in the form of purchase or sale rights upon the financial assets, the continuing engagement rate of the company and the Group is the value of the transferred asset which the company and the Group can rebuy. With the exception of the right to sale, the instrument is measured at fair value and the continuing engagement of the Group and the Company are limited to the lower between the fair value and the call option.

Impairment of financial assets:

The Company and the Group has the right for impairment review at any time when there is significant evidence that the value of the asset is being reduced. For the financial assets that have been classified for trade, such evidence is the significant reduction of its fair value compared to acquisition cost in stable economic environment. If an impairment take place, is transferred to the statement of profit or loss.

Impairment loss arising from doubtful debts are recognized when evidence exists that the Group or the Company will not receive the above receivables. Receivables that are not expected to be received, are deleted.

Financial Liabilities

Initial recognition and measurement

The financial liabilities are financial liabilities in fair value from of the use results, borrowings and liabilities or derivative financial means, which have been characterized as effective hedging

The financial liabilities recognized at the fair value, and in case of borrowings, with the transaction cost which given at the acquisition or the issue of the liability. The financial liabilities of Group and company include commercial liabilities, other long term and short term liabilities, short term and long term borrowings.

The later of the initial recognition and measurement of the financial liabilities depends on the categories that have been classified.

Lending and Commercial Liabilities

The bank borrowings provide financing at the group and also the company's operations. The short term and the long term borrowings separated as with the applicable contracts, if the borrowings provided to be paid into the next twelve months or later.

After the first recognition, the borrowings measured at the depreciated cost by using the method of the real interest rate. Gain or loss recognized at the using results when the liabilities derecognized and during the depreciation by the method of the real interest rate. The depreciated cost calculated after taking into consideration the discount or the bonus at the acquisition and if there is any cost that may be part of the real interest rate. The depreciation included in the financial costs of the using results.

A) Financial Liabilities at the fair value

The financial liabilities at fair value contain the financial liabilities that separated about commercial purposes and have been recognized and characterized as financial liabilities at start. The financial liabilities classified as held for trading if acquired for the purpose of the short sale. This category includes

derivative financial means that have not been characterized as effective mean of hedge accounting. The gain or loss of liabilities that held for commercial purposes recognized at the results using.

Derecognition

A financial liability stops to be recognized as liability when is paid, or when the contract obligation stops to exist. Also, a financial liability stops to be recognized when is exchanged with another liability to the same lender, and the new one has different terms. Then recognized the new liability and their difference recognized at the results.

2.12 Offsetting of financial means

The financial assets and financial liabilities are offset and the net amount illustrated in the balance sheet if only the group or the company has this legal right and want to offset them in net base between each other, or to require the asset and to settle the liability at the same time.

Derivatives

Derivatives are called the forward purchase contracts and the interest rate swaps, which are used to manage the financial risk arising from Group's business.

All these derivatives are initially measured at fair value on the date of settlement and subsequently also at fair value.

Derivatives are reported as financial assets when their fair value is positive or as financial liabilities when their fair value is negative.

The fair value is designated from the value in active market or with the usage of evaluation in case no active market exists. Profit or loss arising from the change of derivative's fair value is reported on the statement of Profit or Loss in exception of the part of hedge accounting that has been recognised as compensation of cash flows and are reported in "Other total income"

2.13 Inventories

Inventories are stated at the lower of cost or net realizable value. The cost is determined using the annual weighted average cost method. Cost of inventories includes all cost and expenses to bring them to their current location. Borrowing costs are not included in the carrying amount of inventories. 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

2.14 Cash and cash equivalents

Cash, time deposits and other highly liquid, low risk investments with original maturities of three months or less are considered to be cash equivalents.

2.15 Share Capital

The common shares are classified in Equity.

Stock issuance costs, net of related deferred tax, are reflected as a deduction of Paid-in-Surplus. Stock issuance costs related to business combinations are included in the cost carrying amount.

The purchase cost of treasury shares less any income tax (if applicable) is presented as a deduction of equity unless the treasury shares are sold or cancelled. Gains or losses from the sale of treasury shares net of any direct transaction costs or income tax, if applicable, are presented as reserve in equity.

2.16 Income tax

Income Tax expense for the period consists of current and deferred taxes, i.e. the tax (or the tax discount) associated with income (or loss) that are reported, for accounting purposes, in the current period but will generate a tax liability or asset in future accounting periods. Income taxes are recognized in the statement of income, except for the tax that is related to transactions charged directly to equity. In the latter case, the tax is also charged directly to equity.

**Notes to the Financial Statements (Company and Consolidate
For the Year ended December 31, 2019**

(All amounts in Euro thousands unless otherwise stated)



Current income taxes are recognized based on taxable income of the period, in accordance with the Greek tax laws for each of the consolidated subsidiaries. The current income tax is based on taxable profits of the Group companies adjusted according to the requirements of tax legislation and is calculated with the current tax rate in force. Deferred income taxes have been provided using the liability method on all temporary differences arising between financial reporting and tax bases of assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse.

Deferred taxes are calculated using the liability method for all temporary tax differences as of the balance sheet date between taxable base and accounting base of the assets and liabilities.

Expected impacts from temporary tax differences are recognized and recorded either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against the above and can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The Group writes off deferred tax assets against deferred tax liabilities only if:

- The Company has a legal right to write off current tax assets against current tax obligations and
- The deferred tax assets and the deferred tax liabilities relate to income tax and are imposed by the same tax authority either:
 - To the same taxable entity or
 - To different taxable entities, that intends to write off the current tax obligations and assets or to settle the assets with the liabilities simultaneously in every future period in which significant amounts of deferred tax obligations or assets are expected to be settled.

2.17 Employee Benefits

a) Short term benefits

Short term employee benefits are recorded on an accrual basis.

b) Provisions for defined benefit plans

The programs for employee benefits concerning their service termination are included in defined benefit plans according to IAS 19 – “Employee benefits”. The obligations resulting from the defined benefit plans are calculated as the discounted fair value of the future benefits to employees accrued as of the balance sheet date. These obligations are calculated based on financial and actuarial assumptions. The net cost for the period / year is charged to the income statement and is comprised from the present value of accrued benefits during the period / year, the discounting of the future obligation, the cost of experience of service and actuarial gains or losses. Unrecorded cost of experience is recognized on a straight basis on the average remaining service time of the employees expected to receive benefits. For discounting purposes the interest rate of long term high quality corporate bonds is used.

According to the provisions of Law 2112/20 the Group pays compensation to employees dismissed or resigning depending on the length of service, their current remuneration and the reason for leaving (dismissal or retirement). The termination benefit in case of retirement amounts to 40% of the termination benefit in case of dismissal.

Termination benefits

Termination benefits are paid at the date of employees’ retirement. The Group recognizes these benefits when is obliged to pay or at the date of the service termination according with detailed plan which can not

be recalled. Termination benefits which are unpaid 12 months after the reporting period, are measured at the discounted value.

When the number of employees who are going to vest the service termination is unknown, a disclosure of contingent liability is being reported

2.18 Provisions

Provisions are recognized when the Group has a present obligation (legal or accrued) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be calculated. If the effect of time value of money is material, provisions are determined 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 balance sheet date and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed. Provisions are used only for expenditures for which they were originally recognized. Contingent assets and contingent liabilities are not recognized.

2.19 Revenue Recognition

Revenues consist of the fair value of the sale of goods and services, net of value-added tax, rebates and discounts. Revenue is recognized as follows:

- **Sale of goods:** Sales of goods are recognized when a Group entity has delivered products to the customer, net of rebates and discounts, the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- **Services:** Revenues from services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total cost.
- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method.
- **Dividend income:** Dividend income is recognized at the period approved by each entity's General Assembly Meeting.

2.20 Leases

Leases which transfer to the Company substantially all benefits and risks incidental to ownership of the item property are considered financial leases and are accounted for by the lessee as the acquisition of an asset and the incurrence of a liability. Financial charges are recognized directly to income. Finance leases, that transfer to the Group substantially all risk and benefits following the ownership of the leased asset are recorded as assets with amount equal to the initial lease amount, the fair value of the leased asset or if lower the present value of the minimum future lease payments. Lease payments are included in finance costs and deducted from the remaining liability, in such way that a constant interest rate applies to the remaining liability amount.

Leased assets are depreciated in the shorter time between useful life of the asset and the lease period.

Criterion for the classification of a lease as finance or operating is the type or transaction itself and not the type of agreement.

If from a lease agreement arises that the lessor substantially holds all benefits and risks incidental to ownership of the asset, it is classified as an operating lease by the lessee and the rental payments are recognized as an expense as incurred.

2.21 Dividend Distribution

Dividends payable to the shareholders are recognized and presented as liability in the period in which the General Assembly Meeting approves them.

2.22 Government Grants

Government grants are initially recognized as deferred income on the balance sheet, when the reimbursement of the grant is fairly secure and the Group has met its required obligations. Grants related to the Groups expenses are recognized as other operating income on a systematic base in the period the related expenses are recognized. Grants related to the purchase cost of the Group's assets are recognized as other operating income on a systematic base according to the useful estimated life of the asset.

2.23 Earnings per share

Basic earnings per share are computed by dividing net income that correspond to the minority shareholders by the weighted average number of shares outstanding during each period.

2.24 Long term Receivables / Payables

Long-term receivables and payables, which are interest free or bear interest significantly lower than the prevailing market rates, are recognized in their net present value. Differences between the present value and the face amounts are created as discount or premium and amortized as interest expense or income over the life of the receivable/payable.

2.25 Related parties

Related party transactions and balances are disclosed separately in the consolidated financial statements. Such related parties mainly refer to major shareholders management, companies with common ownership and/or management with the company and its consolidated subsidiaries, or other affiliates of these companies.

2.27 Capital Management

The Group's policy is the maintenance of a solid capital structure to have confidence of investors and creditors and to support its future growth. Management monitors Equity in its total excluding minority interests so that the ratio to liabilities subtracting the Company's deposits is approximately 3 to 1.

Based on the data of the balance sheets the ratio of liabilities to equity for the years 2015 and 2014 was 6,86 and 7,05 respectively for the Group and 2,54 and 2,48 for the parent Company.

The provisions of L. 2190/1920 impose the following restrictions concerning equity:

The purchase of treasury shares, except for the case of purchase for distribution to employees, cannot exceed 10% of the paid in share capital and cannot have as result the reduction of equity to a lower amount than the paid in share capital plus any reserves that are non distributable by law.

In case the share capital is below the ½ of the paid in share capital the Board of Directors has to invite the General Assembly of shareholders within 6 months from the end of the fiscal year to decide about the dissolution of the company or any other measure.

If the total equity is below 1/10 of the paid in share capital and the general assembly does not apply appropriate measures the company can be dissolved by court decision after the request of any party that has legal interest.

Yearly at least the 1/20 of net earnings is distributed to legal reserves that are used to compensate before any dividend distribution the debit balance of retained earnings. The distribution to reserves is not mandatory if its level is 1/3 of the paid in share capital.

The distribution of the yearly cash dividend is mandatory for 35% of the net earnings after the deduction of the legal reserve and the distribution to special valuation reserves from the fair value valuation of assets and liabilities at fair value. This is not applied if the general assembly of shareholders decides at least with 65% majority. In this case the not distributed dividend is presented in a special reserves account for capitalization and new shares are distributed without any charge to the beneficiaries' shareholders within four years. Finally, with 70% majority the general assembly can decide the non distribution of dividends.

The company is fully compliant with the related provisions imposed by law concerning equity.

3. Financial Risk Management

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks (including currency risk, fair value interest rate risk, cash flow risk and price risk), credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses in certain instances derivative financial instruments to hedge certain risk exposures but does not apply hedge accounting.

Risk management is carried out by the treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

The following sensitivity analysis of the results for the Group and the Company is based tax rate 24% for 2019 and 29% for 2018, respectively.

3.1.1 Market Risks

3.1.1.1 Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and JPY. Foreign exchange risk arises from commercial transactions, recognized assets and liabilities in currencies other than the functional currency of the Group the Euro.

On 31/12/2018, Profit after Tax and the equity for the Group and the Company would have been € -5 and €144 respectively (€-98 and €14 in 2017) (lower) / higher, if € was weaker / stronger than USD by 10%, with the other variables held constant mainly as a result of losses / gains from foreign exchange differences on the settlement of trade liabilities hedged by credit / debit exchange differences on the conversion of cash and cash equivalents.

On 31/12/2018, Profit after Tax and the equity for the Group and the Company would have been € 4 (€57 in 2017 for both the Group and the Company) (lower) / higher, if € was weaker / stronger than JPY by 10%, with the other variables held constant mainly as a result of gains / losses from foreign exchange differences on the collection of trade receivables and the conversion of cash and cash equivalents hedged by losses / gains on the settlement of trade liabilities.

On 31/12/2018, Profit after Tax and the equity for the Group and the Company would have been €2 and €1 respectively (€1 and €8 in 2017 for both the Group and the Company (lower) / higher, if € was weaker / stronger than GBP by 10% with the other variables held constant mainly as a result of gains / losses as result of gains / losses from foreign exchange differences on the collection of trade receivables and the conversion of cash and cash equivalents hedged by losses / gains on the settlement of trade liabilities.

3.1.1.2. Price Risk

The Group is exposed to price volatility risks resulting from investment in shares of listed companies, which for the purposes of preparing the Financial Statements are recognized as available for sales assets. In order to hedge this risk the Group diversifies its stock portfolio. Such diversification in the Group's portfolio is authorized by the Company's Board of Directors.

Shares of the portfolio are included in the General Index of the ASE. The following table shows the effect that an increase/decrease in the General Index of the ASE would have on equity of the Group for the fiscal year. The analysis is based on the assumption of increase/decrease of the General Index of the ASE by 21,14 %, with all other variables held constant and the shares held by the Group and the Company following exactly this change.

Equity would have changed by € 1 (€0 in 2018) as a result of gains /(losses) resulting from the evaluation of the held for trade financial instruments.

3.1.1.3 Cash Flow and Fair Value Interest Rate Risk

The Group has no significant interest-bearing assets and its income and operating cash flow are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long term and short term borrowing from banks in Euro with variable interest rates.

The Group analyses its interest rate exposure on a continuous basis taking into consideration the possibility of restructuring debt with alternative terms and types as well as the renewal of existing positions. Based on these alternatives the Group calculates the impact on significant medium- and long-term debt positions a shift in interest rates would have.

If on 31/12/18 its interest rates were higher than twenty(20) units both for the Group and company, as subsidiary R.F. ENERGY S.A. didn't have loans (the comparable year 2018 was increased by 2 units for RF ENERGY's group of companies and 86 units for the Company respectively) with the remaining variables remaining constant, after-tax profits and net worth would have been lower for the group by € 50 (€401 in 2018). This would be due to the higher financial cost of bank lending with a floating interest rate in €.

3.2 Credit Risk

Credit risk is managed on Group basis. Credit risk arises mainly from credit exposures to customers including accounts receivables. The commercial departments assess the credit quality of the customer taking into consideration its financial position, past experience and other factors and sets predefined credit limits that are monitored regularly, and each customer cannot exceed. Sales to retail customers are settled in cash. No credit limits were exceeded during the reporting period and management does not expect any material losses from non-performance of accounts receivables. Moreover, Company's receivables are distributed at a wide number of customers, and as a consequence, credit risk is significantly restricted.

The maximum exposure of both the Group and the Company to credit risk arising from commercial receivables on December 31, 2018, is analyzed at note 15.

3.3 Liquidity Risk

Liquidity risk management ensures sufficient cash and cash equivalents and secured credit ability through existing financing for working capital and issuance of letters of guarantee to suppliers, which amounted to €87.337 and € 87.262 for the Group and the Company respectively on 31/12/2019 (€ 116.958 and € 114.691 for the Group and the Company respectively on 31/12/2018).

The Group monitors and controls cash daily, taking into consideration expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows including interests and therefore may not reconcile to the amounts disclosed on the balance sheet.

Consolidated December 31, 2019	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings	15.722	2.000	5.500	8.915
Leasings	1.326	1.381	3.830	9.604
Trade and other payables	27.818	-	-	-
Total	44.866	3.381	9.330	18.519

Consolidated December 31, 2018	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings	15.958	8.260	31.245	15.535
Trade and other payables	21.209	-	-	-
Total	37.167	8.260	31.245	15.535

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows and therefore may not reconcile to the amounts disclosed on the balance sheet.

Company December 31, 2019	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings	15.647	2.000	5.500	8.915
Leasings	1.306	1.360	3.758	9.213
Trade and other payables	27.160	-	-	-
Total	44.113	3.360	9.258	18.128

Company December 31, 2018	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings	15.335	7.820	29.925	15.535
Trade and other payables	25.964	-	-	-
Total	41.299	7.820	29.925	15.535

4. Significant accounting estimates and assumptions

The preparation of consolidated financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Using the available information and the implementation of subjective evaluation are necessary in order to conduct forecasts. Actual results may differ from estimates and deviations can have serious impacts on the Financial Statements.

The Company / Group makes estimates and assumptions related to the outcome of future events. There are no estimates and assumptions that include significant risk able to require material adjustments to the carrying values of the assets and liabilities within the next 12 months. The estimates and assumptions of the management are under continuous review based on historical data and expectations of future events, that are believed to be appropriate based on the existing.

Recovery value of license for wind energy stations is calculated according the estimated use of value of these stations.

Fair value of the investments in real estate property is calculated according the current commercial value of this property.

The receivables from the customers are assumed that approximate their fair value due to the sort term nature of them. In cases of overdue receivables is recognized the financial gain or the impairment loss, which is included in these receivables. The impairment losses are calculated from the commercial departments of the Company according the customer solvency, taking in mind and his financial position.

a) Useful life of depreciable assets

The Company's management reviews the useful life of depreciable assets annually. On 31/12/2018, the management estimates that each asset's useful life represents its expected use.

b) Impairment of assets

The Group applies IAS 39 for the review of impairment in investments. For the determination of whether an investment has been impaired, the Group estimates, among others, whether the fair value of an investment is lower than its cost, which is an indication for impairment. Furthermore, the Group estimates the financial viability and short-term outlook, as long as the business policy and the potential of the investment.

c) Impairment of inventory

The Management conducts estimates to determine the appropriate impairment for inventory based on detailed breakdown of slow moving and obsolete items.

d) Provision for income taxes

The provision for income taxes according to IAS 12 is computed by estimating the tax amount which will be paid to the tax authorities, which includes the current income tax for each fiscal year and a provision for taxes that may arise in a tax audit. The total tax liability presented in the Statement of Financial Position requires significant estimations. The computation of income tax for particular transactions and calculations is uncertain. The Group recognizes liabilities for tax issues, based in calculations for whether or not there will be an additional tax expense. If the final tax result of this issues differs from the conducted provision, these differences affect the provision for income and deferred tax of the fiscal year they were made.

e) Provision for doubtful debt

The fair value of receivables from customers is considered to be the same with their book value, due to their short-term nature. If a receivable turn to overdue, probable losses are recognized. These losses on receivables are calculated by the Company's Commercial Department, based on assumptions for each customer's reliability and financial situation. The Company's Management periodically reviews the adequacy of these calculations regarding doubtful debt, in addition to the Company's credit policy and the relevant reports of the Legal Department, with regard to the processing of historical data and the progress of certain cases assigned.

f) Provision for employee benefits

Each year's provision for employee benefits is based in an actuarial study. This actuarial study requires assumptions on the discount rate, the annual wages' increase percentage, the raise in the consumers' price index and the remaining working life of the employees. These assumptions are significantly uncertain and, thus, the Management annually reassesses them.

g) Contingent Assets and Liabilities

The Group is involved in litigation and indemnification cases within its nature of business. The Management judges that these litigations would not significantly affect the Group's financial position on 31/12/2018. Despite that, the determination of contingent liabilities is a complex procedure which includes judgements regarding the consequences and interpretations of the Law and regulations. A different view in these judgements embraces the possibility of increase or decrease of the Group's contingent liabilities in the future.

i) Deferred tax assets on tax losses

Deferred tax asset is recognized for all tax losses carried forward to the extent that taxable profits will be available in the future to set the losses against. For the determination of the asset that could be recognized, very important assumptions and estimations are required by the Management, the most important of which is the expectation of taxable profits in the future, combined with the tax strategy that will be followed.

5. Operating Segments

The operating segments of Group are strategic units that sell different goods. They are monitored and managed separately by the Board of Directors, because these goods are of completely different nature, demand in the market and mixed profit margin.

Long Living Consumer Goods

The sector of durable consumer goods includes import and marketing air conditioners of all types, for domestic and professional use as well as white and black household appliances. It also includes the marketing of products mobile telephony as well as activities exclusively for services storage and repair of durable consumer goods

The geographic results of the Groups sales are analyzed as follows:

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1/1-31/12/2019	Long Living Consumer Goods	Energy	Total of continuing operations	Discontinued operations	Total
Parent company (sales on internal market)	44.034	-	44.034	-	44.034
Subsidiaries (sales on internal market)	-	80	80	5.886	5.966
Parent company (sales on external market)	50.078	-	50.078	-	50.078
Subsidiaries (sales on external market)	9.517	-	9.517	-	9.517
Sales within the Group	(6.029)	-	(6.029)	-	(6.029)
Total	97.600	80	97.680	5.886	103.566

1/1-31/12/2018	Long Living Consumer Goods	Energy	Total of continuing operations	Discontinued operations	Total
Parent company (sales on internal market)	31.460	-	31.460	23.968	55.428
Subsidiaries (sales on internal market)	-	10.254	-	10.254	10.254
Parent company (sales on external market)	46.832	-	46.832	-	46.832
Subsidiaries (sales on external market)	5.547	-	5.547	-	5.547
Sales within the Group	(24.631)	-	(24.631)	-	(24.631)
Total	59.208	10.254	59.208	34.222	93.430

This table refers to internal and external sales revenue from Greece. The company is doing business abroad via subsidiaries.

In the field of consumer durables for the year 2019, two customers from abroad with sales revenue amounting to € 7.781 and €3.729 (€5.708 and €2.800 in 2017) and two domestic customers with sales revenues amounting to €3.655 and € 3.582 (€4.036 and €842 in 2018).

6. Income

Analysis of the Groups' income:

	Group		Company	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Sales of goods	97.507	59.045	93.924	78.130
Sales of services	173	163	173	163
Total Sales	97.680	59.208	94.097	78.293
Other income	5	86	5	43
Total of continuing operations	97.685	59.294	94.102	78.336
Discontinued operations	5.888	34.863	-	-
Total	103.573	94.157	94.102	78.336

Total sales revenue of F.G EUROPE S.A. for 2019 amounted to € 97.680 against sales revenue of €59.208 in the corresponding period of 2018, increased by 65 %.

The increase of total sales, of the one part, is mainly attributed to the Italy's market, where the company sold inventories amounting to €16.343 to the associate FUJITSU GENETAL COMERCIAL AIR CONTITIONING ITALIA SPA as a part of the agreement for the transfer of its 49%.(notes1.3.1) and of the other part, is attributed to Balkans' market where the sales revenue were increased by 31% due the positive economic conditions. (positive growth rate higher than 3%) and also due the favorable weather conditions of the year 2019.In the internal market, there was an increase in the air conditioner sales due the favorable weather and economic conditions(positive growth rate higher than 2%). The increase of 51% in

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white appliance sales, in exception of the favorable economic conditions, is a result of the addition of Hitachi brand to Company's portfolio.

7. Expenses

Finance income and expenses are analyzed as follows:

Consolidated

Table of allocation of expenses for the year ended December 31, 2019					
Financial costs:	Cost of Sales	Administrative expenses	Distribution expenses	Other expenses	Total
Personnel expenses	(105)	(1.913)	(3.402)	-	(5.420)
Third party expenses	-	(472)	(725)	-	(1.197)
Supplies	-	(421)	(2.369)	-	(2.790)
Taxes and duties	-	(143)	(275)	-	(418)
Various expenses	(3)	(408)	(4.610)	(230)	(5.251)
Depreciation of fixed assets	-	(216)	(1.729)	-	(1.945)
Provisions	(107)	-	(535)	-	(642)
Inventories	(75.668)	-	-	-	(75.668)
Total of continuing operations	(75.883)	(3.573)	(13.645)	(230)	(93.331)
Discontinued operations	(2.921)	(124)	-	(7)	(3.052)
Total	(78.804)	(3.697)	(13.645)	(237)	(96.383)

Consolidated

Table of allocation of expenses for the year ended December 31, 2018					
Financial costs:	Cost of Sales	Administrative expenses	Distribution expenses	Other expenses	Total
Personnel expenses	(85)	(1.586)	(2.881)	-	(4.552)
Third party expenses	-	(231)	(1.195)	-	(1.426)
Supplies	-	(639)	(5.458)	-	(6.097)
Taxes and duties	-	(67)	(239)	-	(306)
Various expenses	-	(478)	(2.246)	(38)	(2.762)
Depreciation of fixed assets	-	(108)	(132)	-	(240)
Provisions	(421)	-	(301)	-	(722)
Inventories	(40.782)	-	-	-	(40.782)
Total of continuing operations	(41.288)	(3.109)	(12.452)	(38)	(56.887)
Discontinued operations	(26.278)	(948)	(3.392)	(6)	(30.624)
Total	(67.566)	(4.057)	(15.844)	(44)	(87.511)

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Company					
Table of allocation of expenses for the year ended December 31, 2019					
Financial costs:	Cost of Sales	Administrative expenses	Distribution expenses	Other expenses	Total
Personnel expenses	(106)	(1.262)	(2.828)	-	(4.196)
Third party expenses	-	(66)	(506)	-	(572)
Supplies	-	(285)	(2.300)	-	(2.585)
Taxes and duties	-	(59)	(275)	-	(334)
Various expenses	-	(272)	(4.319)	(2)	(4.593)
Depreciation of fixed assets	-	(155)	(1.704)	-	(1.859)
Provisions	(103)	-	(354)	-	(457)
Inventories	(74.722)	-	-	-	(74.722)
Total	(74.931)	(2.099)	(12.286)	(2)	(89.318)

Company					
Table of allocation of expenses for the year ended December 31, 2018					
Financial costs:	Cost of Sales	Administrative expenses	Distribution expenses	Other expenses	Total
Personnel expenses	(85)	(1.058)	(2.276)	-	(3.419)
Third party expenses	-	(58)	(472)	-	(530)
Supplies	-	(472)	(5.429)	-	(5.901)
Taxes and duties	-	(51)	(239)	-	(290)
Various expenses	-	(177)	(1.935)	(19)	(2.131)
Depreciation of fixed assets	-	(73)	(72)	-	(145)
Provisions	(552)	-	(152)	-	(704)
Inventories	(61.068)	-	-	-	(61.068)
Total	(61.705)	(1.889)	(10.575)	(19)	(74.188)

The various costs relate mainly to transport costs and advertising costs.

The increase in the cost of sales at the group and company level ,in one hand , is a result of the reduction in the gross profit margin (22,3% in 2019 against 30,3% in 2018)and (20,4% in 2019 against 21,0% in 2018) and at the other hand, due to the increase in sales.

7.1 Personnel expenses

The personnel expenses are analyzed as follows:

	Group		Company	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Salaries and wages	(4.171)	(3.685)	(3.272)	(2.592)
Employers' social security contributions	(1.023)	(760)	(707)	(633)
Other compensation	-	(14)	-	-
Retirement benefits	(226)	(177)	(217)	(194)
Total of continuing operations	(5.420)	(4.636)	(4.196)	(3.419)
Discontinued operations	(140)	(1.442)	-	-
Total	(5.560)	(6.078)	(4.196)	(3.419)

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7.2 Finance income and expenses

Finance income and expenses are analyzed as follows:

	Group		Company	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Financial costs:				
Interest and similar expenses	(2.430)	(3.284)	(2.365)	(3.232)
Related interest expenses	(116)	(269)	(105)	(174)
Bank charges and commissions	(114)	(49)	(81)	(49)
Exchange differences	(848)	(5.944)	(142)	(533)
Leasing Interests	(1.354)	-	(1.335)	-
Devaluation of investments and securities	-	(1)	(2.565)	(1)
Results from associates	(191)	-	-	-
Prepaid interest of the actuarial research	(9)	(8)	(9)	(8)
Total Financial costs of continuing operations	(5.062)	(9.555)	(6.602)	(3.997)
Total Financial costs of discontinued operations	(91)	(571)	-	-
Total Financial costs	(5.153)	(10.126)	(6.602)	(3.997)
Financial income:				
Interest and similar income	78	10	8	8
Gains from sale of securities	2	2	9.285	-
Foreign exchange differences	588	5.122	195	742
Valuation of Derivatives to cover the exchange risks	-	194	-	74
Total Financial income of continuing operations	668	5.328	9.488	824
Total Financial income of discontinued operations	46.381	6	-	-
Total Financial income	47.049	5.334	9.488	824
Total Financial costs of continuing operations	(4.394)	(4.535)	2.886	(3.113)
Total Financial costs of discontinued operations	46.290	(257)	-	-
Total	41.896	(4.792)	2.886	(3.113)

The Group's subsidiaries, FG EUROPE klima Teknolojileri (Turkey) and FG UK, operates transactions in foreign currency therefore they report exchange differences. The Turkish subsidiary reported loss from exchange differences amounting to € 306 while in the comparative period 2018 had reported € 937. At the same time the English subsidiary reported loss from exchange differences amounting to € 6 against € 38 in the comparative period 2018

7.3 Provisions

The provision expenses are analyzed as follows:

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Consolidated		
Provisions	1/1 - 31/12/2019	1/1 - 31/12/2018
Bad depts.	(513)	(236)
Inventories' depreciation	(107)	(533)
Other	(22)	-
Total	(642)	(769)

Consolidated		
Provisions	1/1 - 31/12/2019	1/1 - 31/12/2018
Bad depts.	(354)	(152)
Inventories' depreciation	(103)	(552)
Total	(457)	(704)

8. Income taxes

The parent company and its subsidiaries have not been audited by the tax authorities for the following fiscal years:

Company	Unaudited fiscal years
• F.G. Europe S.A.	2014 to 2019
• R.F. Energy S.A.	2014 to 2019
• City Elektrik S.A	2014 to 2019
• R.F. Energy Omalies S.A.	2014 to 2019
• F.G. Europe Klima Teknolojileri Sanayive Ticaret A.S.	Unaudited from inception (2014)
• F.G. EUROPE U.K. L.T.D.	Unaudited from inception (2017)

According to par 5, article 82 of law 2238/1994 and POL 1159/2011, statutory auditors and audit firms carry out statutory audits on public limited companies and limited liability companies which are obliged to issue annual certificate. This certificate is issued after audit, regarding the implementation of tax provisions for specific tax issues. Tax infringements, as well as non-performance and incorrect performance of taxes recorded in the books during audit, are referred in detail in the certificate. Public limited companies and limited liability companies are subject to tax audit by statutory auditors for the annual financial statements from 30/06/2011 onwards.

For the years 2011, 2012 and 2013, the companies of the Group operating in Greece and are subject to tax audit by statutory auditors, according to par 5, article 82, law 2238/1994, received Tax Compliance Report, without any substantial differences to arise.

On the 31/12/19, the reporting periods until 31/12/13 have been deleted according with par.1 of article 36 of law 4174/2013, with the exceptions provided by the Hellenic legislation for the extension of the tax authority for issuing estimated and remedial actions for such cases.

For the tax audit of fiscal year 2014, 2015, 2016, 2017 the companies of the Group operating in Greece and meet the relevant criteria for falling under the tax audit of Certified Auditors provided by the provisions of par. 65A, par.1, law 4174/2013, received Tax Compliance Report, without any substantial differences to arise.

The above entities has received tax compliance report for the periods 2011-2013, while for period 2014 and after based on the modification of the law 4174/2013 article.65a par.1 don't comply the criteria any more

For use in 2019, special audit is in progress and is not to be expected, at the time of its completion, to result in differences with differentiation in tax liabilities in the financial statements. According to the recent legislation, the control and issuance of tax certificates is valid for uses 2016 and onwards, on a voluntary basis.

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The Company's administration estimates that in case of potential future audit from the tax authorities no additional tax differences will arise.

Income taxes as presented in the financial statements are analyzed as follows:

	Group		Company	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Income tax (current period)	(1.942)	(456)	(1.942)	(293)
Deferred tax	1.645	(1.279)	(1.459)	106
Adjustment of deferred taxes, because of the tax's rate change	(513)	509	(432)	(327)
Income taxes at the results of the continuing operations	(810)	(1.226)	(3.833)	(514)
Income taxes at the results of the Discontinued operations	(13.632)	(80)	-	-
Income taxes	(14.442)	(1.306)	(3.833)	(514)

The income tax related to the Group's and Company's earnings is different from the net amount that would have resulted if the tax rate was only applied.

The calculation is as follows:

	Group		Company	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Profit before taxes	49.086	1.854	7.670	1.035
Tax rate	24%	29%	24%	29%
Tax at the corporate income tax rate	(11.781)	(538)	(1.841)	(300)
Tax effects from:				
Non tax deductible income	-	187	-	-
Non tax deductible expenses	(57)	(133)	(29)	(43)
Non-recognized fiscal losses	(135)	(209)	(708)	(53)
Non-recognized fiscal gains	-	209	-	209
De-recognition of deferred requirement	(792)	(1.085)	(824)	-
fiscal losses offset	834	-	-	-
permanent differences	(1.998)	-	-	-
effect of the tax's rate change	(448)	509	(431)	(327)
Effective income tax for the year	(14.377)	(1.060)	(3.833)	(514)
Adjustment of deferred taxes, because of the tax's rate change	(65)	(246)	-	-
Tax charge	(14.442)	(1.306)	(3.833)	(514)

The corporate income tax rate in Greece was set at 24% for 2019 and 29% for 2018

9. Property, plant and equipment and intangible assets

Property, plant and equipment are analyzed as follows:

Fixed Assets							
Group	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	Total
January 1, 2018							
Value at cost	1.087	10.424	70.660	463	1.511	2.920	87.065
Accumulated depreciations	-	(4.660)	(33.735)	(378)	(1.078)	-	(39.851)
Net book value	1.087	5.764	36.925	85	433	2.920	47.214
January 1 to December 31, 2018							
Additions	-	-	1	-	70	-	71
Exchange differences	-	(6)	-	-	(38)	-	(44)
Value at cost from discontinued operations	-	(72)	(1)	-	(184)	-	
Disposals	-	-	-	(103)	-	(20)	(123)
Depreciations	-	(576)	(4.409)	(25)	(115)	-	(5.125)
Accumulated depreciations from discontinued operations	-	34	-	-	75	-	
Exchange differences	-	4	-	-	16	-	20
Depreciations of disposals	-	-	-	101	-	-	
December 31, 2018							
Value at cost	1.087	10.346	70.660	360	1.359	2.900	86.712
Accumulated depreciations	-	(5.198)	(38.144)	(302)	(1.102)	-	(44.746)
Net book value	1.087	5.148	32.516	58	257	2.900	41.966
January 1 to December 31, 2019							
Additions	-	24	8	12	105	1.209	1.358
Value at cost from discontinued operations	(10)	(10.003)	(70.398)	(2)	(51)	(14)	(80.478)
Assets Deletion	-	(33)	-	-	-	-	(33)
Disposals	-	-	-	(93)	-	-	(93)
Depreciations	-	(12)	(41)	(22)	(90)	-	(165)
Accumulated depreciations from discontinued operations	-	(278)	(2.191)	-	(5)	-	(2.474)
Exchange differences	-	5.233	40.250	2	48	-	45.533
Depreciations of disposals	-	-	-	94	-	-	94
December 31, 2019							
Value at cost	1.077	334	270	277	1.413	4.095	7.466
Accumulated depreciations.	-	(255)	(126)	(228)	(1.149)	-	(1.758)
Net book value	1.077	79	144	49	264	4.095	5.708

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Fixed Assets		Investments in real estate		Intangible assets		
Group	Land	Buildings	Total	License for wind energy	Licenses	Total
January 1, 2018						
Value at cost	48	241	289	7.113	1.297	8.410
Accumulated depreciations	-	(53)	(53)	(1.385)	(584)	(1.969)
Net book value	48	188	236	5.728	713	6.441
January 1 to December 31, 2018						
Additions	-	-	-	-	3	3
Depreciations	-	(4)	(4)	(179)	(106)	(285)
December 31, 2018						
Value at cost	48	241	289	7.113	1.300	8.413
Accumulated depreciations.	-	(57)	(57)	(1.564)	(690)	(2.254)
Net book value	48	184	232	5.549	610	6.159
January 1 to December 31, 2019						
Value at cost from Discontinued operations	-	-	-	(7.113)	(1.291)	(8.404)
Depreciations	-	(4)	(4)	(33)	-	(33)
Depreciations from Discontinued operations	-	-	-	(156)	(6)	(162)
Accumulated depreciations from Discontinued operation	-	-	-	1.753	690	2.443
December 31, 2019						
Value at cost	48	241	289	-	9	9
Accumulated depreciations.	-	(61)	(61)	-	(6)	(6)
Net book value	48	180	228	-	3	3

Fixed Assets with right to use				
Group	Buildings	License for wind energy	Vehicles	Total
December 31, 2018				
Value at cost	-	-	-	-
January 1 to December 31, 2019				
Additions	16.420	525	435	17.380
Depreciations	(1.612)	(32)	(141)	(1.785)
December 31, 2019				
Value at cost	16.420	525	435	17.380
Accumulated depreciations.	(1.612)	(32)	(141)	(1.785)
Net book value	14.808	492	294	15.594

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Fixed Assets							
Company	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	Total
January 1, 2018							
Value at cost	5	320	261	460	963	20	2.029
Accumulated depreciations	-	(208)	(75)	(376)	(782)	-	(1.441)
Net book value	5	112	186	84	181	20	588
January 1 to December 31, 2018							
Additions	-	-	1	-	46	-	47
Disposals	-	-	-	(102)	-	(20)	(122)
Depreciations	-	(12)	(26)	(23)	(80)	-	(141)
Depreciations of disposals	-	-	-	101	-	-	101
December 31, 2018							
Value at cost	5	320	262	358	1.009	-	1.954
Accumulated depreciations.	-	(220)	(101)	(298)	(862)	-	(1.481)
Net book value	5	100	161	60	147	-	473
January 1 to December 31, 2019							
Additions	-	24	3	3	75	-	105
Disposals	-	-	-	(93)	-	-	(93)
Depreciations	-	(14)	(25)	(20)	(58)	-	(117)
Depreciations of disposals	-	-	-	91	-	-	91
December 31, 2019							
Value at cost	5	344	265	268	1.084	-	1.966
Accumulated depreciations.	-	(234)	(126)	(227)	(920)	-	(1.507)
Net book value	5	110	139	41	164	-	459

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Fixed Assets	Investments in real estate			Intangible assets	
Company	Land	Buildings	Total	Licenses	Total
January 1, 2018					
Value at cost	48	241	289	5	5
Accumulated depreciations	-	(53)	(53)	(2)	(2)
Net book value	48	188	236	3	3
January 1 to December 31, 2018					
Additions	-	-	-	1	1
Depreciations	-	(4)	(4)	-	-
Exchange differences	-	-	-	-	-
December 31, 2018					
Value at cost	48	241	289	6	6
Accumulated depreciations.	-	(57)	(57)	(2)	(2)
Net book value	48	184	232	4	4
January 1 to December 31, 2019					
Disposals	-	-	-	-	-
Depreciations	-	(4)	(4)	(1)	(1)
December 31, 2019					
Value at cost	48	241	289	6	6
Accumulated depreciations.	-	(61)	(61)	(3)	(3)
Net book value	48	180	228	3	3

Fixed Assets with right to use			
Group	Buildings	Vehicles	Total
December 31, 2018			
Value at cost	-	-	-
January 1 to December 31, 2019			
Additiond	16.420	435	16.855
Depreciations	(1.611)	(142)	(1.753)
December 31, 2019			
Value at cost	16.420	435	16.855
Accumulated depreciations.	(1.611)	(142)	(1.753)
Net book value	14.809	293	15.102

There are no charges on the Company's fixed assets

The "assets under Construction" are related to expenses for the construction of Subsidiaries' wind farm

Intangible Assets and goodwill

The intangible assets concern wind energy production license of the subsidiary R.F. ENERGY S.A. and other rights of use software.

Environmental Restoration

According to Greek Corporate law, the Company at the end of the Production License, if it does not be renewed, is obliged to take the equipment of the wind parks, and to restore the place as it was.

Environmental Restoration	
31/12/2018	2.152
reductions of discontinued operations	(2.152)
31/12/2019	-

The amount of € 105 of the annual change of the environmental restoration about the wind parks, included at the equipment acquisition value of the Group.

10. Long term receivables

Long term receivables are analyzed as follows:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Receivable on given guarantees on financial assets	6.730	9.196	6.730	9.196
Given guarantees for rentals	649	644	556	556
Other given guarantees	8	4	5	4
Total	7.387	9.844	7.291	9.756

The receivable on given guarantees on financial assets concerns a signed agreement for the coverage of any contingent losses from the valuation of financial assets with a nominal value of €6.730.

11. Available for Sale Financial Instruments

The available for sale financial assets contain shares listed in the Athens Stock Exchange that were valued with closing prices of December 31, 2019 (1st level) as well as companies, not listed, that were valued at cost and tested for impairment annually via financial results, due to the fact that fair value cannot be measured reliably. During 2019, there has not been any change in the classification of available for sale financial assets.

Fair value of financial assets

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets through valuation techniques.

Level 1: Investments at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Investments at fair value by using valuation techniques in which all inputs that affect significantly the fair value are based (either directly or indirectly) on observable market data.

Level 3: Investments at fair value by using valuation techniques in which all inputs that affect significantly the fair value are not based on observable market data.

The following table reflects the financial assets and liabilities presented at fair value on 31/12/2018 for the Group and the Company:

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Financial assets	Level 1	Total
Available for Sale Financial Instruments – ASE Listed Companies	3.439	3.439
Total	3.439	3.439

Within the fiscal year 2016 there were not transfers between level 1 and 2.

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
ASE Listed companies	3.439	973	3.439	973
ASE non-listed internal companies	32	32	32	32
Total	3.471	1.005	3.471	1.005

	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Balance at 01/01	1.004	1.090	1.004	1.090
Additions	-	2.000	-	2.000
Change of fair value through the results	2.467	(2.085)	2.467	(2.085)
Balance at 31/12	3.471	1.005	3.471	1.005

12. Inventories

The Company's and group's inventory is analyzed as follow:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Merchandise	28.729	45.894	26.983	43.469
Provision	(1.358)	(1.251)	(1.313)	(1.210)
Total	27.371	44.643	25.670	42.259

The noted decrease in -air conditioner- inventories is mainly due to the Group's business disruption in Italy after the sale of the 51% participation stake of FG ITALIA SPA(note1.3.1

The provision of the depreciated stocks is as follows

	Group	Company
Remaining stocks depreciated preview 31.12.2017	(927)	(658)
Reductions of discontinued operations	209	-
Expense chargeable period 01.01.-31/12/2018	(533)	(552)
Remaining stocks depreciated preview 31.12.2018	(1.251)	(1.210)
Expense chargeable period 01.01.-31/12/2018	(107)	(103)
Remaining stocks depreciated preview 31.12.2018	(1.358)	(1.313)

The impairment of inventories from book value to net realisable value affects the "Cost of Sales".

13. Receivables and prepayments

The account of receivables and prepayments is as follows:

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	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Customers	30.040	26.950	33.746	26.121
Postdated customers' cheques	5.094	5.072	5.094	5.072
Customers' bills	1.432	626	25	-
Provisions of doubtful Customers	(8.124)	(8.060)	(7.863)	(7.958)
	28.442	24.588	31.002	23.235
Other debtors	10.491	9.070	9.373	8.897
Total	38.933	33.658	40.375	32.132

The balance of the Group's and the Company's Trade Receivables on 31/12/2019 is increased by 15.0% and 33,4% respectively, compared to 2018, mainly due to the increase in sales at group and company level. The next few months, with the liquidation of the requirements, the remainder of the customers is expected to decrease significantly (Note 7).

The provision of bad debts is as follows:

	Group	Company
Prediction's balance for insecure clients 31.12.2017	(4.667)	(4.510)
Change in accounting policy (Note 2)	(3.296)	(3.296)
Adjusted balance 01.01.2018	(7.963)	(7.806)
Reductions of discontinued operations	139	-
Expense chargeable period 01.01.-31/12/2018	(236)	(152)
Prediction's balance for insecure clients 31.12.2017	(8.060)	(7.958)
Deletion of the insecure clients' prediction	449	449
Expense chargeable period 01.01.-31/12/2018	(513)	(354)
Prediction's balance for insecure clients 31/12/2018	(8.124)	(7.863)

The provisions for the insecure clients of the company and of the group influenced the "distribution expenses"

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Ageing of trade receivables				
0 - 30 days	5.447	8.929	3.993	6.821
31 - 60 days	7.331	4.733	6.691	3.874
61 - 90 days	2.078	4.458	3.616	3.171
91 - 120 days	3.153	3.450	2.804	2.236
121 - 150 days	893	1.057	647	944
151 - 180 days	4.251	1.049	4.833	1.438
181 - 360 days	5.722	1.396	7.748	4.914
Non – overdues trade receivables	28.875	25.072	30.332	23.398
361 + days	7.574	6.798	7.734	6.798
Impairment provision	(8.187)	(8.060)	(7.863)	(7.897)
Overdues trade receivables	(433)	(484)	670	(163)
Total receivables	28.442	24.588	31.002	23.235

Both trade and other receivables are classified into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

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	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Greek state - requirement of taxes	1.122	1.536	837	793
Blocked deposits	515	515	-	-
Requirement for grants	-	-	-	-
Prepayments	3.020	3.771	3.020	5.337
Prepaid expenses	573	566	239	110
Downpayments for stock purchases	1.608	566	1.608	566
Receivables from assigned securities	3.629	2.028	3.629	2.028
Other	24	88	40	63
Total	10.491	9.070	9.373	8.897

Customer accounting and other receivables do not differ materially from their values.

Impairment of financial assets

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses according to which the provision for each loss is always measured at the amount of the expected lifetime loss for commercial and other receivables.

In order to measure expected future credit losses, the group divides the bonuses on the basis of their maturity, as shown in the above table. The loss rate for each category was estimated based on historical data and current conditions. It is noted that the expected credit loss rate for the above requirements over the year was estimated at 100%.

The results of the new standard on 1/1/2018 were to increase the Group's projections for impairment by € 3.3 million with a corresponding impact on the opening of the account << Income of Income >>. Accordingly, for the year 2018 the amount for the group and the company reached € 236 and € 152 respectively

14. Cash and cash equivalents

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Cash in hand	5	11	2	2
Bank deposits	24.382	2.590	3.463	1.292
Total	24.387	2.601	3.465	1.294

Cash and cash equivalents comprise petty cash of the group and the company and short-term bank deposits.

15. Share Capital

The company's share capital amounts to € 15,840 and is divided into 52,800,154 ordinary registered shares with a nominal value of €0,30 each (amount in Euro).

It is noted that the weighted average number of shares outstanding during the year 2019 is 52,800,154 shares.

16. Share premium

The share premium from issuing shares above par, according to L.2190/1920 articles 12, 14, is formed when shareholders acquired shares at a price higher than their nominal value. This difference does not represent a reserve since it is not created from undistributed profits, but from payments of shareholders.

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On December, 31 the difference from share premium amounted for the Group and the Company to €6,731.

17. Reserves

The movements in the reserves of the Group and the Company are presented in the following table:

Group					
Reserve	1/1/2018	Additions / (reductions)	31/12/2018	Additions / (reductions)	31/12/2019
Legal reserve	4.396	118	4.514	(391)	4.123
Actuarial gains / (losses)	(123)	73	(50)	149	99
Exchange differences	(520)	(173)	(693)	(5)	(698)
Other	-	(4)	(4)	120	116
Total Reserves	3.753	14	3.767	(127)	3.640

Company					
Reserve	1/1/2018	Additions / (reductions)	31/12/2018	Additions / (reductions)	31/12/2019
Legal reserve	4.004	-	4.004	37	4.041
Actuarial gains / (losses)	(107)	71	(36)	138	102
Other	(5)	-	(5)	-	(5)
Total Reserves	3.892	71	3.963	175	4.138

17.1 Legal Reserve

According to the provisions of the Greek company legislation the transfer of 5% of the net annual profits to form the legal reserve is obligatory until this reserve amounts to $\frac{1}{3}$ of the share capital. The legal reserve is only distributable in case of dissolution of the company but can be offset with accumulated losses.

18. Trade and other payables

Trade and other payables are analyzed as follows:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Suppliers	13.702	13.393	13.536	12.574
Cheques payables postdated	1.373	545	1.373	545
Accrued expenses	162	232	120	180
Accrued Interest	83	377	83	375
Derivatives	-	14	-	-
Returnable capital to shareholders	-	5.336	-	-
Prepayments	1.830	1.560	1.830	1.560
Tax provision for unaudited fiscal years	23	54	-	-
Payable dividends	27	27	27	27
Payables to related parties	1.500	3.435	9.500	10.478
Refundable subsidy	-	1.042	-	-
Taxes	237	268	170	96
Other short term obligations	305	136	207	129
Total	19.242	26.419	26.846	25.964

The reduction in trade and other liabilities at 31/12/2019 compared to 2018 at group level, is a result of the return on capital amounted to € 5.337 of RF ENERGY'S subsidiary

19. Loans

The company's borrowings at 31/12/18 analyzed as follows:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Long term borrowings				
Bonded loan	31.294	61.607	31.294	59.491
Long term debt payable within the next 12 months	(14.879)	(8.812)	(14.879)	(8.389)
	16.415	52.795	16.415	51.102
Short term borrowings				
Short term of long term borrowings	14.879	8.812	14.879	8.389
Short term borrowings	843	6.470	768	6.319
	15.722	15.282	15.647	14.708

Within 2019, the Group and the Company entered into credit agreement with overdrafts with an average interest rate of 4.06% and received short-term financing from banks, pledging receivables from customers of €4.740.

According to the Decision of the BoD on 8/3/2018 the company issued a Common Bond Loan of € 40.980. On March 9, 2018 the program and the loan cover agreement with the banks EURO BANK, PIRAEUS, ALPHA BANK and NBG were signed with participation rates of 34,69%, 31,04%, 24,81% and 9,46% respectively. The purpose of the loan is to refinance the existing long-term and short-term bank lending and to cover the company's needs in terms of capital. The loan was disbursed in March 2018 and is 5 years. Repayment of the loan will be made in 10 six-monthly installments of € 3.889, two installments of € 2.500, two installments of € 3.000, two installments of € 3.500, a grant of € 3.823 and the last installment of € 11.379. The first loan of the loan in excess of interest has been repaid until 31/12/18. The interest rate on the loan was agreed on EURIBOR with a marginal margin of 4.5%. The margin on the basis of the current indices ranges from 3.5-4.5%. The loan is covered by Mr. G. Fedakis' personal guarantee and pledging of its reserves of a company of € 10000 (from 11/10/2019 increased to € 15.000). Based on the COS coverage agreement, the company is required to observe the indices calculated in the annual and six-month financial statements. During August 2019, the company prepaid the amount of € 15.500 which reduced the remaining amount of the loan to €11.379. During 2019, the company keep no one of the above ratios, as a result the remaining amount of the loan has been reported in short-term liabilities according to the related paragraphs 74-75 of IAS 1.

Within 2016, the Company issued a common Bond Loan of €20,000 and signed the relevant Bond Purchase Agreement and Program with ATTICA BANK, which undertook 100% of the Bonds being the sole Bondholder and Agent. The purpose of the Bond Loan is the repayment of other short-term loans, raised by the Company as working capital. The duration of the Loan is ten years, with the possibility of a three year extension provided by the contract. The applicable interest is set at EURIBOR plus margin 3.6%. The loan is secured with the personal guarantee of Mr Georgios Fidakis. The repayment of the Loan will be made in ten- or thirteen- annual instalments, starting from 31/03/2017. Until 31/12/19, the three initial installments have been paid, plus an amount of € 500 that has been prepaid reducing the latest installment.

The remaining amount of the Bond Loan is €18.400.

Within 2016, specifically on 05/08/2016, the Company issued a Bond Loan of €5,000 and signed the relevant Bond Purchase Agreement and Program with Piraeus Bank, which undertook 100% of the Bonds

being the sole Bondholder and Agent. The purpose of the Loan is the financing of stock purchase for an amount of €5,000 and the interest, paid in a quarterly basis, is set at EURIBOR plus margin 6.00%. In March 2018 the 4th loan was fully paid up and on March 26, 2018 signed a change in the terms of its original contract, with the issuance of a new medium-term loan amounting to € 3000. The duration of the new loan is set for two years, the repayment of the capital will be made in three six-month installments (€ 750 on 30/4/19, € 750 on 30/10/19 and € 1500 on 30/4/2020) and the amount interest rate was set at EURIBOR of a marginal 4.5%. The two initial installments plus interest have been paid until 31/12/19. The loan is covered by a pledged deposit of € 3000. The remaining amount of the bond loan is € 1.500.

The fair value of the above bond loans is almost equal with their nominal value and the effective interest rate for the rest of the short term loans is almost 4,06%.

20. Government Grants

	<u>Group</u>
1/1/2018	
Subsidies granted	27.143
Accumulated amortization of grants	(12.703)
Net book value 01/01/2018	<u>14.440</u>
01/01-31/12/2018	
Depreciations	(1.704)
31/12/2018	
Subsidies granted	27.143
Accumulated amortization of grants	(14.407)
Net book value 31/12/2018	<u>12.736</u>
01/01-31/12/2019	
Subsidies granted from discontinued operations	(27.143)
Amortization of grants from discontinued operations	(852)
Accumulated amortization of grants from discontinued operations	15.259
31/12/2019	
Subsidies granted	-
Accumulated amortization of grants	-
Net book value 31/12/2019	<u>-</u>

The RF Energy's subsidiaries has held grants depreciations until 30/06/20019 where their sale took place.

The subsidiary company KALLISTI ENERGIAKI S.A., received the approved state subsidy for its investment. The amortization of subsidies granted for the development of the wind park in location "Tsouka" in Municipalities of Skiritida and Valtetsi in Arkadia Prefecture, amounted to €239 during the current fiscal year.

The subsidiary company AIOLIKI KYLINDRIAS S.A. received the approved state subsidy for its investment. The amortization of subsidies granted for the development of the wind park in location "Lofoi Kylindrias" in Municipality of Doirani in Kilkis Prefecture, amounted to €100 during the current fiscal year.

The amortization of subsidies granted on behalf of the subsidiary HYDROELECTRICAL ACHAIAS S.A. for the development of a small hydro electrical station in location "Boufouskia" in Municipality of Aigio, amounted to €36 during the current fiscal year. The subsidiary also operates small hydro electrical station in location "Agios Andreas", the amortization of subsidies granted for which, amounted to €11 for the current fiscal year.

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The subsidiary company AIOLIKI ADERES S.A. amortizes subsidies granted, which amounted to €485 in the current fiscal year.

21. Deferred Taxes

Deferred tax assets are offset with deferred tax liabilities when a legal right for offsetting exists and are due to the same tax authority.

Group							
Deferred tax assets/ (liabilities)							
	1/1/2018	01/01- 31/12/2018	Adjustments from discontinued operations	31/12/2018	01/01- 31/12/2019	Adjustments from discontinued operations	31/12/2019
Intangible assets	31	(57)	(1)	(27)	310	-	283
Property, plant and equipment	(3.068)	27	-	(3.041)	(415)	3.562	106
PPE with right of use	-	-	-	-	130	-	130
Inventories	328	197	-	525	(106)	-	419
	-	-	-	-	(756)	-	(756)
Receivables and prepayments	1.741	(271)	-	1.470	(1.394)	-	76
Long term borrowings	(181)	48	-	(133)	(6)	144	5
Employee benefits	190	(37)	-	153	(106)	-	47
Deferred state subsidies	(2.640)	87	-	(2.553)	196	2.357	-
Trade and other payables	(6)	9	-	3	-	-	3
Tax credits on recognized losses	5.007	(1.341)	(248)	3.418	(3.086)	(272)	60
Provision of equipment removal	414	(4)	-	410	(26)	(384)	-
Extraordinary contribution.	44	-	-	44	(44)	-	-
Other	(104)	(78)	33	(149)	(16)	-	(165)
Total	1.756	(1.420)	(216)	120	(5.319)	5.407	208

Company					
Deferred tax assets/ (liabilities)					
	1/1/2018	01/01- 31/12/2018	31/12/2018	01/01- 31/12/2019	31/12/2019
Property, plant and equipment	(26)	3	(23)	10	(13)
PPE with right of use	-	-	-	128	128
Inventories	193	148	341	(5)	336
Receivables and prepayments	1.695	(301)	1.394	(1.399)	(5)
Long term borrowings	(26)	27	1	4	5
Employee benefits	163	(38)	125	(100)	25
Suppliers and other payables	(7)	7	-	-	-
Tax credits on recognized losses	2.792	(597)	2.195	(2.195)	-
Other	6	(2)	4	(6)	(2)
Total	4.790	(753)	4.037	(3.563)	474

Due the reduction of the tax income rate in Greece, an revaluation of deferred assets and liabilities took place. The outcome was tax expense € 791 arising from discontinued operations and tax income € 52 from continuing operations. The company recognized tax expense € 432

22. Employee benefits: pension obligations

According to the Greek labour Law, employees are entitled to termination benefits in case of dismissal or retirement dependent on their current remuneration, the length of service and the reason for leaving (dismissal or retirement). Employees who leave or are dismissed with cause are not entitled to termination benefits.

1) Contract termination due to retirement

Employees covered by any pension sector of any social insurance organizations, as long as they meet the requirements for full retirement, if they are craftsmen, they are able to retire and if they are employees, they can retire or be dismissed by the employer. In these cases, they are entitled to 50% of the statutory compensation if they do not have supplementary insurance or 40% if they do. Employees, with-fixed term contract, who are made redundant or leave before its end to retire, are also entitled to this reduced compensation. It is noted that the employer can not fire a craftsman who meets the requirements of full retirement age, with a reduced payment of compensation. He has this option only in case of employees.

2) With 15 years of service:

Employees associated with permanent work contracts and have completed 15 years of service with the same employer or the age limit laid down by the concerned social insurance organization and if the limit of 65 years of their age does not exist, then they can leave their work with their employer's consent and as a result they are entitled to receive 50% of legal compensation.

The provision for employee termination benefits is based on an independent actuarial study calculated as of December 31, 2017, using the Projected Unit Credit method (IAS 19, par. 67).

Furthermore, the possibility of employees leaving deliberately was also taken into account.

The movement of the account from January 1, 2019 to December 31, 2019 was as follows:

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	Consolidated		Company	
	2019	2018	2019	2018
Current value of non-financing liabilities	420	644	378	576
Net liability recognized on balance sheet	420	644	378	648

Amounts charged to the Statement of Income for the year

Current employment cost	50	72	39	60
Interest of liability	9	9	9	8
Cost to the statement of income	59	81	48	68
Settlements cost	-	1	-	1
Total cost to the statement of income	59	82	48	69

Changes in the net current value of liability at 01/01

Current value	644	786	576	648
Current employment cost	50	72	39	60
Interest of liability	9	9	9	8
Benefits paid by the employer	(233)	(173)	(233)	(173)
Settlements cost	168	134	168	134
Actuarial gain/(loss)	(218)	(108)	(181)	(101)
	-	(76)	-	-
current value of liability at 31/12	420	644	378	576

Amounts for the current and the previous year

Current value	(412)	(646)	(378)	(576)
Surplus / (Deficit)	(412)	(646)	(378)	(576)
Trade Adjustments to liabilities	189	106	181	101

Actuarial Assumptions

Discount interest	0,78%	1,56%	0,78%	1,56%
Future Salaries' Increase 2018 -2020	0,00%	0,00%	0,00%	0,00%
Future Salaries' Increase after 2021	1,90%	1,90%	1,90%	1,90%
Inflation	1,70%	1,90%	1,70%	1,90%

Additional payments or expenses	189	106	181	101
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Changes in the net liability recognized on the balance sheet

Net liability at beginning of year	644	786	576	648
Benefits paid by the employer	(233)	(173)	(233)	(173)
Total cost recognized on the statement of income	227	210	216	202
Actuarial liability from discontinued operations	-	(76)	-	-
Net liability at end of year	638	747	559	677
Statement of recognized Gains /(losses)	(218)	(103)	(181)	(101)
Net liability at end of year	420	644	378	576

The above results depend on the assumptions (financial and demographic) of the preparation of the actuarial study. Thus, at the valuation date on 31/12/2019:

- If interest rate higher by 0.5% (that is 1.28%) was used, then the present value of the liability would be lower by approximately 6.8%, whilst, if interest rate was lower by 0.5% was used, then the present value of the liability would be higher by approximately 7.5%.

- If a higher salary growth assumption by 0.5% was used (i.e. 0,5% for 2020 and 2,4% after 2021), then the present value of the liability would be higher by approximately 5,9%, whilst, if a lower salary growth assumption by 0.5% was used, then the present value of the liability would be lower by approximately 4,9%

23. Dividends

According to Greek Corporate law, the Company is obliged to distribute to its shareholders at least 35% of its net profit after taxes and the distribution to legal reserve, unless the General Assembly, provided that at least 70% of Share Capital is represented, decides differently.

24. Related party transactions

According to IAS 24, related parties are subsidiaries companies, companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.

Sales of company's products to related parties concern primarily sales of merchandise. The sale prices are at cost plus a low profit margin.

The compensation of the members of the Board of Directors concern paid Board's of Directors compensation to Non-executive and independent members.

The compensation of Directors concern compensation regular payment according to employment contracts

The table below presents the receivables and obligations that arose from transactions with related parties as defined by IAS 24:

		Company	
		31/12/2019	31/12/2018
<u>Subsidiaries</u>			
<u>Receivable from:</u>			
FG EUROPE KLIMA TEKNOLOJILERI		4.650	4.756
SANAYI VE TICATER			
FG EUROPE UK		2.241	1.262
R.F. ENERGY S.A.		10	5.349
Total		6.901	11.367
<u>Obligation to:</u>			
FG EUROPE UK		-	43
R.F. ENERGY A.E.		8.000	750
Total		8.000	793
		Company	
		1/1-31/12/2019	1/1-31/12/2018
Inventories		5.465	5.171
Administrative Support		29	57
Others		46	-
Total		5.540	5.228
<u>Purchases of goods and services:</u>			
Inventories		(550)	(571)
Other		(94)	(32)
Total		(644)	(603)

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	Group		Company	
	1/1- 31/12/2019	1/1- 31/12/2018	1/1- 31/12/2019	1/1- 31/12/2018
Inventories	16.343	18.828	16.343	5.171
Administrative Support	28	25	28	57
Others	9	-	9	-
Total	16.380	18.853	16.380	5.228
<u>Purchases of goods and services:</u>				
Inventories	(326)	(61)	(326)	(61)
Other	(3)	-	(3)	-
Total	(329)	(61)	(329)	(61)
<u>Receivable from:</u>				
FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA	8.264	5.300	8.264	5.300
Total	8.264	5.300	8.264	5.300
<u>Obligation to:</u>				
FUJITSU GENERAL COMERCIAL AIR CONTITIONING ITALIA SPA	6	-	6	-
Total	6	-	6	-
<u>Companies with common shareholding structure</u>	Group		Company	
<u>Receivables from:</u>	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Cyberonica S.A.	3.592	576	3.575	555
<u>Obligations to:</u>	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Cyberonica S.A.	15.335	3.429	15.335	3.429
Kallisti Energiaki S.A.	-	-	-	1.700
Aioliki Kylindrias S.A.	-	-	-	900
Aioliki Aderes S.A.	-	-	-	3.350
Hydroelectrical Achaïas S.A.	-	-	-	150
R.F. Energy Omalies S.A.	-	-	-	150
	15.335	3.429	15.335	9.679
<u>Expenses:</u>	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Rentals	(878)	(3.274)	(772)	(3.163)
Depreciations of PPE with right of use	(1.612)	-	(1.612)	-
Leasing Interests	(1.306)	-	(1.306)	-
Other expenses	(11)	-	(11)	-
	(3.807)	(3.274)	(3.701)	(3.163)

The compensation and the transactions of the members of the Board of Directors and the Directors analyzed as follows:

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	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Receivables from:				
Members of the Board and Directors	6.811	9.235	6.811	9.235
Obligations to:				
Members of the Board and Directors	3	6	3	6

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Employee benefits:				
Personnel expenses	(1.628)	(1.770)	(1.228)	(954)
Provision for staff leaving indemnity	(113)	(55)	(95)	(55)
Total	(1.741)	(1.825)	(1.323)	(1.009)

25. Contingencies

On the 31.12.19 there are no contingent assets or liabilities on behalf of Company and Group.

26. Commitments

26.1 Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of December 31, 2019. The future aggregate minimum lease payments arising from building lease agreements until year 2030 are estimated to amount to €15.334 for the Group and Company. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2022 are estimated to amount to €303. Finally, the future aggregate payments for field rentals in order for the installation of Wind Farms until the year 2020 are estimated to amount to €504 for the Group.

Group	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years	Total
Future lease agreements for:					
- Buildings	1.178	1.280	3.663	9.213	15.334
- Cars	128	80	95	-	303
- fields for installation of Wind Farms	20	21	72	391	504
Total	1.326	1.381	3.830	9.604	16.141

Company	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years	Total
Future lease agreements for:					
- Buildings	1.178	1.280	3.663	9.213	15.334
- Cars	128	80	95	-	303
Total	1.306	1.360	3.758	9.213	15.637

26.2 Guarantees

To cover the bond loan of € 40.980 received on 9/3/2018, the Company pledged receivables and securities of Company's portfolio by 10% of the current balance of the loan and its 50% participation stake in the subsidiary company RF ENERGY S.A..

On 06/12/2018 a contractual installment of € 801,000 was made to AEOLIKI ADERES SA and the remaining loan amount of € 3,631 thousand was repaid, using € 3,005 thousand of available funds from the other companies of the Group. Also, on 28/09/2018, a contractual payment of € 225 thousand was made to KALLISTI ENERGY SA and then the remaining loan amount of € 1,037 thousand was repaid in Germany using the frozen funds for servicing the loan.

As a result of the above actions, there are no longer any encumbrances on the fixed assets of the 100% subsidiary KALLISTI ENERGI AKI SA, while the parent company R.F. ENERGY SA on 31/12/2018 now only guarantees letters of guarantee granted to a subsidiary of € 2.062. In order to guarantee the letters of guarantee, the Bank has filed a deposit of € 515. As collateral for the issue of these letters of guarantee, a security has been pledged on all the shares of the subsidiary RF ENERGY OMALIES SA and on a deposit that holds the company.

In addition to the above, the Group has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business. No substantial charges are expected to arise from contingent liabilities. The amount of letters of guarantee issued to banks at 31/12/2018 amounted to € 7.844 (31/12/2017: € 9.493).

27. Events After the reporting period

On 14/02/2020, Group's subsidiary called RF ENERGY, the 100% shareholder of the subsidiary ENERGY OMALIES SINGLE MEMBER SA, proceeded with the sign of MoU with TERNA ENERGY SA for the transfer and the purchase of the 100% participation stake of the above subsidiary. Furthermore, the R.F. ENERGY OMALIES shareholders, after shareholders' meeting that took place on 14/02/2020, decided to elect and launch new BoD..

In the abovementioned MoU, legal, technical and financial due diligence was provided by TERNA ENERGI AKI to R.F. ENERGY OMALIES, which was completed on 15/3/2020. The Share Purchase Agreement (SPA) was signed on 23/4/2020 at which date the transfer of the shares took place, at the same time the BOD members, Mr Pantousis and Mr Korovesis, applied their resignations. The consideration of the sale is based on specific terms and conditions and is expected to be gradually paid in accordance with those at the latest by 31/12/2023.

On 24/3/2020, FG EUROPE decided an increase in capital of FG EUROPE KLIMA TEKNOLOJLERI SANAYI VE TICARET A.S. by € 924, in order to achieve capital, strengthen.

Risks of pandemic COVID-19

Pandemic has caused a significant number of risks that has to be under consideration for the financial position and the Statement of Profit or Loss of the reporting period 2020, which are mainly focused on the sectors below:

The reduction in revenues during summer period: The segment has strong seasonal operation. The period June-September is by far the most profitable period of the year, consequently, has the greatest impact on year's profit. New Decisions of restoring restrictive measures both on the citizens' free movement and consumer habits would have an impact both on the Group Sales and economic outturn of the year 2020.

Financial position/Liquidity: The strong equity structure and the significant Cash and Cash equivalent is a result of FG EUROPE Administration's actions. Although, the pandemic created new conditions which resulted liquidity danger for the Group. Another issue that has to be considered is the receipt restriction of the postdate checks arising from client which were affected from the pandemic according with the Greek Law.

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Credit Risk: The Company handles the Credit Risk sufficiently and has develop credit Risk procedures in order to succeed the limitation of doubtful debts. Although, the appearance of the pandemic has created new conditions and requires the vigilance for the face of possible “inability to pay” cases that may arise.

Covenants: On the substance of loan contracts, The Group shall be conformed with specific terms including financial ratios. The financial impact of COVID-19 on the Group’s operations is uncertain at this moment. The Group monitors the situation closely in order to request and achieve the waiver of covenants if needed.

Implications on the Group Financial Performance

The recent developments are going to affect the financial performance of the group for the year 2020 significantly.

The range of casualties depends on factors such as the duration of the pandemic, the possibility of the imposition of new additional measures, and the size of the detrimental impact on the global economy.

Specifically, the reduction in sales revenues of the April 2020 compared to sales revenues of April 2019 amounted to 50%. The above-mentioned reduction is related with corresponding reduction in operating circle amounted to 1.5mil. for April. The comperative percentage reduction in sales revenue is estimated 25% for the month May 2020, significantly improved compared with this of last month. Although, the sales revenue from continuing operations were increased by 27% compared to the same period of 2019(sales to associate FUJITSU AIR CONTIONTING ITALIA SPA are not included).

Gradual improvement is expected in upcoming months in the light of relaxation of the restrictive measures.

The Group administration evaluates in consistent basis any new element which arises from the evolution of the disease and from the relevant decisions that the Hellenic Authorities take. Furthermore, The Group administration adjust the plans at regular intervals with major concern to protect the financial position of the Group. Within the framework of the consistent monitoring of the evolution of the Group’s performance, an estimation took place that the operating cycle of the Group will be reduced between 5% and 20%.

Although it is noted that while the phenomenon is in decline, the above estimations and acceptances have high degree of uncertainty. The facts could change to positive or negative as the pandemic has long term characteristics.

Further of the abovementioned events, no other event exist that shall be reported and adjust the financial position after its end until now.

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These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on June 10, 2020 and are accessible to the public in electronic form on the company website <http://www.fgeurope.gr>.

Chairman of the Board of
Directors

Managing Director

Finance Manager

Accounting Supervisor

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