**FOURLIS HOLDINGS S.A.**

**REG. NO: 13110/06/B/86/01**

**GENERAL COMMERCIAL REGISTRY NO: 258101000**

**LEI Registration Number: 213800V54ASIMZREDX49**

**REGISTERED SEAT - HEADQUARTERS: 18-20, SOROU STR. (Building A) – 151 25 MAROUSI**

# ANNUAL FINANCIAL REPORT

# For the period

# 1/1/2021 to 31/12/2021

# (TRANSLATED FROM THE GREEK ORIGINAL)

**(In accordance with Law 3556/2007)**

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## Statements of the Members of the Board of Directors

(In accordance with article 4 par. 2 L. 3556/ 2007)

The undersigned below

1. Vassilis S. Fourlis, Chairman of the Board of Directors,
2. Dafni A. Fourlis, Vice Chairman of the Board of Directors, and
3. Apostolos D. Petalas, CEO

We confirm that to the best of our knowledge:

a. The Financial Statements (Consolidated and Separate) of FOURLIS HOLDINGS SA for the period 1/1/ - 31/12/2021 which have been prepared in accordance with International Financial Reporting Standards as endorsed by the EU, provide a true and fair view of the Assets, Liabilities and Shareholder’s Equity along with the income statement of FOURLIS HOLDINGS S.A. as well as of the companies that are included in the consolidation taken as a whole.

b. The Annual Report of the Board of Directors provides a true and fair view of the evolution, performance and financial position of FOURLIS HOLDINGS S.A. and of the companies included in the consolidation, taken as a whole, as well as a description of the main risks and uncertainties they face.

Maroussi, March 21 2022

| The Chairman of the BoD | The Vice Chairman of the BoD | The CEO |
|---|---|---|
| Vassilis S. Fourlis | Dafni A. Fourlis | Apostolos D. Petalas |

FOURLIS
ΟΜΙΛΟΣ ΕΤΑΙΡΙΩΝ

# ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY FOURLIS HOLDINGS SA ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR 2021 (1/1 – 31/12/2021)

**TO THE ORDINARY ANNUAL GENERAL ASSEMBLY OF SHAREHOLDERS OF THE YEAR 2022**

Dear Shareholders,

This Financial Report of the Board of Directors concerns the period of twelve consecutive months of the period year ending on 31/12/2021 (1/1 - 31/12/2021) and was conducted in compliance with the relevant provisions of L. 4548/2018 as applicable until 31/12/2021, article 4 of L. 3556/2007 and resolution 7/448/22.10.2007 of the Hellenic Capital Market Commission. Consolidated and Separate Financial Statements have been conducted in accordance with the IFRS as endorsed by the EU.

Please find below for your approval, the Financial Statements for the period 1/1 – 31/12/2021 of the Company FOURLIS HOLDINGS S.A. and the Group which consists of its direct and indirect subsidiaries. In the meeting of the Board of Directors in which the preparation and conduct of the Financial Statements of the Company and the Group was discussed, the Board of Directors was in quorum and participated in it all its independent non executive members.

## 1. THE GROUP – Business Segments

The parent company FOURLIS HOLDINGS S.A. ("Company"), along with its direct and indirect subsidiaries, form the Fourlis Group ("Group"), which is mainly operating in the Retail Trading of Home Furniture and Household Goods (IKEA Stores) and in the Retail Trading of Sporting Goods (INTERSPORT & TAF Stores).

The direct and indirect subsidiaries of the Group, that are included in the consolidated financial statements for the year 2021 grouped per segment and country of operation, are the following:

### a) Full consolidation method

**Retail Trading of Home Furniture and Household Goods (IKEA Stores)**

The retail trading of home furniture and household goods segment includes the following Companies:

- HOUSEMARKET SA FOR THE TRADING OF HOME FURNITURE, HOUSEHOLD AND CATERING GOODS, with the distinctive title HOUSEMARKET SA and registered seat in Greece, in which the parent company has a direct shareholding of 100%.
- H.M. HOUSEMARKET (CYPRUS) LTD, with the distinctive title HOUSEMARKET (CYPRUS) LTD and registered seat in Cyprus, in which the parent company has an indirect shareholding of 100%.
- TRADE LOGISTICS COMMERCIAL AND INDUSTRIAL S.A., with the distinctive title "TRADE LOGISTICS SA" and registered seat in Greece, in which the parent company has an indirect

shareholding of 100% (except for one share). The retail trading of home furniture and household goods segment includes warehousing services provided by the company TRADE LOGISTICS SA.

- RENTIS REAL ESTATE INVESTMENTS SA, with the distinctive title RENTIS SA and registered seat in Greece , in which the parent company has an indirect shareholding of 100% (except for one share).
- HOUSE MARKET BULGARIA EAD, with the distinctive title HOUSE MARKET BULGARIA EAD, and registered seat in Bulgaria, in which the parent company has an indirect shareholding of 100%.
- WYLDES LIMITED with the distinctive title WYLDES LTD and registered seat in Cyprus, in which the parent company has an indirect shareholding of 100%. Through associated companies WYLDES LTD, VYNER LTD and SW SOFIA MALL ENTERPRISES LTD, the Group has a shareholding in the company SOFIA SOUTH RING MALL EAD, which operates one of the biggest malls in Sofia Bulgaria as well as its relevant business activities.
- TRADE ESTATES BULGARIA EAD with the distinctive title TRADE ESTATES BULGARIA EAD and registered seat in Bulgaria, in which the parent company has an indirect shareholding of 100%.
- TRADE ESTATES CYPRUS LTD with the distinctive title TRADE ESTATES CYPRUS LTD and registered seat in Cyprus, in which the parent company has an indirect shareholding of 100%.
- H.M. ESTATES CYPRUS LTD with the distinctive title H.M. ESTATES CYPRUS LTD and registered seat in Cyprus, in which the parent company has an indirect shareholding of 100%.
- TRADE ESTATES REAL ESTATES INVESTMENT COMPANY SA with the distinctive title TRADE ESTATES REIC and registered seat in Greece, in which the parent company has an indirect shareholding of 100%.
- BERSENCO REAL ESTATE DEVELOPMENT AND PROPERTY MANAGEMENT SA with registered seat in Greece, in which the parent company has an indirect shareholding of 100%

**Retail Trading of Sporting Goods (INTERSPORT and TAF Stores)**

The retail trading of sporting goods segment includes the following Companies:

- INTERSPORT ATHLETICS COMMERCIAL SA, with the distinctive title INTERSPORT ATHLETICS SA and registered seat in Greece, in which the parent company has a direct shareholding of 100%.
- INTERSPORT ATHLETICS (CYPRUS) LTD, with the distinctive title INTERSPORT ATHLETICS (CYPRUS) LTD and registered seat in Cyprus, in which the parent company has an indirect shareholding of 100%.
- GENCO BULGARIA EOOD with distinctive title GENCO BULGARIA EOOD and registered seat in Bulgaria, in which the parent company has an indirect shareholding of 100%.
- INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş., with distinctive title INTERSPORT ATLETİK and registered seat in Turkey, in which the parent company has an indirect shareholding of 100%.
- TRADE LOGISTICS COMMERCIAL INDUSTRIAL S.A., with distinctive title TRADE LOGISTICS SA and

registered seat in Greece, in which the parent company has an indirect shareholding of 100% (except for one share). The retail trading of sporting goods segment includes warehousing services provided by the company TRADE LOGISTICS SA.

GENCO TRADE SRL, with distinctive title GENCO TRADE SRL and registered seat in Romania. The parent company has a direct shareholding of 1.57% and an indirect shareholding of 98.43%

**b) Net Equity method**

The Group's consolidated data include the following affiliated companies:

- VYNER LTD, with distinctive title VYNER LTD and registered seat in Cyprus, in which WYLDES LIMITED has a direct shareholding of 50%.
- SW SOFIA MALL ENTERPRISES LTD, with registered seat in Cyprus, in which WYLDES LIMITED has a direct shareholding of 50%.
- MANTENKO SA, with registered seat in Greece, in which TRADE ESTATES REIC has a direct shareholding of 50%, engaged in real estate management.
- POLIKENCO SA, with registered seat in Greece, in which TRADE ESTATES REIC has a direct shareholding of 50%, engaged in real estate management.
- SEVAS TEN SA, with registered seat in Greece, in which TRADE ESTATES REIC has a direct shareholding of 50%, engaged in real estate management.

## 2. FINANCIAL DATA- IMPORTANT FACTS & FIGURES

(All the amounts are reported in terms of thousands Euros, unless otherwise stated)

Sales of the retail trading of Home Furniture and Household Goods (IKEA Stores) increased by 12.2% compared to the corresponding period of 2020, whereas sales of the retail trading of Sporting Goods (INTERSPORT & TAF Stores) increased by 31,2%. In the period from 1/1-1/5/2021 Group's retail stores suspended their operation, by order of the governments, in all countries for about 2-3 months, depending on the country, with the purpose of dealing with the Covid-19 pandemic. During suspension of stores' operation, the sales were realized mainly through the sales digital networks (e-commerce).The previous year's amounts of credit card expenses have been adjusted to become similar and comparable with the corresponding amounts of the current year that were transferred from the account "Total Financial cost" to- the account "Distribution expenses" on 1/1/2021. More specifically:

The retail trading of Home Furniture and Household Goods (IKEA Stores) segment, realized sales of € 273,4 million for the year 2021 (2020: € 243.6 million). The total EBITDA of the segment, as defined in section 9, amounted at Euro 31.6 million compared to the amount of €28.1 million in 2020. The total EBITDA (OPR) of the segment, as defined in section 9, amounted to Euro 25.9 million compared to the amount of Euro 22.7 million in 2020. The total EBIT of the segment, as defined in section 9, amounted to Euro 20.6 million compared to the amount of Euro 14.7 million in 2020, whereas the segment presented profits before taxes of € 12.1 million compared to profits of € 3.9 million in 2020.

The retail trading of Sporting Goods (INTERSPORT and TAF Stores), realized sales of € 166.6 million for the year 2021 (2020: € 127.0 million). The total EBITDA of the segment for the year 2021 amounted to €26,3 million compared to € 13,4 million in 2020. The total EBITDA (OPR) of the segment, as defined in section 9, amounted to Euro 13.8 million compared to a loss of Euro 0.6 million in 2020. The total EBIT of the segment, as defined in section 9, amounted to € 7.9 million compared to losses of € 7.0 million in 2020, whereas the segment, presented profits before taxes of € 1.5 million compared to losses before taxes of € 13.6 million in 2020.

Group's consolidated profits before taxes amounted to € 12,1 million compared to consolidated losses before taxes of € 11.0 million in 2020. Net profits amounted to € 11.9 compared to losses of € 8.7 million in 2020.

In an effort to present a complete and real view of the Group's performance, we report the consolidated results per segment for the period 1/1 – 31/12/2021 comparable to the corresponding results for the fiscal year 1/1 – 31/12/2020 at the following tables. Amounts are reported in terms of thousands of Euros.

**Retail Trading of Home Furniture and Household Goods (IKEA stores):**

| | 2021 | 2020 | 2021/2020 |
|---|---|---|---|
| Revenue | 273,375 | 243,626 | 1.12 |
| EBITDA (*) | 31,613 | 28,137 | 1.12 |
| EBITDA (OPR)* | 25,899 | 22,673 | 1.14 |
| EBIT (*) | 20,613 | 14,725 | 1.40 |
| Profit before Tax (*) | 12,085 | 3,864 | 3.13 |

(*) The alternative performance measures selected are mentioned in note 9.

The previous year amounts of EBITDA, EBIT have been adjusted (decreased of 2,151 thousand) to become similar and comparable with the corresponding amounts of the current year, due to credit card expenses transfer from the account "Total Finance cost" to the account "Distribution expenses" as of 1/1/2021.

**Retail Trading of Sporting Goods (INTERSPORT and TAF stores)**

| | 2021 | 2020 | 2021/2020 |
|---|---|---|---|
| Revenue | 166,577 | 126,999 | 1.31 |
| EBITDA (*) | 26,342 | 13,438 | 1.96 |
| EBITDA (OPR)* | 13,754 | (556) | - |
| EBIT (*) | 7,905 | (6,969) | - |
| Profit / (Loss) before Tax (*) | 1,508 | (13,614) | - |

(*) The alternative performance measures selected are mentioned in section 9.

The previous year amounts of EBITDA, EBIT have been adjusted (decreased of 911 thousand) to become similar and comparable with the corresponding amounts of the current year due to credit card expenses transfer from the account "Total Finance cost" to the account "Distribution expenses" as of 1/1/2021.

**Group Consolidated:**

| | 2021 | 2020 | 2021/2020 |
|---|---|---|---|
| Revenue | 439,766 | 370,577 | 1.19 |
| EBITDA (*) | 56,191 | 40,031 | 1.40 |
| EBITDA (OPR)* | 38,142 | 20,391 | 1.87 |
| EBIT (*) | 26,873 | 6,550 | 4.10 |
| Profit / (Loss) before Tax (*) | 12,079 | (10,987) | - |
| Net Profit/(Loss) After Tax and Minority Interests | 11,530 | (8,661) | - |

(*) The alternative performance measures selected are mentioned in note 9.

The previous year amounts of EBITDA, EBIT have been adjusted (decreased of 3,061 thousand) to become similar and comparable with the corresponding amounts of the current year, due to credit card expenses transfer from the account "Total Finance cost" to the account "Distribution expenses" as of 1/1/2021.

We note that on a consolidated basis the Group's Total Equity allocated to the shareholders of the parent company on December 31, 2021 amounts to € 176.0 million versus an amount of € 168.8 million on 31/12/20.

## 3. Basic Financial Indicators of the Consolidated Financial Statements

Please find below basic Indicators in respect of the Group Financial Structure and Performance & Efficiency according to the consolidated financial statements included in the Annual Financial Report of the Group, for the fiscal year 2021 in comparison with the previous fiscal year 2020.

**Financial Structure Indicators:**

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Total Current assets/Total Assets | 64.29% | 63.97% |
| Total current assets without Assets classified as held for sale / Total Assets | 30.42% | 35.37% |
| Total Liabilities/TOTAL SHAREHOLDERS EQUITY & LIABILITIES | 73.77% | 73.52% |
| Total Shareholders Equity/TOTAL SHAREHOLDERS EQUITY & LIABILITIES | 26.23% | 26.48% |
| Total Current assets/ Total Current Liabilities | 146.97% | 191.63% |
| Total current assets without Assets classified as held for sale / Total current Liabilities without Liability arising from assets held for sale | 79.35% | 117.34% |

**Performance & Efficiency basic Indicators:**

| | 2021 | 2020 |
|---|---|---|
| Operating Profit / Revenue | 6.11% | 2.59% |
| Loss/Profit before Tax / Total Shareholders Equity | 6.82% | (6.51)% |

## 4. Operating Performance – Important developments:

During the period 1/1 – 31/12/2021 the following share capital changes in the parent company and its subsidiaries were realized:

**A. FOURLIS HOLDINGS S.A.:**

1. Following resolution of the General Assembly of the shareholders held on 21/12/2020 (relevant minutes of the G.A. with number 26/21.12.2020), the share capital of the company increased by the amount of Euro nine million eight hundred eighty thousand nine hundred forty-two and fifty-nine cents (€ 9.880.942,59) by capitalizing part of the reserve being formed by non-distributed profits of previous years(retained earnings) and the increase of nominal value of each share by the amount of nineteen cents (€ 0,19), thus the nominal value of each share amounting to one euro (€1,00).

The aforementioned change was registered to the General Commercial Registry (GCR) on 13.01.2021(Code Registration Number 2448494), upon issuance of the relevant 2302656/13.01.2021 announcement by the Directorate for Companies of the Ministry of Development and Investments; on this day the increase of the share capital was realized.

2. In the context of implementation of the Stock Option Plan which was approved and established by the resolution of the Extraordinary General Assembly of the shareholders on 27/9/2013 (Stock Option Plan – hereinafter referred to as "the Program"), within the year 2020, 87.040 options were exercised (hereinafter referred to as "the Options"). Following the resolution of the Board of Directors on 28/12/2020 (relevant minutes of the BoD with number 417/28.12.2020), the exercise of the aforementioned options by the corresponding beneficiaries of the Program was certified upon payment of the exercise price of the new shares.

It is noted that the underlying price of the shares to which the remaining stock options correspond, was initially determined at the amount of Euro three and forty cents (€3,40) per share, which was the stock closing price of the share on the date of the resolution of the General Assembly for the Program (SOP) (27/9/2013). Already, the resolutions dated 20/11/2017, 19/11/2018 and 18/11/2019 of the BoD (relevant minutes of the BoD with number 389/20.11.2017, 399/19.11.2018 and 407/18.11.2019 accordingly) resulted to the readjustment of the historical share price of the Company and therefore the implemented exercise price of stock options of the Program (SOP) is deemed to amount to Euro three and 0,2226 cents (€ 3,2226) per share.

Following the certification of the payment of the exercise price of the Stock Options by their beneficiaries, namely of the total amount of euro two hundred eighty thousand euros four hundred ninety-five and ten cents (280.495,10), 87.040 new ordinary registered shares were issued and delivered to the corresponding beneficiaries of the Program, of nominal value € 1,00 per share, whereas the share capital of the Company increased by the amount of euros eighty-seven thousand forty (87.040,00) which corresponds to the nominal value of the new shares. Moreover, following the exercise of the aforementioned Options by payment of exercise price of these options, namely € 3,2226 per share according to the aforementioned, the share premium, of the total amount of € 193.455,10, was transferred to the account "Share Premium reserve".

The aforementioned change was registered to the General Commercial Registry (GCR) on 15/1/2021 (Code Registration Number 2450940), when the increase of the share capital was also realized. Respectively, the announcement no. 4511/15.01.2021 of the Directorate for Companies of the Ministry of Development and Investments was issued.

3. In the context of the implementation of the Stock Option Plan which was approved and established by the resolution of the Extraordinary General Assembly of the shareholders on 27/9/2013 (Stock Option Plan – hereinafter referred to as "the Program"), within the year 2021, 39,943 options were exercised (hereinafter referred to as "the Options"). Following the resolution of the Board of Directors on 20/12/2021 (relevant minutes of the BoD with number 430/20.12.2021), the exercise of the aforementioned options by the corresponding beneficiaries of the Program was certified upon payment

of the exercise price of options for the new shares.

It is noted that the underlying price of the shares to which the remaining stock options correspond, was initially determined at the amount of Euro three and forty cents (€3,40) per share, which was the stock closing price of the share on the date of the resolution of the General Assembly for the Program (SOP) (27/9/2013). Already, the resolutions 20/11/2017, 19/11/2018 and 18/11/2019 of the BoD (relevant minutes of the BoD with number 389/20.11.2017, 399/19.11.2018 and 407/18.11.2019 accordingly) resulted to the readjustment of the historical share price of the Company and therefore the implemented exercise price of stock options of the Program (SOP) is deemed to amount to Euro three and 0,2226 cents (€ 3,2226) per share.

Following the certification of the exercise price of the Stock Options by their beneficiaries, namely of the amount of euros one hundred twenty-eight thousand seven hundred twenty-three thirty-three minutes (128,720.33), 39,943 new ordinary registered shares were issued and delivered to the corresponding beneficiaries of the Program, of a nominal value of € 1,00 per share, whereas the share capital of the Company increased by the amount of euros thirty-nine thousand nine hundred forty-three (39,943.00), which corresponds to the nominal value of the new shares. Moreover, following the exercise of the aforementioned Options by payment of the exercise price of these options, namely of the amount of € 3,2226 per share according to the aforementioned, the share premium, of a total amount of euros eighty-eight thousand seven hundred seventy-seven and thirty-three cents (88,777.33), was transferred to the account "Share Premium reserve".

The aforementioned change was registered to the General Commercial Registry (GCR) on 11/1/2022 (Code Registration Number 2773271), when the share capital increase took place.Respectively, the announcement No.1043/11.01.2022 was issued by the Directorate for Companies of the Ministry of Development and Investments.

Following these changes, the share capital of the Company now amounts to € 52,131,944.00 divided into 52,131,944 shares of a nominal value of € 1,00 per share, totally paid.

**B. TRADE ESTATES REAL ESTATES INVESTMENT COMPANY**

The decision no. 73223 / 12.07.2021 of the Head of the Directorate for Companies, of the General Market Directorate, of the General Secretariat for Trade and Consumer Protection, of the Ministry of Development and Investments was registered, on 12/7/2021 in the General Commercial Register (GCR) with Registration Code Number(RCN) 2580689; in accordance with this decision the establishment of the company under the name "TRADE ESTATES REAL ESTATE INVESTMENT COMPANY" (d.t. "TRADE ESTATES R.E.I.C.") was approved, by contribution of a split branch, by contributions in kind and by payment of cash in accordance with the provisions of Law 4601/2019, Law 4548/2018 and Law 2778/1999 (Article 21 par. 1), as well as its articles of association, as this was prepared and executed under the notarial deed no. 21422 / 30.06.2021of the Athens Notary Public, Mrs. Maria P. Tsangari, and received the number GCR 160110060000 (Relevant no. 77263 / 12.07.2021 Announcement of the above Directorate for Companies).

The initial share capital of the Company, amounting to Euro one hundred seventy-three million five hundred twenty seven thousand three hundred seventy eight (€173,527,378) was covered by the following founders as follows:

a. HOUSEMARKET SOCIETE ANONYME FOR THE TRADING OF HOME FURNITURE AND HOUSEHOLD GOODS covered an amount of Euro sixty seven million three hundred seventy-two thousand eight hundred fifty-six (€ 67,372,856) with a contribution of the spin off of real estate sector, which includes its properties in Ioannina (IKEA Ioannina), Thessaloniki (IKEA Thessaloniki) and Inofyta, an amount of Euro thirty four million two hundred eighteen thousand fifty three (€ 34,218,053) with a contribution of the shares of the Cypriot company under the name "H.M. ESTATES CYPRUS LTD "and an amount of Euro one thousand and one cent (€ 1,001) in cash. In total the above founder covered a total amount of Euro one hundred one million five hundred ninety one thousand nine hundred ten (€ 101,591,910). Subsequently, the aforementioned founder acquired a shareholding of 58,50% in the company and took over fifty million seven hundred ninety five thousand nine hundred and fifty five (50,795,955) registered shares, with a nominal value of two (2) Euros per share.

b. The Bulgarian company under the name "HOUSEMARKET BULGARIA EAD" covered an amount of Euro twenty-nine million four hundred twenty-five thousand seven hundred ninety-two (€ 29,425,792) with a contribution of the shares of the Bulgarian company under the name "TRADE ESTATES BULGARIA EAD". Following this, the above founder participated in the share capital of the company at a rate of 17.0% and took over fourteen million seven hundred twelve thousand eight hundred ninety-six (14,712,896) registered shares, with a nominal value of two (2) Euros per share.

c. The Cypriot company "H.M. HOUSEMARKET CYPRUS LIMITED covered an amount of Euro seventeen million two hundred forty five thousand six hundred ninety four (€ 17,245,694) with a contribution of the shares of the Greek company under the name "RENTIS INVESTMENTS REAL ESTATE COMPANY". Following this, the above founder participated in the share capital of the company at a rate of 9.9% and took over eight million six hundred twenty two thousand eight hundred forty seven (8,622,847) registered shares, with a nominal value of two (2) Euros per share.

d. The company under the name "TRADE LOGISTICS SOCIETE ANONYME COMMERCIAL & INDUSTRIAL COMPANY" covered an amount of Euro twenty-five million two hundred sixty-two thousand nine hundred eighty-one (€ 25,262,981), with a contribution in kind of a property owned by the above company, and specifically with the transfer of ownership, to the established company, of the property located in Schimatari, Viotia, and an amount of Euro one thousand and one cent (€ 1,001) with cash payment, i.e. it covers a total amount of Euro twenty-five million two hundred sixty-three thousand nine hundred eighty-two (€ 25,263,982). Following this, the above founder participated in the share capital of the company at a rate of 14.6%, and took over twelve million six hundred thirty one thousand nine hundred ninety one (12,631,991) registered shares, with a nominal value of two (2) Euros per share.

**C. INTERSPORT ATHLETICS S.A.**

Following the resolution of the General Assembly of the shareholders held on 28/12/2020 (relevant minutes of the G.A. with number 43/31.12.2020), the share capital of the company increased by the amount of Euro ten million fourteen and sixty cents (€ 10.000.014,60) with cash payment, with issue of 340.716 new ordinary registered shares of a nominal value of € 29,35 per share. In the above total share capital increase the only participant was the shareholder "FOURLIS HOLDINGS S.A."

The above change was registered in the General Commercial Register (GCR.) on 26/4/2021 (RCN: 2536332), and relevantly the announcement with number 2346136 / 26.04.2021 of the GCR Office of the Athens Chamber of Commerce and Industry was issued.

After the above changes, the share capital of the company now amounts to the amount of Euro 25,625,367.60, divided into 873,096 shares with a nominal value of 29.35 Euros per share, fully paid.

**D. GENCO BULGARIA EOOD**

Following the resolution of the General Assembly of the shareholders of the company held on 8/4/2021, the share capital of the company increased by the amount of BGN one million eight hundred seventy seven thousand (1,877,000.00), by issuance of 187,700 new ordinary registered shares with a voting right, of a nominal value of BGN ten (10,00) per share. The share capital increase was totally covered by the shareholder INTERSPORT ATHLETICS S.A. following the resolution dated 6-4-2021 of the Board of Directors and was registered in the relevant companies' registers on 18/5/2021. After the aforementioned share capital increase, the share capital amounts to BGN seventeen million nine hundred seventy seven thousand one hundred and seventy (17,977,170) divided into 1,797,717 shares of a nominal value of BGN ten (10,00) per share.

**E. SEVAS TEN DEVELOPMENT AND EXPLOITATION OF REAL ESTATE SOCIETE ANONYME**

On 30/3/2021 HOUSEMARKET SA, in execution of the decision of the Board of Directors dated on 24/3/2021 (see relevant minutes of the Board of Directors with number 451 / 24.03.2021), purchased from the company with registered seat in the Municipality of Athens under the name "TEN BRINKE HELLAS CONSTRUCTION AND EXPLOITATION OF REAL ESTATE SOLE SHAREHOLDER SOCIETE ANONYME" and the distinctive title "TEN BRINKE HELLAS SA" the half of the latter's participation in the societe anonyme under the name "SEVAS TEN DEVELOPMENT AND EXPLOITATION OF REAL ESTATE

SOLE SHAREHOLDER SOCIETE ANONYME" and the distinctive title "SEVAS-TEN SA, with registered seat in the Municipality of Athens, i.e. two thousand seven hundred and fifty (2,750) registered shares with voting rights, with a nominal value of one hundred euros (100.00 €) per share, in consideration of the total price of two hundred and seventy-five thousand euros (€275,000.00) payable in cash. The above shares correspond to 50% of the fully paid-up share capital of the above issuing company "SEVAS-TEN SA.".

Subsequently, by decision of the General Meeting of Shareholders of SEVAS-TEN SA as of 26/3/2021 an increase of the share capital of this company was made, by the amount of 275,000.00 € with cash payment, with issue of 2,750 new ordinary registered shares, with a nominal value of 100.00 euros and offering price of 1,000.00 euros for each share**.** The shareholder HOUSEMARKET SA participated in the said share capital increase according to its participation percentage (50%), in execution of the decision of its Board of Directors dated 24/3/2021.

After the above share capital increase, which was registered in the General Commercial Register (GCR) on 14/4/2021 (RCN: 2357180), under issuance for this purpose of the announcement number 2526963 / 14.04.2021 by the GCR Office of the Athens Chamber of Commerce and Industry, the share capital of the above company amounts to euros eight hundred twenty-five thousand (825,000), divided into 8,250 ordinary registered shares, with a nominal value of 100.00 euros per share**.**

It should be noted that, after the above share changes, the company's name was changed to "SEVAS TEN REAL ESTATE DEVELOPMENT AND EXPLOITATION SA" and its distinctive title to "SEVAS-TEN SA".

2. Pursuant to the private agreement dated 20/12/2021 concluded between HOUSEMARKET SA as a seller and TRADE ESTATES REIC as a buyer, the latter acquired all the above participation of the former in SEVAS-TEN SA and became a shareholder with a percentage of 50%.

**F. POLIKENCO REAL ESTATE DEVELOPMENT AND EXPLOITATION S.A.**:

The total paid-up share capital of the societe anonyme today under the name "POLIKENCO REAL ESTATE DEVELOPMENT AND EXPLOITATION SOCIETE ANONYME" and the distinctive title "POLIKENCOS.A." amounts to the amount of Euro two million fifty thousand (2,050,000), divided into twenty thousand five hundred (20,500) ordinary registered shares, with a nominal value of one hundred (100) Euros each share.

Pursuant to the private agreement dated 20/12/2021 concluded between HOUSEMARKET SA as a seller and TRADE ESTATES REIC as a buyer, the latter acquired the entire shareholding of the former in POLIKENCO SA, i.e ten thousand two hundred and fifty (10,250) ordinary registered shares with voting rights of this company, with a nominal value of one hundred (100) euros per share, and became a shareholder of POLIKENCO SA with a participation rate of 50%.

**G. MANTENKO REAL ESTATE DEVELOPMENT AND EXPLOITATION S.A.**

The total paid-up share capital of the societe anonyme under the name "MANTENKO REAL ESTATE DEVELOPMENT AND EXPLOITATION SOCIETE ANONYME" and the distinctive title "MANTENKO SA" today amounts to the amount of six hundred and fifty thousand (650,000) euros, divided into six thousand five hundred (6,500) ordinary registered shares, with a nominal value of one hundred (100) Euros per share.

Pursuant to the private agreement dated 20/12/2021 concluded between HOUSEMARKET SA as a seller and TRADE ESTATES REIC as a buyer, the latter acquired the entire shareholding of the former in MANTENKO SA, i.e. three thousand two hundred and fifty (3,250) ordinary registered shares with voting rights of this company, with a nominal value of one hundred (100) euros per share, and became a shareholder of MANTENKO SA with a participation percentage of 50%.

**H. RENTIS REAL ESTATE INVESTMENTS SA**

Pursuant to the notarial deed no. 21422 / 30.06.2021 of the Athens Notary Public, Mrs. Maria P. Tsangari for the establishment of the company with the name "TRADE ESTATES REAL ESTATE INVESTMENTS SA" (d.t. "TRADE ESTATES REIC"), by contributions in kind and by payment of cash, one of the founding cypriot companies "H.M. HOUSEMARKET CYPRUS LIMITED "contributed to the newly established TRADE ESTATES REIC its entire participation (shareholding) in the societe anonyme under the name RENTIS REAL ESTATE INVESTMENTS SOCIETE ANONYME (d.t. "RENTIS SA"), i.e. twenty-five million eight hundred ten thousand (25,810,000) ordinary registered shares with a voting right of this company, with a nominal value of one Euro (1,00) per share, and became a shareholder of RENTIS SA with a participation percentage of 100%.

**I.BERSENCO REAL ESTATE DEVELOPMENT AND EXPLOITATION SOLE SHAREHOLDER SA**

On 31/12/2021 the TRADE ESTATES REIC, in execution of the decision of its Board of Directors dated 30/12/2021, purchased from the limited liability company with registered seat in Arnhem, The Netherlands under the name "PROSPERE VASTGOED ADVIES BV", the latter's participation in the societe anonyme under the name "BERSENCO REAL ESTATE DEVELOPMENT AND EXPLOITATION SOLE SHAREHOLDER SA" and the distinctive title "BERSENCO ", with registered seat in the Municipality of Athens, i.e. four hundred and five thousand one hundred and seventy (405,170) ordinary registered voting shares, with a nominal value of nine euros (9.00) per share. The above shares corresponded to 100% of the fully paid-up share capital of the above issuing company BERSENCO SA. The purchase price of the company "BERSENCO REAL ESTATE DEVELOPMENT AND EXPLOITATION SOLE SHAREHOLDER SOCIETE ANONYME" amount to the total amount of Euro eighteen million three hundred seventy-five thousand one hundred four and nineteen cents (€ 18,375,104.19).

Subsequently, the General Meeting of the shareholders of BERSENCO SA. on 25/1/2022 decided to increase the share capital of this company, by the amount of four hundred and fifty thousand euros (450,000.00) by cash payment, with the issuance of 50,000 new ordinary registered shares, with a nominal value of 9.00 euros and offering price of 100.00 euros per share. The total amount of the above share capital increase will be covered by the sole shareholder TRADE ESTATES REIC according to its participation percentage (100%).

A total amount of EUR 4,550,000.00 is going to increase the amount of the share premium reserve.

After the above share capital increase, the share capital of BERSENCO SA. is formed in the amount of four million ninety-six thousand five hundred thirty (4,096,530.00) and is divided into four hundred and fifty-five thousand one hundred seventy (455,170) registered shares, with a nominal value of nine euros (9.00) per share.

**J. WYLDES LTD**

Pursuant to the ordinary resolution of the Board of Directors dated 15/12/2021, the share capital of the company increased by the total amount of twelve (12.00) euros, upon issuance of twelve (12) ordinary shares, with a nominal value of one euro (1.00) and a subscription price of ten thousand euros (10,000.00) for each of the above shares. The above decision was taken for the purpose of capitalization of the advances of a total amount of one hundred and twenty thousand euros (120,000.00), made by the sole shareholder HOUSEMARKET SA. previously within the same fiscal year 2021 in consideration of a future increase in the share capital of WYLDES LTD. A total amount of euros 119,988.00 increased the share premium reserve .

After the above increase, the share capital of the company was formed on 31/12/2021 in the amount of euros seven thousand seventy-four (7,074.00), divided into 7,074 ordinary shares with a nominal value of 1.00 euros per share, fully paid.

It is also noted that WYLDES LTD indirectly participates by 50% in the company SOFIA SOUTH RING MALL EAD that operates the shopping center owned by Sofia Ring Mall, and all the funds it invests are directed and allocated to the development and optimization of the operation of this shopping center.

**K. VYNER LTD**

Pursuant to the ordinary resolution of the Board of Directors dated 15/12/2021, the share capital of the company was increased by the amount of four (4.00) euros, with the issuance of four (4) ordinary shares, with a nominal value of one euro (1.00) and a selling price in amount of ten thousand euros

(10,000.00) for each of the above shares. The above decision was taken for the purpose of capitalization of the advances of a total amount of one hundred and twenty thousand euros (120,000.00), made by the sole shareholder HOUSEMARKET SA. earlier in the same fiscal year 2021 in consideration of a future increase in the share capital of WYLDES LTD. A total amount of euros 119,988.00 increased the share premium reserve.

It is noted that VYNER LTD, through the affiliated company SOFIA SOUTH RINK MALL EAD (www.sofiaring.bg) operates its owned shopping center, Sofia Ring Mall. The dynamically developing shopping center/mall of 68,250 sq.m. , built by the company, started operating on November 6, 2014. Geographically, it is located 10 km southeast of Sofia in one of the most developing areas of the Bulgarian capital, whereas it is adjacent to the only IKEA store in Sofia, owned and controlled by the subsidiary of the Group "HOUSE MARKET BULGARIA EAD".

The parent company FOURLIS HOLDINGS S.A. does not have any branches.

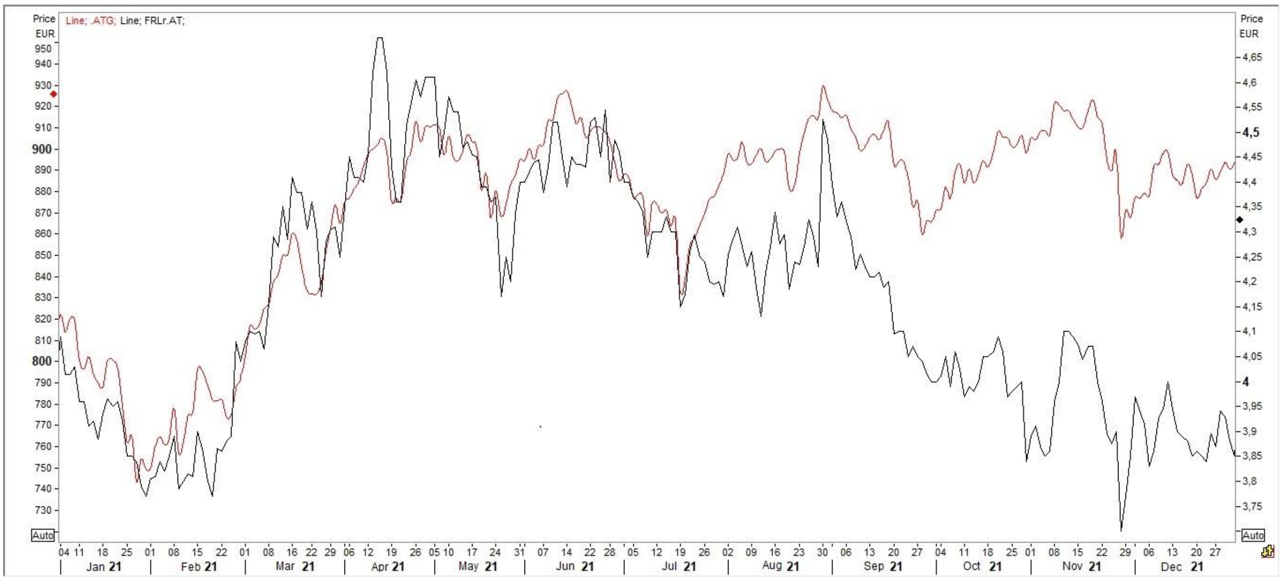
Subsidiaries and especially retail companies have developed and continue to develop a significant Stores network both in Greece and abroad.

**Retail Trading of Home Furniture and Household Goods (IKEA stores)**: The segment currently operates seven (7) Stores, five (5) of which in Greece, one (1) in Cyprus and one (1) in Bulgaria. Moreover, six (6) Pick up & Order Points with IKEA products are also operating in Greece in Rhodes Island, Patras, Chania, Heraklion, Komotini and Kalamata and one (1) Small Store in Piraeus. On 17/12/2021, one (1) new IKEA Shop in the shopping center (THE MALL) in Maroussi started operating. In Bulgaria there are two (2) pick-up and drop-off points (Pick Up & Order Points) of IKEA products in Burgas and Plovdiv and one (1) IKEA Small Store in Varna, whereas on 8/9/2021 one (1) new IKEA shop in Sofia at the (Mall of Sofia) started operating. In Cyprus (Limassol) there is one (1) Planning studio store. There are also three e-commerce Stores in Greece, Cyprus, and Bulgaria.

**Retail trading of sporting goods (INTERSPORT and TAF stores)**: The segment on 31/12/2021 operated one hundred and sixteen (116) INTERSPORT Stores; fifty four (54) in Greece, thirty-two (32) in Romania, thirteen (13) in Turkey, ten (10) in Bulgaria and seven (7) in Cyprus. The INTERSPORT Stores that were added to the network in the period 1/1 -31/12/2021 are: one (1) new store in Greece, Thessaloniki Mega Outlet (16/6/2021). Also, one (1) new Store was added in Cyprus, Larnaca (16/9/2021) and a new store in Bulgaria in Sofia, the Sofia Mall (8/9/2021). In Turkey, five (5) Stores ceased to operate: Ank. Gordion (14/3/2021), Ant. Erasta (31/3/2021), Sanko Park (14/4/2021), Ist. Optimum (26/5/2021), and Ant. Terracity (31/5/2021). At the same time, there are e-commerce Stores in Greece, Romania, Cyprus, Bulgaria, and Turkey. The TAF Stores operating on 31/12/2021 are seventeen (17), of which fourteen (14) in Greece and three (3) in Turkey. On 12/6/2021 one (1) new store started operating in Peristeri, Attica, whereas on 31/7/2021 the store in Kifissia ceased its operation.

**5. Stock Price Evolution**

In this section we provide a Chart displaying the stock price evolution of the parent Company FOURLIS HOLDINGS S.A. at the Athens Stock Exchange for the period 1/1/2021 to 31/12/2021 (black line) compared to the Stock Exchange General Index (red line).




**6. Stock Option Plan**

The Ordinary General Assembly of the Company on 16/6/2017, in the context of the Stock Option Plan, approved the disposal of 2.566.520 stock options and authorized the Board of Directors to regulate the procedural issues and details. The program will be implemented in four waves, with a maturity period of five years per wave. Options must be exercised within five years since their maturity date. In case that there are undisposed options, after the allocation of options mentioned above, these options will be cancelled. The underlying share price of each wave is the closing stock price of the share on the resolution date of the General Assembly regarding the approval of the Program (SOP).

On 20/11/2017, the BoD granted 641.630 stock options, which constitute the first of the four waves. The underlying share price to which the granted stock options correspond, is determined to the amount of Euro 5,768 per share which is the closing stock price of the share adjusted with the share capital decrease which was implemented after the day of the General Assembly Meeting.

On 19/11/2018, the BoD granted 641.630 stock options, which compose the second of the four waves. The underlying share price to which the granted stock options correspond, is determined to the amount of Euro 5,666 per share which is the closing stock price of the share adjusted with the share capital decrease which was implemented after the day of the General Assembly Meeting.

On 19/11/2019, the BoD granted 641.630 stock options, which constitute the third of the four waves.

The underlying share price to which the granted stock options correspond, is determined to the amount of Euro 5,5637 per share which is the closing stock price of the share adjusted with the share capital decrease which was implemented after the day of the General Assembly Meeting.

On 23/11/2020, the Board of Directors granted 641,630 Options, which constitute the fourth of the four series under concession. The underlying price of the shares to which the granted options correspond is determined at the amount of Euro 5.5637 per share which is the closing stock share price (adjusted with the share capital decrease which was implemented after the day of the General Assembly meeting).

In the context of the implementation of the Sharing Program/ Share Disposal Scheme approved and enacted by the decision of the Extraordinary General Meeting of the Company's shareholders as of 27/9/2013 (Stock Option Plan – hereinafter referred to as "the Program"), in the fiscal year 2021 39,943 stock options were exercised (hereinafter referred to as the "Options"). Pursuant to the decision of the Board of Directors as of 20/12/2021 (see respectively the minutes of the Board of Directors with number 430 / 20.12.2021), the exercise of the above Options by the respective beneficiaries of the Program upon payment of the exercise price of options for the new shares, was certified.

It is noted that the underlying share price to which the granted options correspond, had been initially determined at the amount of euro three and forty cents (€ 3,40) per share, which constituted the closing stock price on the date of the resolution of the General Assembly Meeting for the Program (SOP) (27/9/2013). Already, under the BoD resolutions as of 20/11/2017, 19/11/2018 and 18/11/2019 (relevant minutes of the BoD 389/20.11.2017, 399/19.11.2018 and 407/18.11.2019), a readjustment has been made at the historical price of the Company's share and thus the implemented exercise price of the stock options is deemed to amount to the amount of Euro three and 0,2226 (€ 3,2226) per share. Following the certification of the payment of the exercise price of the Program's Options by the beneficiaries, i.e. of the total amount of 128,720.33 euros, 39,943 new ordinary registered shares with a nominal value of 1.00 euros per share were issued and delivered to the respective beneficiaries of the Program.

The Extraordinary General Meeting of the Company as of July 22, 2021, in the framework of the Stock Options Program, has approved the distribution of a maximum of 1,600,000 options of one share, i.e. 3.07% of the number of shares on the ATHEX and the granting of an authorisation to the Board for the regulation of procedural issues and details. The underlying price of the above shares is the nominal value of the share on the day of the decision making by the General Assembly in the Program. The Program will be implemented in one serie. The duration of the Program is until the year 2028, in the sense that the options that will be granted to the beneficiaries of the Program with a grant date on 22/11/2021, may be exercised from 24/11/2024 to 15/12/2028.

In the period 1/1-31/12/2021 beneficiaries resigned from the exercise of 5,042 options (2020: 0), which had been granted by the BoD on 20/11/2017, beneficiaries of 8,538 options (2020: 0), which had been granted from the Board of Directors on 19/11/2018, beneficiaries of 10,487 options (2020: 0) which had been granted by the Board of Directors as of 19/11/2019 as well as beneficiaries of 12,132 options

(2020: 0) which had been granted by the Board of Directors on 24/11/2020.

## 7. Information about the Group's prospected plan of development

In the year 2021 the Group was mainly affected by the COVID-19 pandemic, which disrupted the global economies and had a significant adverse impact on many business activities.

The Group, with a sense of responsibility towards people, the customers and the society as a whole, responded immediately to the ongoing situation, taking the appropriate information, prevention and protection measures in order to limit the spread of the Covid-19 pandemic.

The Group implemented the program "work from home" for employees working at the management buildings of each subsidiary for the period 2021 as well. In addition, individuals belonging to vulnerable groups and parents of students were facilitated with special purpose leaves, in accordance with the respective legal framework of the countries in which they operate. At the same time, business trips were limited to the absolutely necessary, trainings were carried out remotely and information messages and recommendations were constantly sent to avoid numerous meetings and crowded places. Moreover, the cleaning and disinfection of the facilities was intensified, as well as the guidance of the human resources in the field of personal hygiene, according to the guidelines and the suggestions of the governments and the WHO. After the restrictions were lifted in May and June, domestic demand for goods and services has recovered and tourist arrivals have increased in the first months of the summer period compared to last year's relevant data.

In particular as regards the Group's stores network, instructions were immediately sent regarding the preventive measures, the observance of the individual hygiene rules and social distancing, as well as the way of managing any cases. Indicatively, during the reopening of the stores, the following measures were applied:

• Mandatory use of mask by all human resources.

• Temperature measurements to human resources.

• Counting and control of the maximum number of visitors, depending on the area of each Store.

• Placement of signs for keeping the distances and protective plexiglass in the cash registers and in the info desks.

• Antiseptics available for both customers and human resources.

• Disinfection of clothes and shoes that were tested / returned by customers (this concerns INTERSPORT and TAF Stores).

• Ventilation / air conditioning maintenance.

The second half of the year was also improved in terms of financial results compared to the first half, on the one hand due to the historically increased revenues during the second half, the strong competitive position of the Group's retail companies and the balanced expansion of its activities and consequently its revenues, but mainly because vaccination has started at a fairly high percentage of the population in Greece and abroad with a direct impact on the macroeconomic variables that affect the progress of the Group but also the developments in the economic and political environment, especially in Greece, where most of the revenues still comes from (2021: 58.4%).

A detailed presentation of the effects of the pandemic on the business activities, the financial situation and the financial performance of the Group is given in section 8.

2022 has started with positive prospects for the Greek economy which is expected to continue to recover from the low levels of recent years due to the prolonged recession followed by the pandemic period. The significant contribution of the Recovery and Resilience Mechanism (RRF), which is estimated to contribute over € 30 billion in total in the coming years through grants and loans on favorable terms(€ 13 billion for the private sector and € 18 billion for public investment) will strengthen the Greek banks and the Greek economy in general.

Critical issues such as inflationary pressures stemming mainly from the energy crisis, supply chain disruptions, pandemic developments, and recent Ukraine-centric political developments are expected to remain at the forefront of the debate and determine the course of the global economy during 2022.

Regarding the developments in Ukraine, the Group declares that it has no subsidiaries, parent or affiliated companies based in Russia or Ukraine, nor significant transactions with affiliated parties from Russia or Ukraine. The Group also states that it has no significant customers or suppliers or subcontractors or partners from Russia or Ukraine, nor does it maintain warehouses with goods in Russia or Ukraine. The Group states that it does not maintain accounts nor has loans with Russian Banks and that it will not have indirect effects from potentially affected sectors nor does it expect a significant impact from energy increases, inflation, fuel and supply chain disruptions.

The Group continues to implement its investment program where it is estimated that there is room for expansion in the current circumstances. On July 12, 2021, the Ministry of Development and Investment approved the establishment of TRADE ESTATES REAL ESTATE INVESTMENT COMPANY (TRADE ESTATES REIC).

The initial share capital of the company amounts to Euro one hundred seventy-three million five hundred twenty-seven thousand three hundred seventy-eight (€173,527,378). The real estate portfolio of TRADE ESTATES REIC includes all the existing privately owned properties of the Group which are used for the operation of the Retail Home Equipment (IKEA), the supply chain centers in Schimatari and Oinofyta, as well as its investment property for retail trading of the Group in Greece. On 31/12/2021 it proceeded to the purchase of shares of the company BERSENCO REAL ESTATE DEVELOPMENT AND EXPLOITATION SOLE SHAREHOLDER SA, owner of the new Commercial Park at Piraeus street in consideration of the amount of € 18,3 million. This particular investment is part of the Company's strategy to specialize and focus on the development of new generation Commercial Parks and Logistics Centers, as these two categories constitute an integral part of the Omnichannel approach that is evolving in the global trade. On 22/12/2021 it was announced that the Company TRADE ESTATES REIC proceeded to the signing of an agreement for the purchase of shares of the company KTIMATODOMI SA. owner and manager of the largest commercial park in Greece, under the name FLORIDA 1. The Commercial Park is located in Thessaloniki and covers an area of 132,000 sq.m., with commercial areas of 31,407 sq.m., leased 100% to twelve of the largest retail companies in Greece (Leroy Merlin, AB VASILOPOULOS, JUMBO, Kotsovolos, Moustakas, Jysk and others). FLORIDA 1, Commercial Park has achieved impressive recovery performance in the course of the pandemic, highlighting its unique commercial characteristics as well as its resilience, whereas at the same time it has confirmed the choice of TRADE ESTATES REIC's strategy to focus on this category of commercial real estate. The Company after the specific acquisition, is expected to increase its revenues by 4.5 million euros per year. On 22/2/2022 the Company announced its subsidiary TRADE ESTATES R.E.I.C, proceeded to the completion of the transaction for the purchase of the company KTIMATODOMI SA .. The total price for the acquisition of 100% of the shares of the company amounted to 35,960,509.00 euros.

On February 18, 2022, an amended and codified Memorandum of Understanding was signed between RETS CONSTRUCTION SOCIETE ANONYME and TRADE ESTATES REIC in order to jointly proceed with the acquisition of property and the development and construction of a storage and distribution center, of an area of 56,000 sq.m. in the Municipality of Elefsina in the Region of West Attica. On the same date, a decision was taken to increase the share capital of RETS CONSTRUCTION SOCIETE ANONYME amounting to 132 thousand euros.

Retail parks constitute today the strongest trend in new retail developments worldwide, as consumers with less time available but also in the post-Covid era will constantly seek easy, safe and direct access to markets and services. The purpose of TRADE ESTATES REIC is to operate purely in retail large area real estate ("Big Boxes") and e-commerce infrastructure, through the acquisition of new properties outside the Group as well creating a portfolio of high quality and performance.

On 12/1/2022 was announced the Group's entry into the rapidly growing Health and Wellness products segment, through the strategic cooperation with Holland & Barrett, one of the largest retail networks in Europe in the health and wellness sector. With the third retail activity, the Group's goal is to play a leading role in the segment and intends to develop in the long run a network of 120 physical stores, with physical stores being developed simultaneously with the Holland & Barrett online store in the year 2022.

One (1) new INTERSPORT Store in Corinth is expected to be added to the sporting goods retail sector. At the end of 2022 the segment is expected to have a network of one hundred and seventeen (117) INTERSPORT Stores and seventeen (17) TAF Stores whereas, the INTERSPORT e-commerce Stores in Greece, Romania, Turkey, Bulgaria and Cyprus and the TAF E-Commerce Store in Greece will be fully operational.

The Group operates with nine (9) IKEA Stores, nine (9) Pick Up & Order Points and three (3) E-commerce Stores in Greece, Bulgaria and Cyprus. In the second half of 2021, one (1) new IKEA Shop was added to its network at the MALL in Maroussi and one (1) new IKEA shop in Sofia at the Mall of Sofia. Based on the development plan in the three countries where the Group operates IKEA stores, (5) five mediumsized IKEA stores of 5,000 - 12,000 sq.m., and ten (10) small stores of 1,000 - 2,000 sq.m. will be opened in the next five years.

The orientation of the Management in the exploitation of the synergies within the Group will continue for the second half of 2022. "Integrity", "Mutual Respect" and "Efficiency" continue to be the values through which the Group seeks to achieve its goals.

**8. Fourlis Group – Major Threats & Uncertainties**

Risk management is handled by the Finance Department, which operates according to specific rules set by the Board of Directors.

The Group has adopted the "Enterprise Risk Management" (ERM) methodology which facilitates and enables the organization to identify, evaluate and manage risks through a structured approach. The methodology is based on the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) ERM, which provides guidance on how to integrate ERM practices and outlines their application principles. In this context, 100 risks were identified and evaluated which were recorded in the Risk Register of the Company.

More specifically, the risk categories are: Profitability & Liquidity, Reputation & Ethics, Society & People, Regulatory Compliance, Strategy, Customers, Health and Safety, Growth & Competition, Technology and Operations . The most important risks that have been identified for the Group are:

- *Risk related to the category Society and People:* The possibility of facing difficulties in attracting, developing (including training) and retaining the required skills and talents (including new skills in digital technologies) and the relative impact on the Group's performance.
- *Risk related to the Strategy category:* The probability of failure to clearly define the strategy and to align it with the business objectives and the relevant effects on the Group's development.
- *Risk related to the category of Profitability and Liquidity:* The possibility of inefficient liquidity management, as well as the unclear liquidation strategy and the related effects on the Group's profits and liquidity.
- *Risk related to the Strategy category:* The possibility of misalignment of the business strategy with the ESG (Environmentai, Social and Corporate Governance obligations such as Climate & Sustainability and corporate governance expectations and the related effects on the financial results and the reputation of the Group.
- *Risk related to the Strategy category:* The possibility of failure to adopt state-of-the-art technology / align the IT strategy with the business strategy and new business models as well as the relative impact on the Group's reputation and revenue.
- *Risk related to the category Development & Competition:* The possibility of the emergence of new competitors (e-shop or physical stores) and the relative impact on the loss of market share.
- *Risk related to the category Development & Competition:* The possibility of entering international digital markets (marketplaces) and the relative impact on the loss of market share.

- *Risk related to the Technology category:* The possibility of high cost of information systems platforms and the impact on the Group's profits.
- *Risk related to the Technology category:* The possibility of attack in cyberspace and the relative impact on the profits, performance and reputation of the Group.
- *Risk related to the category Operations:* The possibility of mismanagement of inventories and the relevant effects on the Group's performance and income.

  The Board of Directors provides written instructions and guidelines for general risk management as well as specific instructions for the management of specific risks, such as the foreign exchange risk and the interest rate risk.

**Foreign Exchange Risks:**

The Group is exposed to foreign exchange risks arising from transactions in foreign currencies (RON, USD, TRY, SEK) with suppliers which invoice the Group in currencies other than the local one. The Group, aiming at minimizing the foreign exchange risks, according to the relevant needs, evaluates the need for pre purchase of foreign currencies.

**Interest rate risk/liquidity risk:**

The Group is subject to cash flow risks which in the case of possible variable interest rates fluctuation, may affect positively or negatively the cash inflows or/and outflows related to the Group's assets or/and liabilities.

Cash flow risk is minimized via the availability of adequate bank credit lines but also significant treasury. Further, the Group has entered into Interest Rate Swap (IRS) contracts in order to face the said risks.

**Risks due to the energy crisis and the COVID-19 spread:**

The Group carefully monitors the news and developments regarding the energy crisis and the spread of coronavirus, in order to adjust in the special conditions arising exclusively for the fighting and restriction of the spread of COVID-19. It complies with the official instructions of the competent authorities for the operation of its physical stores and headquarters in the countries in which it operates. It harmonizes with the current legislation and continues its commercial transactions in physical stores according to the instructions. The quantitative and qualitative effects of the energy crisis and the pandemic on the operation of the Group and the Company, taking into account the recommendations of the Hellenic Capital Market Commission as well, (letter to listed companies dated 25/2/2021),can be summarized as follows:

1. Increase of the Group's sales in the year 1/1/2021-31/12/2021 by an amount of euro 69.2 million compared to last year and increase by 1.4% of the gross profit margin for the same period. It should be noted that in the year 1/1 / 2021-31 / 12/2021 the Group's sales through its e-shops (e-commerce) have increased by 29% compared to the same period last year, whereas investments in innovation and technology and service upgrades, following the rapid changes in consumer habits and the physiognomy of retail trading.

2. Reduction of the Group's treasury (cash and cash equivalents) in the year 1/1/ 2021-31/12/2021 by the amount of euro 12.0 million compared to last year due to new investments and reduction of the open balances of the suppliers that had been granted to deal with the pandemic.
3. Increase of the operating expenses of the Group in the year 1/1/2021-31/12/2021 by the amount of euro 17.2 million in relation to the previous year and specifically increase of the salary cost by the amount of euro 6.7 million, of the services of third parties (rights, leases, energy, etc.) by the amount of euro 1.0 million, of other expenses (advertising, warehousing, transport, etc.) by the amount of euro 9.3 million and taxes by the amount of euro 0.3 million.
4. The Group has utilized the state support measures in all the countries where it operates for prevention of the consequences of the pandemic, whether they were related to salary costs, or rent costs, or tax reliefs, or financing, or payment facilitation.
5. The availability of goods during the fiscal year 2021 was not significantly affected compared to the previous fiscal year.
6. The Management of the Group has implemented home office in all the countries in which it operates.
7. The portfolio management service continues to identify, assess, and hedge financial risks and to provide guidance on the management of the specific extraordinary risk, in order to provide protection to investors.
8. The Group has strengthened its infrastructure both in terms of information systems and the operation of logistics centers, in order that its business and commercial operation shall not only continue smoothly but also be further strengthened. In this context, new investments are being made by the subsidiary TRADE LOGISTICS SA for the expansion of the e-commerce storage and order management buildings and the automation of the provision of the relevant services. Moreover, in order that the coverage of the growing expectations of its consumers is enhanced and e a complete positive experience for the customer is created, the Group seeks the harmonious combination of e-commerce with the "traditional" development model, making the most of digital media and new technologies in order to offer an omnichannel experience both physical and online.
9. The energy cost for the operation of the Group's stores and warehouses is affected by the large increases observed internationally, but it is a relatively small part of the Group's operating costs (4.7% of operating expenses for the year 2021).
10. The Group continues the strictly selected investments in both retail segments in which it operates. In this context, in 2021, it proceeded to the opening of an INTERSPORT Store in Thessaloniki and a TAF Store in Peristeri. Also, in the second half of 2021, an IKEA Small Store in Maroussi was added to the network of Stores in the home equipment and furniture segment as well as a Store in Sofia (Sofia Mall).
11. The Group completed on 12/7/2021, the establishment of a company under the name "TRADE ESTATES Real Estate Investment Societe Anonyme", for its operation as a) Societe Anonyme

Investment in Real Estate in accordance with the provisions of law 2778 / 1999 and b) Alternative Investment Organization with internal management, according to the provisions of law 4209/2013. TRADE ESTATES REIC was established through a) the spin off the sector of the company under the name HOUSEMARKET SA and the transfer of real estate from the company under the name TRADE LOGISTICS SA and b) the acquisition of 100% of the share capital of companies HM ESTATES CYPRUS, TRADE ESTATES BULGARIA EAD and RENTIS SA. TRADE LOGISTICS SA, HM ESTATES CYPRUS, TRADE ESTATES BULGARIA EAD and RENTIS SA are wholly owned subsidiaries of HOUSEMARKET A.E. On 12/20/2021 the Company proceeded to the acquisition of 50% of the share capital of the companies MANTENKO SA, POLICENKO SA and SEVAS TEN SA from HOUSEMARKET SA. On 31/12/2021 the Company proceeded to the acquisition of 100% of the share capital of the company BERSENCO SA.

12. Regarding the developments in Ukraine, the Group declares that it has no subsidiaries, parent or affiliated companies based in Russia or Ukraine, nor significant transactions with affiliated parties from Russia or Ukraine. The Group also states that it has no significant customers or suppliers or subcontractors or partners from Russia or Ukraine, nor does it maintain warehouses with goods in Russia or Ukraine. The Group states that it does not maintain accounts or have loans with Russian Banks. The Group states that it will not have an indirect impact from potentially affected sectors nor does it expect a significant impact from energy increases, inflation, fuel and supply chain disruptions.

**Non-financial risks:**

In addition to the financial risks, the Group also focuses on non-financial risks related to specific issues, which have been identified as essential in the context of sustainable development. These issues concern the full compliance with the legislation and the implementation of corporate governance policies, human resources, the environmental impact of the companies' activity, the supply chain, and the evolution of the companies in the market in which they operate. Risk management presupposes the definition of objective goals based on which the most important events that can affect the Group are identified, the relevant risks are assessed and a decision is made.

**b) Significant Pending Court Cases/Legal Issues**

There are no litigations or legal issues that might have a material impact on the Company and the Group's Annual Financial Statements for the period 1/1 - 31/12/2021.

## 9. Selected Alternative Performance Measures (APMs)

Under the implementation of ESMA Guidelines (05/10/2015|ESMA/2015/1415), FOURLIS Group adopted as Alternative Performance Measure (APM) the earnings before taxes, interest and depreciation & amortization (EBITDA). Alternative Performance Measures (APMs) are used in the context of decision-making for financial, operational and strategic planning as well as for the assessment and publication of performance. Alternative Performance Measures (APMs) are taken into account combined with financial results which have been conducted according to IFRS and under no circumstances they replace them.

Definition **EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization & Impairment)/ Operating results before taxes, financing, investing results and total depreciation/amortization/impairment** = Earnings before tax +/- Financial and investing results (Total finance cost + Total finance income + Contribution in associate companies) + Total depreciation/amortization/impairment (property, plant and equipment and intangible assets).

The amount most directly related to this EDMA (EBITDA) is operating profit (EBIT) and depreciation / amortization. Operating profit is presented in the income statement line and depreciation / impairment is presented in total in the Cash Flow Statement line. More specifically, the agreement of the selected EDMA with the financial statements of the Group of the respective period is the following:

(amounts in thousands euros)

| | **Group Consolidated Results** | |
|---|---|---|
| | **1/1-31/12/2021** | **1/1-31/12/2020** |
| **PBT** | **12,079** | **(10,987)** |
| Total Finance cost/income and Contribution of associate companies | 14,794 | 17,537 |
| Depreciation/Amortization/Impairment | 29,318 | 33,481 |
| **Earnings before interest, tax, depreciation, amortization & impairment (EBITDA)** | **56,191** | **40,031** |
| Depreciation of right of use (IFRS16) | (18,049) | (19,640) |
| **EBITDA (OPR)** | **38,142** | **20,391** |

(amounts in thousands euros)

| | Retail trading of home furniture and household goods segment (IKEA Stores) | |
|---|---|---|
| | **1/1-31/12/2021** | **1/1-31/12/2020** |
| **PBT** | **12,085** | **3,864** |
| Total Finance cost/income and Contribution of associate companies | 8,528 | 10,860 |
| Depreciation/Amortization/Impairment | 11,000 | 13,412 |
| **Earnings before interest, tax, depreciation, amortization & impairment (EBITDA)** | **31,613** | **28,137** |
| Depreciation of right of use (IFRS16) | (5,714) | (5,464) |
| **EBITDA (OPR)** | **25,899** | **22,673** |

(amounts in thousands euros)

| | Retail trading of sporting goods segment (INTERSPORT and TAF Stores) | |
|---|---|---|
| | **1/1-31/12/2021** | **1/1-31/12/2020** |
| **PBT** | **1,508** | **(13,614)** |
| Total Finance cost/income and Contribution of associate companies | 6,397 | 6,645 |
| Depreciation/Amortization/Impairment | 18,437 | 20,407 |
| **Earnings before interest, tax, depreciation, amortization & impairment (EBITDA)** | **26,342** | **13,438** |
| Depreciation of right of use (IFRS16) | (12,589) | (13,994) |
| **EBITDA (OPR)** | **13,754** | **(556)** |

## 10. Social Responsibility and Sustainable Development

This Non-Financial Statement is part of the Annual Report of the Board of Directors and includes information related to all the activities of FOURLIS Group on the following thematic aspects, as defined in Section 7 "Non-Financial Statement" of circular 62784/2017, in accordance with the provision of law 4403/2016:

- Business model/Main non-financial risks.
- Social and labor issues.
- Respect for human rights.
- Anti-corruption and issues related to bribery.
- Environmental issues/Climate change.
- Supply chain issues.

Additionally, this Statement and in accordance with the notification by the Hellenic Capital Market Commission, includes the thematic aspect "Impact of the COVID-19 pandemic on non- financial issues", as well as the "EU Taxonomy Report".

The content of this non-financial Statement has been drafted by taking into consideration the GRI Standards (2016), as well as the new Environmental, Social, Governance (ESG) Reporting Guide of the Athens Stock Exchange (2022) ( https://www.athexgroup.gr/web/guest/esg-reporting-guide).

FOURLIS Holdings S.A. participates in the new ATHEX ESG index of the Athens Stock Exchange, which includes listed companies which maintain a good performance in topics of environment, society and corporate governance, in order to improve their position in one of the most material topics of interest to investors and the capital markets worldwide.

**Material Topics/Stakeholder Engagement [Metric C-S1, Metric C-G3, GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-47]**

The Group recognizes as stakeholders those who have an impact or are affected by its activities. The main stakeholder groups of the Group are the following: employees, shareholders/institutional investors & financial analysts, customers, suppliers/ partners, civil society, local communities, government and supervisory authorities/state, business community, media and NGOs.

Having identified and prioritized its stakeholders, the Group invests in a continuous and mutual-way contact and communication with them, in order to maintain a constant flow of information to and from the Group, regarding their requests, concerns and expectations.

The role and views of the Group's stakeholders are key elements that fuel the Group's effort to improve its products and services, as well as its sustainable operation and development, and as a result, the management of these issues, the objectives' setting etc. are discussed at Board level.

In the context of the continuous improvement of the approach to sustainable development and social responsibility topics, the Group conducts a materiality analysis, based on the GRI Standards, to prioritize the topics that present the most material economic, social and environmental impacts, as well as those that have a significant impact on its stakeholders.

The Sustainable Development and Social Responsibility Report 2020 (https://www.fourlis.gr/csr/social-responsibility/annual-reports) describes the stakeholder groups and the engagement method, as well as the frequency at which the Group communicates with its stakeholders. In the Sustainable Development and Social Responsibility Report 2020 it is also included a description of all the steps of the materiality analysis (e.g. identification of the sustainable development topics, changes in relation to the previous materiality analysis, etc.), as well as the material topics derived through that process.

[Metric C-G4]

In 2021, the Group proceeded with the completion and publication on its site, of the Sustainable Development Policy, which was approved by the Board of Directors.

**a) Brief description of business model**

FOURLIS Group, (headquarters located at 18-20 Sorou Street (Building A), 15125 Maroussi), is one of the largest trading groups of consumer goods in Greece, Cyprus, Bulgaria, Romania and Turkey, in the following business activity fields:

- Retail trading of home furniture and household goods through the IKEA stores in Greece, Cyprusand Bulgaria.

- Retail trading of sporting goods through the INTERSPORT stores in Greece, Cyprus, Bulgaria, Romania and Turkey and The Athlete's Foot stores in Greece and Turkey.

The aforementioned activities are complemented by online stores (e-commerce).

- Supply chain services for both sectors and for all countries are provided by TRADE LOGISTICS S.A., a Group's subsidiary, in the context of exploiting synergies between the companies of the Group.
- Investment & Real Estate Development Sector through its subsidiary TRADE ESTATES R.E.I.C. which was established in July 2021.The initial share capital of the Company includes companies of FOURLIS Group (HOUSEMARKET S.A., HOUSEMARKET CYPRUS Ltd, HOUSE MARKET BULGARIA EAD. and TRADE LOGISTICS S.A.), while in the real estate company portfolio, are part retail real estate utilized as IKEA stores (Thessaloniki, Ioannina, Nicosia (Cyprus), Sofia (Bulgaria), the storage and supply chain centers at Inofyta and Schimatari, as well as the commercial spaces (stores complex and commercial park) on Piraeus Street.

The Group's parent company, FOURLIS HOLDINGS S.A. (hence after Company) activity is the investment in domestic and foreign companies of all types, regardless of their objectives and corporate form. The Company's scope of work includes the provision of services to companies of all kinds, in the fields of general management, financial management and IT. In order to exploit synergies and for better coordination in decision-making and implementation, the centralization of the Group's support services in Greece was implemented, namely financial planning and controlling services, human resources, IT, corporate governance, treasury management, personal data protection, sustainable development and social responsibility.

More information regarding the business environment, strategy, objectives and main progress and factors that could influence the Group's development, are available in the following chapters of the Group's Board of Directors' Annual Report:

- Chapter 4. Operating performance-Important developments
- Chapter 7. Information about the Group's plan of development
- Chapter 8. Major threats and uncertainties faced by the Group, as well as in the following paragraphs.

**b) Main non-financial risks**

In addition to the financial risks, FOURLIS Group focuses on non-financial risks related not only to the sustainable development material topics, as they have emerged from the materiality analysis conducted by the Group, based on the GRI standards, but also to broader ESG topics (environmental, social, governance) that the Group may have an impact and/or these topics may affect the operation of the Group. Indicatively, these topics concern the full compliance with the legislation and the implementation of corporate governance policies, the human resources, the environmental impacts of its companies' activity, the supply chain and the progression of the companies in the market in which they operate. Risk management has, as a condition, the definition of objective goals based on which the most important events that can affect the Group are identified, the relevant risks are evaluated and its response to them is decided.

The Group has adopted the "Enterprise Risk Management" (ERM) methodology, which facilitates and enables the organization, to identify, evaluate and manage the risks (both financial and non-financial) through a structured approach. The methodology is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM, which provides guidance on how to integrate ERM practices and outlines the principles of their implementation.

In this context, 100 risks were identified and evaluated, which were recorded in the Risk Register of the Group.

More specifically, the risk categories (both financial and non-financial) are the following 10:

1. Profitability and Liquidity
2. Reputation and Ethics
3. Society and People
4. Compliance
5. Strategy
6. Customers
7. Health and Safety
8. Growth and Competition
9. Technology
10. Operations

Based on the above-mentioned categorization, the major non-financial risks identified are the following:

- Risk related to the category Society and People. The possibility for the Group to face difficulties in attracting, developing (including training) and retaining of the required skills and talents (including new skills in digital technologies), as well as the relative impact on Group's performance.

- Risk related to the category Strategy. The possibility of misaligning the business strategy with the obligations in the context of Sustainable Development (e.g., Climate, Sustainability) and the corporate governance expectations as well as the with the relative impact on finances and reputation of the Group.

Sustainable Development, as those will have emerged from the new materiality analysis.

### c) ESG Strategic Objectives [Metric A-G3]

The main Sustainable Development/ESG performance objectives of FOURLIS Group are:

| | TOPIC | OBJECTIVES 2021 | RESULTS 2021 | OBJECTIVES 2022 |
|---|---|---|---|---|
| For our People | **Creating and retaining employment** | Increasing the number of employees according to the Group's business plans | Based on the Group'sbusiness plans for 2021, the number of employees was maintained at approximately the same level as 2020 (2% reduction) | Retaining the number of employees according tothe Group's business plans |
| | **Protecting employee health, safety and well-being** | Zero incidents of fatalities and/or high consequence work-related injuries | Zero incidents of fatalities and/or high consequence work-related injuries | Zero incidents of fatalitiesand/or high consequence work-related injuries |
| | **Protecting human rights in the workplace** | Maintaining zero incidents of human rights violations in the Group | A complaint from a former employee to a subsidiary, about a behavior at work, not compliant with the code of conduct. The complaint was investigated by the Group in accordance with its procedures and based on the information provided, which however was incomplete. Despite the company's attempt to receive more information from the complainant that would facilitate the ongoing | Zero incidents of human rights violations in the Group |

| | TOPIC | OBJECTIVES 2021 | RESULTS 2021 | OBJECTIVES 2022 |
|---|---|---|---|---|
| | | | investigation, he/she asked to stop any actions, at which point the complaint was closed. | |
| | **Providing employee training and development **** | Implementation of training and development plan* | Due to the COVID-19 pandemic, the revised training plan was implemented | - |
| **For the Society** | **Active / responsible social contribution and organization of voluntary actions for employees**** | Maintaining social contribution programs, donations and sponsorships*** minimum at the same level as 2020* | Maintenance and implementation of new programs with expansion of the beneficiary social groups (actions to support those affected by the fires in North Evia and Attica). | - |
| **For the Market** | **Ensuring business ethics and regulatory compliance** | -Full compliance with the new Corporate Governance legislation<br>-Zero fraud or corruption incidents | -Full compliance (according to internal reviews)<br>-4 cases of fraud of limited scope and insignificant financial size | - No existence of significant findings during the mandatory external evaluation of the internal control system for the period 17/7/21-31/12/22 that will be carried out within Q1 2023.<br>- Zero incidents of fraud/corruption. |
| | **Product compliance, labeling and responsible communication**** | Maintain a level of full compliance with regulations and voluntary codes, regarding product labeling and responsible communication | Zero incidents of non- compliance with regulations and voluntary codes, concerning product labeling and responsible communication.<br><br>However, the subsidiary | - |

| | TOPIC | OBJECTIVES 2021 | RESULTS 2021 | OBJECTIVES 2022 |
|---|---|---|---|---|
| | | | HOUSEMARKET (IKEA stores) of the FOURLIS Group proceeded in 2021, to preventively and voluntarily recall of the serving items HEROISK & TALRIKA | |
| | **Ensuring the health, safety and accessibility of customers and visitors** | Zero incidents of non-compliance with regulations and voluntary codes, relating to health and safety issues | Maintaining zero incidents | Zero incidents of non-compliance with regulations and voluntary codes relating to customers' and visitors' health and safety issues |
| | **Ensuring business continuity and emergency preparedness** | Development of a risk management system according to the COSO ERM methodology | The development of the system has been completed. | System implementation. |

** These objectives are subjected to revision, as their implementation depends on the evolution of the COVID-19 pandemic.*

*** The topics " Providing employee training and development ", "Active/responsible social contribution and organization of voluntary actions for employees" and "Compliance, labeling and responsible communication " as well as the objectives related to them, did not result as material in the latest materiality analysis according to the GRI Standards but they are analyzed in the following pages, as the Group continues to invest responsibly in them, since they are important topics for its operation.*

**** The objective related to sponsorships and donations that referred to the material topic "Creating economic value/economic performance of the company" in the Management Report of the Board of Directors of FOURLIS HOLDINGS S.A. 2020, has been incorporated (due to relevance) to the objective of the topic "Active/responsible social contribution and organization of voluntary actions for employees".*

## d) Social & labor issues

## A. Social Issues

### 1. Health & safety of customers, business partners and visitors at our facilities

**Corporate policies and due diligence**

The Group, in compliance with the applicable legislation, implements a Health & Safety Policy (included in the Internal Labor Regulations of its companies) that is applicable to all its subsidiaries. It includes a wide range of relevant procedures, measures and initiatives related to the safe stay of visitors, customers and partners at its facilities. Any variations in the Group's relevant procedures per company, country or region, depend on the size of the facilities, as well as on the existing legislation in the countries where the Group's companies operate.

In this context, some of the practices the Group implements are the following:

- Cooperation with an external service provider on accident protection and prevention.
- Written occupational risk assessment, according to existing methodology and legislation.
- Measures taken for reducing "emergency pick" incidents, in order to prevent accidents at the IKEA stores.
- Training of First Aid Teams.
- Training of Fire Safety and Firefighting Teams.
- Infirmaries equipped with medical beds and automatic external defibrillators in all the IKEA stores, as well as in the TRADE LOGISTICS S.A. distribution center.
- Provision of wheelchairs at the entrance of all the IKEA stores, as well as of accessible lavatories and parking spaces, aiming to provide safe accommodation and transportation for people with disabilities.

Moreover, employees receive regular training, in order to respond to emergency incidents that can affect both their own and visitors' safety at the Group facilities. Also, in an effort to ensure compliance with the Health and Safety Policy, regular audits are conducted by safety technicians, in all Group activities.

At the Section (i) "Impact of the COVID-19 pandemic on non-financial issues" additional practices applied by the Group for the health and safety of customers, partners and visitors to its facilities during the COVID-19 period are listed.

**Outcome of the above policies and non-financial key performance indicators**

In the context of the relevant policy, all incidents concerning the Health and Safety of customers, partners, and visitors occurring within the Group's premises and stores are reported, while a Safety Report is compiled for each store, as well as a consolidated one for all of them. The report includes information not only on the number and type of incidents, but also on the way they are addressed. Through these reports the Group is able to receive useful information on policies' effectiveness and to improve its practices, where and if needed.

For 2021, there were no fatalities and/or high consequence accidents of customers, visitors, partners in the stores and facilities of the Group's companies.

**2. Product compliance, labeling and responsible communication**

**I. Product compliance and labeling** [Metric SS-S1]

**Corporate policies and due diligence**

The Group manages this topic through the compliance of the products sold by its subsidiaries in all the countries where it operates, with manufacturer and supplier specifications, with European and/or national legislation, as well as with all existing laws and regulations concerning their labeling and use (e.g., CE approval).

The impacts on health and safety of customers while using the products could be caused either by a defective design or incomplete usage instructions, or by incorrect use or assembly of the products. In order to eliminate this risk, the Group ensures cooperation with suppliers and franchisors, that meet both the European and the domestic requirements for quality and safety of the products it trades, in terms of their design, production, use and labeling (foods available through the restaurants in IKEA stores, are also included).

- **Household Goods and Home Furniture (IKEA stores):** IKEA products have special labeling and indications aiming to provide information and advice to consumers regarding the products' manufacturing details, their origin, their environmentally friendly character, their dimensions, their lifespan, whether the use of the product is designed only for adults, etc. It is also worth mentioning that at IKEA, a perennial product guarantee is offered, which in some cases reaches 25 years, and in parallel, IKEA adheres to and applies a product withdrawal policy. If necessary, and depending on the importance of the incident, the withdrawal case is publicly disclosed. At the same time, IKEA monitors the products returns and, if there is an increased number of returns from the same item (due to a defect), specific procedures are followed that have been set worldwide by IKEA to inform all parties involved.

In addition, and in compliance with the relevant European Union legislation and more specifically with the Regulation on Energy Labeling (EU) 2017/1369, since November 2020, a transition period has begun for IKEA, with transitional preparatory actions, for the implementation of the new directives related to the launch of new energy labels, through which customers will be informed about the energy consumption of electrical appliances and light bulbs. From 2021, the new energy labels are available on specific appliances, in compliance with the relevant legislation. By February 2023, the new energy labels will be available on all light bulbs in accordance with the relevant legislation. More information is available at: https://www.ikea.gr/en/new-energy-label/.

- **Food Safety System:** Implemented, according to the international standard ISO 22000, at all the restaurants of IKEA stores. The re-certification process has been started for the stores in Greece, which, within 2021, was completed for the stores in Piraeus and Thessaloniki. The re-certification process is underway for the stores in Cyprus and Bulgaria, as its completion has been delayed due to the COVID-19 pandemic.
- **Sporting Goods (INTERSPORT & The Athlete's Foot stores):** The Commercial Department of INTERSPORT and The Athlete's Foot, which is responsible for product compliance, oversees adherence to market regulations, as well as the European Union CE labeling. The products hold

special labeling and indications in order to provide information and advice to consumers regarding their use, as well as information concerning the manufacturing and the materials of the products, etc. Both INTERSPORT's and The Athlete's Foot's policies focus on the inclusion of terms in their contracts with suppliers, which stipulate the compliance with all applicable regulations and laws, regarding the products that INTERSPORT & The Athlete's Foot buy from them. In cases of defective products, INTERSPORT & The Athlete's Foot immediately proceed to their withdrawal and replacement and initiates all the necessary procedures in order to inform all the pertinent institutions, such as the Ministry of Development and Investments, consumers' associations and consumers in general, via a specific press release.

**II. Responsible product marketing and promotion**

**Corporate policies and due diligence**

For the advertising and promotion of the Group's IKEA products, in all countries of operation, the communication code applied by IKEA worldwide is followed, as well as all conduct, marketing and communication codes and the market regulations that there is an obligation to comply with, while also taking into consideration local needs. Regarding the promotion of the IKEA products, the relevant policy is adapted to local consumer needs and specificities. For this reason, the setup of the IKEA stores varies according to their location, in order to meet local community's standards and local culture.

Respectively, INTERSPORT's marketing and communication strategy is set in accordance with its vision, which is to bring Sports to the people, whereas The Athlete's Foot's strategy is set according to its own vision, which is to bring style to sports, while always having as a principle the consumers' needs and particularities. Both companies' marketing strategies focus on two areas: corporate communication and product promotion. The product communication and promotion methods chosen by the companies include various mass media such as tv, radio broadcasting and online advertising, while they respect all codes of conduct, marketing and communication, including market regulations that they are obliged to adhere to, in all the countries of operation.

**Outcome of the above policies and non-financial key performance indicators**

- There were no incidents of non-compliance with the legislation and/or voluntary codes concerning impact on Health and Safety of the products of FOURLIS Group **[GRI 416-2]**.

  Nevertheless, in 2021, IKEA proceeded with a precautionary recall of the HEROISK & TALRIKA serving items. More information in relation to any current recalls is available on the company website: https://www.ikea.gr/en/product-recall/ **[Metric SS-S1]**.

- There were no incidents of non-compliance concerning product and service information and labeling **[GRI 417-2].**

- There were no incidents of non-compliance with regulations and voluntary codes regarding marketing communication, including advertising, promotion and sponsorships **[GRI 417-3].**

**3. Personal data protection**

The Group adheres not only to the European Legislation, but also to the local legislations of the countries where it operates, regarding personal data protection of the parties who transact with the Group. Respecting privacy is a core element of both the Code of Conduct and the policies that are embedded in Group and its subsidiaries operations.

**Corporate policies and due diligence**

FOURLIS Group values the trust of all those who enter into a transaction with the Group and has designed and implements a personal data and sensitive personal data protection policy for all natural persons (visitors, partners, customers, suppliers, current, former and candidate employees). The Group makes sure to protect, with due diligence, all personal information collected for business needs, after obtaining legal consent, and to safeguard the rights of natural persons, in accordance with the existing legislation and Data Protection Authority guidelines (GDPR), in all countries where the Group companies operate. It is worth mentioning that all the Group employees in all counties where it operates, have received training in GRDP issues, either via classroom seminars or via e-learning. GDPR training is also part of the induction program for all new employees. Compliance with the relevant legislation and data security is examined at Group companies Board of Directors level.

**Outcomes of the above policies and non-financial key performance indicators**

- Unrestricted implementation of policies and procedures in relation to personal data protection.
- The Competent Authority has not ascertained any violation of the provisions of the GDPR and Law 4624/2019 **[GRI 418-1, Metric C-G6]**.

**4. Society and local communities support**

**Corporate policies and due diligence**

FOURLIS Group operates daily for the realization of its commitment and vision: the establishment of the preconditions for a better life for all. In this context, the Group seeks to be in constant connection with the citizens and the wider society in the countries where it operates, aiming to be informed about their needs and to understand them.

Then, it proceeds with the evaluation and prioritization of the needs, and designs programs and actions with criteria to meet the real and important needs of each local community, but also those that are more in line with the Group's social responsibility strategy, (supporting vulnerable social groups and mostly children), the number of beneficiaries, as the well as the nature of its activities.

In addition, in cases where there are special circumstances (e.g., pandemic, natural disasters), the Group either adjusts its programs or includes actions aimed at addressing these emergencies for the relief of society and citizens.

**Outcomes of the above policies and non-financial key performance indicators**

The following are some of the most significant programs and actions implemented during 2021 to support society. The implementation of some programs was affected by the COVID-19 pandemic. Additional information will be included in the Group's annual Sustainable Development and Social Responsibility Report, which will be published in June 2022 and will be uploaded to www.fourlis.gr :

- Implementation of "Stations of Joy" program, through which the subsidiary HOUSEMARKET S.A. (IKEA stores in Greece) fully equips municipal kindergartens and nurseries, in Greece. In 2021, the complete equipment of 1 Municipal Nursery School was implemented in Alimos, Attica, in collaboration with the competent Municipal Authority. Since the start of the program in Greece, a total of 78 nurseries and kindergartens have been equipped for more than 3,400 children. The "Stations of Joy" program was implemented in 2021 in Cyprus, where 3 community kindergartens were fully equipped, in Lakatamia, Liopetri and Hirokitia. Since the start of the program in Cyprus, a total of 11 community nurseries have been equipped for more than 270 children.
- Support to the work of Make-A-Wish organization, by the subsidiary HOUSEMARKET S.A. (IKEA stores in Greece), for the wishes of children suffering from very serious diseases to come true. In 2021, 31 children's rooms, that wished to have the room of their dreams, were equipped, while since the beginning of the cooperation with Make-A-Wish, 101 children's rooms have been equipped.
- Donation of meals from the restaurants of the IKEA stores to Institutions and Organizations in Greece, in collaboration with the Non-Profit Organization "Boroume".
- INTERSPORT ATHLETICS S.A. (INTERSPORT & The Athlete's Foot stores) continued the #WOMANISM action which aims at the empowerment of women, and proceeded to the implementation of a campaign led by three champions who presented their personal stories and spoke about the inexhaustible power that helped them to do their dreams come true, in the face of every adversity and social stereotype, inspiring every woman.
- INTERSPORT ATHLETICS S.A. (INTERSPORT & The Athlete's Foot stores) proceeded in collaboration with the NGO "DIOGENIS" to the support the National Homeless Team, covering the needs of the team.
- Support of the Association "DIAZOMA", the Non-Profit Association "Opheltes - The Friend of Nemea", the "The Society for the Revival of the Nemean Games" and the "Hellenic Society for the Protection of the Environment and the Cultural Heritage" through the Company.
- Implementation of actions, by HOUSEMARKET Bulgaria EAD (IKEA Bulgaria stores), to support children from vulnerable social groups. In this context, in 2021 the subsidiary:

FOURLIS

- continued its cooperation with UNICEF in support of the "Steps Together" program. The objective of the program is to change the school environment and create spaces where children feel confident to share ideas for improving the school climate, to create conditions to reduce stress and get away from the school routine. Having all the proceeds from the sales of SAGOSKATT plush toys, IKEA Bulgaria proceeded to the refurbishment of such spaces in 5 schools where the program is piloted in Sofia, Zavet, Kyustendil, Iskar and Teteven.
- donated furniture and household equipment for the formation of the Multimedia Studio at the University of Varna.

**Emergency response**

- Maintenance, by HOUSEMARKET S.A., (IKEA stores in Greece), of the support program for the fire victims of Eastern Attica (since 2018) with discount policies of purchases and deliveries of residential equipment to the beneficiaries.
- Support, by HOUSEMARKET S.A., of health structures in order to respond to the COVID-19 pandemic. Specifically, for this purpose, products were offered at the University General Hospital of Heraklion, Crete, at the pediatric clinic of the General Hospital of Karditsa and at the General Children's Hospital of Athens "Agia Sofia".
- HOUSEMARKET S.A. provided support to the victims of the earthquake at Elassona and Tyrnavos areas, by providing free household equipment, in order for the kitchens of the 20 settlements that host the residents of these areas, to be fully operational.
- HOUSEMARKET S.A., responded immediately to the fires of August 2021 and:
  - proceeded to deposit €100,000 in the special State Aid Account for the support of programs and support actions with the aim of restoring the natural environment, but also the economic life in the fire-affected areas,
  - supported groups of forest firefighting and forest protection volunteers in Evia, for the supply of special equipment,
  - proceeded in support of the program of WWF Hellas for dealing with the effects of forest fires, with emphasis on Evia. WWF Hellas has undertaken the obligation to include in its actions the organization ANIMA for the rescue and care of wild animals in Evia and other fire-affected areas. IKEA will offer WWF Hellas 10% of each sale of rechargeable batteries and chargers for the next 3 years (starting from September 2021),
  - supported the Hellenic Society for the Protection of the Environment and Cultural Heritage by offering €86,800 for the project of restoration and reconstruction of the natural environment in the affected areas,
  - supported the non-profit Association DIAZOMA by offering €100,000 to cover part of

the cost of the study "New Forest Master Plan" in the framework of the program "Reconstruction Plan of Northern Evia".

- INTERSPORT ATHLETICS S.A. (INTERSPORT & The Athlete's Foot stores), in September 2021, proceeded to support the fire victims of Evia, by offering about 1,500 pieces of clothing and footwear in order to distribute them to a total of 16, affected by the catastrophic fires, villages of Evia.

**Corporate volunteerism**

- Collection and donation of food and necessities, by the Group's employees in Greece, Cyprus and Bulgaria, to organizations that support vulnerable groups of our fellow human beings.
- Collection and donation of school supplies, by the Group's employees in Greece and Bulgaria, to organizations that support children.
- Organization of voluntary blood donation for the employees of FOURLIS Group, in the facilities of the Group companies in Greece, Cyprus and Bulgaria, through which a total of 130 bottles of blood were collected.

## B. Work related issues

### 1. Employment

**Corporate policies and due diligence**

FOURLIS Group is its people, all those who support its operations daily. Its approach to employment and its relationships with its employees directly affect their performance, retention and development, while these issues are also significant for the Group's long-term sustainable development. The following are the main pillars of the policy, regarding the recruitment of staff and the professional development of its human resources:

- Common recruitment evaluation criteria for all the Group's companies, to ensure equal opportunities and to fight discrimination.
- Provision of equal development opportunities to all Group employees, through internal transfer and promotion processes.
- The compensation and benefits policy, which is based on the financial results of the Group, on the employee's performance appraisal conducted on an annual basis and on retail market trends in relation to remunerations.
- Taking into consideration the balance when it comes to gender, nationality, religion, political or other opinions, as well as issues such as disability, sexual orientation, etc. during the selection and development processes of employees, as well as in the compensation and benefits policy.

When in any of the companies there are job openings, those are readily covered either via internal transfer/promotion of employees (through the Open Resourcing Policy), or via a direct transfer/promotion of an employee (for Executives), or via a new recruitment.

FOURLIS Group has an Equal Opportunities & Diversity Policy and a Suitability Policy of the Board of Directors, for which more information is available in the Corporate Governance Statement, at www.fourlis.gr.

**Outcomes of the above policies and non-financial key performance indicators**

On 31/12/2021, FOURLIS Group's total number of employees was 4,010.

| | 2020 | | | 2021 | | |
|---|---|---|---|---|---|---|
| **Region** | **Men** | **Women** | **Total** | **Men** | **Women** | **Total** |
| Greece | 1,163 | 1,329 | 2,492 | 1,168 | 1,348 | 2,516 |
| Cyprus | 197 | 182 | 379 | 188 | 166 | 354 |
| Romania | 212 | 246 | 458 | 205 | 245 | 450 |
| Bulgaria | 210 | 335 | 545 | 207 | 323 | 530 |
| Turkey | 132 | 99 | 231 | 98 | 62 | 160 |
| **Total** | **1,914** | **2,191** | **4,105** | **1,866** | **2,144** | **4,010** |

## 2. Employee training and education

**Corporate policies and due diligence**

The Group believes that the employees' need for training is continuous and ever increasing, as the competition and the current market demands are constantly generating new training and educational needs. For this reason, the training of each Group employee begins upon his/her recruitment, while ensuring the continuous training and education of employees is achieved through adherence to the training plan drawn up at the completion of the annual performance appraisal.

**Outcomes of the above policies and non-financial key performance indicators**

**Education**

The first training program for every Group employee is an induction program, through which it is ensured that all the newly hired employees are informed about the Group's Structure, Values, Code of Conduct and Internal Labor Regulation of each company. This program is implemented both in classroom and via e-learning. Also, all the employees of the Group are members of the Training Academy of the Group

"FOURLIS Learning Academy", which has been operating since 2011, and participate in programs according to the requirements of their role and their needs for personal development.

In the context of the Academy, the FOURLIS Retail Diploma program was launched in 2016. The program was created with the main objective to provide high level knowledge from University Professors and Senior Executives of both the market and the Group, in a range of fields mainly focusing on Retail Management. The program is attended by employees of all the Group companies from all countries of operation. By the end of 2021, the program has been attended by a total of 60 employees from all counties of operation of FOURLIS Group and 59 employees have graduated. During 2021, due to the COVID-19 pandemic, there was not a new class.

In 2021, all trainings were implemented remotely through a live e- learning platform.

## Performance Appraisal and Development

An annual Performance Appraisal and Development Review System for all the Group employees is adopted, in order to ensure that the evaluation process is and will remain transparent. The performance Appraisal and Development Review Procedure, which includes both the assessment of the agreed measurable objectives and the employees' skills and behaviors, is conducted once a year for all employees in all the Group companies [GRI 404-3].In 2020, the Appraisal and Development Review procedure was renewed to meet current business needs. Specifically, the evaluation competencies of the employees were renewed in order to harmonize with the times and the strategic priorities of the company and in addition, the self-evaluation of the employee and the completion of a questionnaire of professional ambitions became mandatory. This gives the employee a more active role in evaluating his/her performance and further improves the communication between the evaluators and the employees that are evaluated. The overall result of this process ensures even more the meritocracy of the dynamics of the employees in relation to their growth and development plan.

More information and data regarding the results of the policies in topics of training and education of the Group's employees, as well as for the new Appraisal and Development Review procedure will be included in the Group's annual Sustainable Development and Social Responsibility Report 2021. **[GRI 404-1]**

| In class Learning | Average hours of training by gender | | Average hours of training by employee category | | |
|---|---|---|---|---|---|
| | Men | Women | Employee | Supervisor | Manager |
| 2021 | 2.9 | 2.8 | 2.8 | 3.2 | 2.9 |

| E-learning | Average hours of training by gender | | Average hours of training by employee category | | |
|---|---|---|---|---|---|

| | Women | Employee | Women | Employee | Women |
|---|---|---|---|---|---|
| 2021 | 1.6 | 1.5 | 1.6 | 2.3 | 1.3 |

**3. Employee health, safety and wellbeing at work**

**Corporate policies and due diligence**

Given that the creation of a safe and healthy work environment is a fundamental Principle for the Group, as it is also depicted in its Values, not only the clauses of the relevant labor legislation are followed in all the countries where the Group operates, but also potential risks the Group may face are assessed so as to take the necessary measures in order to prevent potential accidents.

An important priority is to safeguard compliance with the Health and Safety Policy by carrying out intensive audits led by safety technicians in all the Group companies' facilities, and by having the safety technician conduct an occupational risk assessment study. The Group, as a minimum prerequisite, complies with the requirements of the local legislative frameworks and the "ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases". The Group also invests in the continuous and regular training of all employees, so that they can respond to emergencies affecting their own safety but also clients', visitors' and partners' in its stores. Especially at the IKEA stores, internal Safety, Fire Protection and First Aid teams have been created, while at the INTERSPORT and The Athlete's Foot stores, specific employees have been trained to be able to handle with relevant issues.

In addition, aiming to inform employees on health and wellbeing issues and to encourage them to adopt a healthier lifestyle, the Group's Social Responsibility Division implemented the EF ZIN (Well Being) program for the 11th consecutive year. In the context of this program, a number of actions that concern healthy diet, health and prevention, exercise, etc. are taking place every year.

**Outcome of the above policies and non-financial key performance indicators**

- In 2021, there were no work related fatalities and/or high-consequence accidents in all the Group's companies
- As a result of the overall management regarding Health and Safety topics in the workplace, the Employee Insight Survey, conducted in 2021, indicated that the area that gathered the greatest satisfaction of the human resources, was safety.
- In 2021, in the context of the EF ZIN (Well Being) program, some indicative activities that took place was a Mediterranean Diet program as well as a free consultation program which was implemented in collaboration with dieticians and nutritionists for Group employees in Greece, Cyprus and Bulgaria. Also, the operation of the counseling/psychological support line remained active, which is implemented in collaboration with psychologists and is provided 24/7/365 to employees and their relatives (spouses, children) in Greece and Cyprus, as well as the online

psychology seminars for them. For the employees of the Group in Greece, the implementation of online fitness classes continued.

Below are the benefits offered to full-time and part-time employees (not seasonal employees), based on significant operating locations throughout the FOURLIS Group **[GRI 401-2]**.

| | GREECE | | | CYPRUS | | | BULGARIA | | | ROMANIA | | | TURKEY | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| Life Insurance | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Healthcare | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Disability and inability coverage | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Parental leave | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Retirement provision benefits** | √ | √ | √ | √ | √ | √ | √ | - | - | - | - | - | - | - | - |
| Stock option plan | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |

** Parental leave is granted based on relevant law.*

*** No retirement benefits are offered in Romania, Bulgaria and Turkey, as this is not a common practice in these countries*

More information on the results of Group's employees' Health and Safety policies will be included in the Group's annual Sustainable Development and Social Responsibility Report 2021.

## e) Respect for Human Rights

### Corporate policies and due diligence [Metric C-S6]

The Group approaches the issues of respect and protection of Human Rights in a systematic way through policies and initiatives. This effort is comprised of:

- Participation in the UN Global Compact, through which the Group commits to uphold the respective Principles such as those relating to the respect of freedom of association, the abolishment of child and forced labor and discrimination in the workplace and its supply chain.
- The Internal Labor Regulations.
- The Code of Conduct.
- The Health and Safety Policy.
- The responsible product policies of the Group's subsidiaries.

In 2021, FOURLIS Group signed the Greek Diversity Charter, further strengthening its commitment to combating discrimination and promoting equal rights in the workplace.

In addition, FOURLIS Group, in 2022, will focus even more on issues of diversity and inclusion), in the areas: INCLUSIVE LEADERSHIP, GENDER EQUALITY and PEOPLE WITH DISABILITIES, with specific actions.

Within 2022, the Group will also proceed to the drafting and publication of a separate Human Rights Policy, which will be addressed to all its subsidiaries.

**Outcomes of the above policies and non-financial key performance indicators**

All Group employees have signed, independently of their position in the corporate hierarchy, the detailed or concise version of the Code of Conduct, (the concise version is available on the website www.fourlis.gr).

In addition, the Code of Conduct Line/Whistleblowing System of the Group is available 24 hours a day and anyone may call the Line, in order to report (anonymously or not), any concerns related to Code of Conduct violations or non-compliance with the legislation. For the period 1/1-31/12/2021, through the Code of Conduct Line/Whistleblowing System, there was a complaint from a former employee to a subsidiary, who complained about behavior at work, not compliant with the code of conduct. The complaint was investigated by the Group in accordance with the Group's procedures and based on the information provided, which however was incomplete. Despite the company's attempt to receive more information from the complainant, that would facilitate the ongoing investigation, he/she asked to stop any actions, so the complaint was closed. During this period there were no additional reports of incidents of human rights violations and/or discrimination based on race, religion, gender, age, disability, nationality, political beliefs, etc., including incidents of harassment, in all activities of the Group **[GRI 406-1]**.

## f) Anti-corruption and issues related to bribery

Corporate policies and due diligence [Metric C-G5]

Aiming to fight corruption, bribery and fraud, the Group has established and implements the following codes, regulations and policies, which cover all the subsidiaries and for which there is more information available for all stakeholders at www.fourlis.gr):

- Corporate Governance Code
- Code of Conduct that includes the Code of Conduct Line/Whistleblowing System
- Charter of Operations
- Remuneration Policy [Metric A-G4]

At the same time, the Group has set up the following committees and units to support both the Board of Directors and the Internal Audit System, more detailed information for which is also available at www.fourlis.gr:

- Audit Committee
- Nomination and Remuneration Committee
- Internal Audit Department
- Regulatory Compliance Unit
- Risk Management Unit
- Information Systems Security Unit

The above mentioned have been approved by the Board of Directors of the Group, considering the precautionary principle and the relevant information is available on the site of FOURLIS Group www.fourlis.gr, so that it is accessible to all.

Furthermore:

- The Group applies a management procedure for any incident of corruption or bribery fraud and in each case the Top Management, the Internal Audit Department and the Regulatory Compliance Unit are informed.
- Sustainable Development Supervision **[Metric C-G2]:** Sustainable development issues are discussed at least once per year in the Executive Committee, which includes executives of the Group's companies, as well as executive members of the Board of Directors, with knowledge on ESG topics, who in turn inform about the sustainable development issues other Board of Directors Members , so as according to the results of the materiality analysis and during the meetings of the Board of Directors, to set priorities and the respective goals.

**Outcomes of the above policies and non-financial key performance indicators**

While implementing the Top Management informational procedure for addressing fraud and corruption incidents, during the period of 1/1-31/12/2021, four (4) cases of limited-scale fraud with non- material financial scale was recorded at the subsidiaries. These incidents were identified by the Group's companies' internal controls processes and were assessed as non-significant, while all the necessary measures were implemented. There was no additional notification or complaint relating to corruption or bribery incidents that the Group's Management is aware of.

## g) Environmental issues

**Corporate policies and due diligence**

FOURLIS Group recognizes the importance of environmental protection, as well as the challenges posed by climate change, and monitors the impact of its activities while carrying out a series of voluntary actions and initiatives, aimed at reducing its environmental footprint, by saving and recycling natural resources, reducing greenhouse gas emissions from its operation, as well as raising awareness of employees and the public on environmental issues and adopting a responsible attitude to life.

At the following section, indicative results of the practices applied in the period 1/1-31/12/2021, are presented. All the results are included in the Annual Sustainable Development and Social Responsibility Report, as well as in the "Communication on Progress" Report of the Group, regarding the compliance with the ten Principles of the United Nations Global Compact.

**Outcomes of the above policies and non-financial key performance indicators**

The data monitored at the Group facilities, where possible, include the following:

**Energy**

ENERGY CONSUMPTION (FOURLIS Group in total)*:

| ENERGY CONSUMPTION (FOURLIS Group in total) | | |
|---|---|---|
| | **2020** | **2021**** |
| **Electricity (kWh)** | 50,451,760* | 48,518,241 |
| **Heating oil (lt)** | 116,463 | 157,196 |
| **Natural gas ($m^3$)** | 554,828 | 607,525 |

** 2020 data have been adjusted to include the invoices that were not available when the 2020 Report (Statement) was issued.*

*** The above consumption may be modified, as at the date of issuance of this Report (Statement) not all the invoices were available.*

**Replacement of Lamps and Air Conditions**

In 2021, the subsidiary INTERSPORT S.A. continued the program of replacement of lamps with high energy consumption with LED lamps in the INTERSPORT and The Athlete's Foot stores. This program will continue in 2022. At the same time, in the stores that are renovated, air conditions of energy saving technology are installed. Respectively, the subsidiary HOUSEMARKET has completed the replacement of conventional light bulbs with LED bulbs in commercial and non-commercial spaces of its stores in Greece, while in Cyprus and Bulgaria the replacement has been completed in most of the stores' spaces (commercial and non-commercial).

**Emissions**

Since 2012, the subsidiary TRADE LOGISTICS S.A. calculates its $CO_2$ emissions for all of its operations, aiming to find the most compatible solutions for emissions reduction. The results for 2021 will be available in the Group's Sustainable Development and Social Responsibility Report 2021, which will be published in June 2022.

**Photovoltaic Systems**

- Since 2013, the subsidiary TRADE LOGISTICS S.A. has installed on its building's roof and operates a photovoltaic system of 1,400 MWh average annual capacity for producing electricity. In 2021, the total electricity production was 1,381 MWh, while, during the same period, 1,262 metric tons of CO2e were not emitted.
- The subsidiary HOUSEMARKET in 2021, started the operation of a photovoltaic system for the production of electricity with offset in the IKEA store in Cyprus. Total energy production in 2021 amounted to 370 MWh, while 333 CO2e metric tons reached the amount of greenhouse gases that were not emitted during the same period.

## Materials

| RECYLING OF MATERIALS (FOURLIS Group in total): | | |
|---|---|---|
| | **2020** | **2021** |
| **Paper (kg)** | 1,811,703 | 1,901,731 |
| **Batteries (kg)** | 5,279 | 15,637 |
| **Cooking fat (lt)** | 14,445 | 6,085 |
| **Lamps (kg)** | 2,205 | 1,026 |
| **Aluminum (kg)** | 5 | 970 |
| **Glass (kg)** | 78 | 0 |
| **Plastic (kg)** | 86,419 | 79,834 |
| **Metals (kg)** | 23,285 | 46,080 |
| **Wood (kg)** | 111,070 | 146,364 |

**Materials usage**

- The IKEA Airport store properly manages organic waste, which is sent for composting. In 2021, no composting took place due to a) the extended period of time during which the restaurant of the store remained closed and b) due to the limited products availability (covid-19).
- In 2020 started, and in 2021 it was completed, the process of removing disposable plastics from the restaurants of IKEA stores (e.g., glasses, lids, straws, plates, forks, etc.) and replacing them with corresponding paper or wooden ones.
- Since September 2016, HOUSEMARKET S.A. (IKEA stores in Greece) has implemented an electronic archiving system for copies of invoices and credit notes, with significant benefits in saving paper. It is worth mentioning that, through this practice, it is estimated that in 2021 the printing of a total of 871,361 A4 pages was avoided in the stores, in the e-shop, as well as in the IKEA Pick Up & Order Points.
- A similar practice is followed by INTERSPORT Greece, which, since November 2017, has proceeded with electronic archiving of copies of sales documents, an initiative which, in 2021, resulted in the avoidance of printing 2,623,384 copies of documents.
- In 2018, INTERSPORT Greece proceeded with the replacement of the paper boxes with reusable plastic ones for the transportation of its goods from its central warehouse (TRADE LOGISTICS) to its stores in Attica and Thessaloniki. In 2020, this practice was applied for the stores of Patras, while in 2021, it was extended to Trikala. Thanks to this, it is estimated that the cardboard boxes that were not used in 2021 reached a total of about 210,000 pieces.

## Water

| WATER CONSUMPTION (FOURLIS Group in total*) | |
|---|---|
| 2020** | 2021*** |
| 73,209,494 (lt) | 63,247,220 (lt) |

*Excludes FOURLIS . HOLDINGS S.A. (FOURLIS Group Headquarters), as well as the INTERSPORT stores in Bulgaria, INTERSPORT & The Athlete's Foot in Turkey, the IKEA Pick Up & Order Points in Heraklion, Crete and the IKEA stores in Piraeus and the Mall Athens.
** The 2020 data have been adjusted to include all invoices that were not available when the 2020 Report (Statement) was issued.
*** The above water consumption may be modified as at the date of issuance of this Report (Statement) not all invoices were available
Sustainable products

## Sustainable products

**HOUSEMARKET (IKEA Stores)**

- IKEA stores have sustainable products which are presented in detail on its website (https://www.ikea.gr/en/simple-changes-for-a-more-sustainable-life/sustainable-products/).

In relation to the food available in the restaurant of the IKEA stores and sold by the IKEA Swedish FoodStore, the following are worth mentioning:

- The salmon served at the IKEA store restaurant and sold by the IKEA Swedish Food Store, comes from responsible aquaculture according to the ASC standard.
- Seafood served at the IKEA store restaurant and sold by the IKEA Swedish Food Store, comes from sustainable fishing certified according to the MSC standard.
- IKEA chocolates and coffee are UTZ certified. This means that both the cocoa and the coffee are sourced from sustainable farms that create better living opportunities for the producers andtheir families.
- In 2020, IKEA launched the new vegetable meatballs HUVUDROLL, which are produced from pea protein, oats, potatoes, onion and apple and which have the same taste and texture as theclassic IKEA meatballs. The plant ingredients of this new product come from sustainable sources, with a very small environmental footprint (4%).

**INTERSPORT & The Athlete's Foot**

INTERSPORT & The Athlete's Foot stores have sustainable products which are presented in detail on the websites www.intersport.gr & www.theathletesfoot.gr respectively.

**Additional sustainable development actions and initiatives:**

**FOURLIS HOLDINGS S.A.**

Since 2019, the "ELLINIKI ETAIRIA, Society for the Environment and Cultural Heritage (ELLET) has undertaken the coordination of communication, publicity, awareness and environmental education actions as well as the assessment of the effects of climate change on the landscape and archaeological sites and land uses, within the LIFE -IP AdaptInGr project, which is the most important project our country has ever undertaken related to the major issue of adaptation to climate change. This is an 8-year program, in which, 19 prominent institutions participate, such as the Academy of Athens, the National Technical University of Athens, the Bank of Greece and the National Observatory of Athens, as well as five Municipalities and three Regions. The coordinator of the program is the Ministry of Environment and Energy.

ELLET is the only Environmental Organization that participates in the program and has participated in all stages of the program preparation, from the conception to the submission of the final proposal. FOURLIS HOLDINGS S.A. co-finances the LIFE IP AdaptInGr project, supporting ELLET in this important initiative.

**HOUSEMARKET (IKEA Stores)**

**Reduction of food waste**

• The implementation (it started in 2016) of waste reduction practices in all IKEA restaurants in Greece, Cyprus and Bulgaria continued, aiming at a 50% reduction by the end of 2022, as well as at the continuous awareness of the general public about the reduction of food waste at home. In August 2021, an investment was made in an electronic system for measuring and recording food waste in the kitchens of restaurants (Waste Watchers) and respectively all the human resources employed in stores where the Waste Watchers system is applied (Kifissos, Airport, Thessaloniki, Sofia, Bulgaria) where trained on the use of this system, the impact of food waste on the environment and the importance of proper recording and inventory management.

• The company participated in the International Seminar of the University of Patras "The next day: Food waste prevention after the pandemic", presenting the Waste Watchers system, the collaboration with the Non-Profit Organization "BOROUME" in the context of which all meals that are not sold in the restaurants of IKEA stores in Greece, are offered daily in Institutions and Organizations, to feed people in need. In addition, ways were presented to encourage consumers to reduce food waste at home through the proper organization of shopping, storage, cultivation and donation.

**Consumers**

• Through advertising, the company encouraged its consumers in Greece, Cyprus and Bulgaria to adopt small changes and sustainable habits with a major impact on the environment, such as replacing plastics with reusable polyester recycled bags, reducing the use of plastic, the use of recyclable reusable bottles, the use of glass containers to store leftover food, recycling, the use of rechargeable batteries, the replacement of LED lamps and the use of water batteries with a special mechanism to reduce energy consumption.

Through this communication, the company published its own actions in the context of environmental protection such as:

o The removal of all disposable plastics from restaurants and products.

o The availability of exclusively LED lamps, which consume 85% less energy.

o The availability of IKEA water batteries that lead to the reduction of water consumption by up to 50% through their special mechanism.

o The gradual withdrawal of common batteries and the adoption of the use of rechargeable batteries.

o The use of sustainable and recyclable raw materials in the production of IKEA products.

o The reduction of food waste.

For the same purpose the company created the online guide to a sustainable life at home: https://www.ikea.gr/en/simple-changes-for-a-more-sustainable-life/

- Prompted by the "Earth Hour" day, the company organized the "Time to change the world together!" competition, and encouraged consumers to take part, recording their own comments on small daily actions that will lead to a better planet. In addition, in order to encourage a sustainable lifestyle, it sent to members of the IKEA program, a sustainability kit that included:

o a reusable shopping bag

o a reusable water bottle

o a brochure with best practices for a sustainable life at home.

  - In September 2021, in collaboration with Public Power Corporation (PPC), it launched a joint action aimed at informing the consumer about energy savings, self-generation capacity and sustainable products/habits for the home. Specifically, the visitors of the IKEA Airport, IKEA Kifisos and IKEA Thessaloniki stores, had the opportunity to be informed, by experienced PPC executives, about the possibilities of energy saving and consumption of sustainable electricity. They were also informed by specialized IKEA employees about affordable sustainable products and habits that will make their daily lives better and will contribute positively to the environment.

  - Since 2020, 2 charging stations for electric cars operate in the IKEA Sofia store in Bulgaria and IKEA is since then a member of the Eldrive network which provides more than 150 charging points for electric cars. At the same time, it now has electric trucks that can be rented at very preferential prices from customers who do not own a car at all or have a small car, in order to transport their purchases to their destination.

In 2021, 2 car charging stations were installed in the IKEA Airport store, while in the IKEA Thessaloniki store, since 2021, a fast-charging station operates.

**Human Resources**

- In August 2021, a survey was conducted in IKEA stores in Greece, Cyprus, Bulgaria, in relation to the degree of information of its employees, their opinion on issues of sustainable development, but also their opinion about the role of IKEA towards sustainable development. The results showed that IKEA employees recognize the importance of a sustainable lifestyle but have a more general picture of the term "Sustainable Development" which they mainly associate with environmental protection and a better future for the planet and society in general. Employees, particularly concerned about climate change, are eager to take action and learn about Sustainable Development issues. In addition, they consider IKEA as a sustainable company that applies circular economy practices.
- From the above research, the institution of the "Sustainability Ambassador" for the voluntary management of sustainable development issues (e.g. trainings, awareness actions, etc.) emerged. The company encouraged all employees for daily sustainable change through the distribution of a Sustainability Kit that included:

  o a reusable shopping bag

  o a reusable water bottle

  o a brochure with best practices for a sustainable life at home

**Institutions**

HOUSEMARKET S.A., since December 2021, supports, through the Hellenic Advertisers Association, the Planet Pledge initiative in Greece. The aim of the initiative is to make marketing and communication a driving force to address the major environmental issues that threaten the planet.

**Media**

HOUSEMARKET S.A. held a press conference, in order to inform about its actions in the context of environmental protection.

**Inter IKEA Group**

The Inter IKEA Group applies the following practices, which also concern the company HOUSEMARKET (IKEA stores) of the FOURLIS Group in Greece, Cyprus and Bulgaria:

- IKEA, worldwide, is committed to the use of renewable and recycled materials in all its products, by 2030.
- In 2020, the gradual withdrawal of all non-rechargeable alkaline batteries from the global product collection of IKEA and their replacement by rechargeable batteries, was initiated. The elimination was completed at the end of 2021.
- With the flat packaging, IKEA achieves a reduction of carbon emissions from transportation from the factory to the store and from the store at home, as well as a reduction of transportation cost.
- In November 2021, IKEA announced that it is proceeding with the gradual removal of plastic from the packaging of its consumer products. The replacement of the packaging of the new product inventory will be completed by 2025, while for the existing inventory, by 2028. With this gradual elimination, IKEA aims to reduce plastic waste and plastic pollution, leading the industry agenda to the development of packaging products based on renewable and recycled materials.

**INTERSPORT & The Athlete's Foot**

- INTERSPORT Greece, in 2017, started using a packaging box for products purchased from its online store, which is made from recycled materials and is recyclable.
- In October 2021, the plastic bag was completely eliminated and only recyclable paper bags are now available in stores.

- The actions of INTERSPORT Greece, in the context of the promotion of its campaign, concerning clothes from recycled and sustainable materials, were promoted through two national channels. In addition, the eStore and social media are used to publish the relevant actions, exclusively giphys and videos are created, collaborations with influencers are implemented to inform the general public, the Google Display Network is used, and discovery ads are used in Google campaigns as well as relevant newsletter, including their publication on websites with interested audiences, are sent.
- INTERSPORT Greece, during 2021, implemented sustainable windows in stores (made from Reboard recycling materials) and created corners with its sustainable products, for the further awareness of its customers and consumers.

a) Supply chain issues

TheGroup's business continuity is critical to the continuous delivery of high-quality products and services. The Group aims to maximize the client satisfaction and develop mechanisms, aimed at identifying and responding to situations that may adversely affect the business continuity of its critical operations, such as the availability of its products. In order to ensure business continuity, the Group assesses its weaknesses and investigates threats that may affect its business model and are related to its supply chain and takes relevant precautionary measures.

According to the above, the Group ensures the continuous improvement of its relations with suppliers through the communication of the terms of cooperation and the basic framework of principles and values that should govern the cooperation between them. Cooperation proposals and offers submitted by suppliers are evaluated based on approved (qualitative and quantitative) criteria, to ensure that the selected partners/suppliers have the necessary know-how, as well as the ability to perform the assigned services, always with integrity, quality and reliability.

The Group is in the process of developing a Suppliers/ Partners Code of Conduct, which aims to act as a set of guidelines, that will define the basic standards of ethical behavior, values and principles of Sustainable Development, which the Group expects to be adopted from its suppliers/partners during their transactions with the Group.

It is worth mentioning that the main supply chain services provider for the Group is the subsidiary TRADE LOGISTICS. TRADE LOGISTICS (TRADE LOGISTICS S.A.) purpose is to provide supply chain services, like the receipt, storage and transport of goods, the creation of promotional and other packaging, the supply of business unitsand the management of all relevant information. More specifically, its activities are:

1. Storage and distribution services for the below stores:
    - IKEA in Greece, Cyprus and Bulgaria
    - INTERSPORT in Greece, Cyprus, Romania, Bulgaria and Turkey (central warehouse)
    - The Athlete's Foot in Greece and Turkey
2. Delivery of e-commerce orders directly to the customers in Greece for:
    - IKEA's e-shop (www.ikea.gr) and
    - INTERSPORT's e-shop (www.intersport.gr)

TRADE LOGISTICS, with its specialized and experienced personnel, the use of technology and the adoption of innovative methods in the Logistics field, aims at the proper operation of all storage and delivery procedures, as well as at the development of its activities.

**b) <u>Impact of the COVID-19 pandemic on non-financial issues</u>**
**Corporate policies and due diligence**

**<u>Health, safety and wellbeing of employees</u>**

To ensure the health, safety and wellbeing of employees, FOURLIS Group undertook the strict implementation of the legislation for every labor issue. In Greece, but also in other countries (Cyprus, Bulgaria, Romania, Turkey), the Group continued the distribution of regular and thorough information on the issues of the COVID-19 pandemic to its employees. The briefing included general information and guidelines about the virus, such as:

- the correct application of personal and public hygiene rules,
- the procedure in case of symptoms or in case of contact with COVID-19 case,
- the use of public areas and public transport,
- the use and disposal of masks and gloves, the use of antiseptics and
- keeping social distance.

In addition, there was constant communication between the employees and the occupational physicians,while business travel was limited to what was absolutely necessary, while the Group undertook the existence of bins for the disposal of masks and disposable gloves in the workplace as well as to provide high protection masks, gloves and self-test for all employees.

**Suppliers and partners**

The Group respectively took protection measures for its partners and suppliers. In this context, and following the legislation, it continued the implementation of online meetings using digital media (Microsoft Teams). In cases where there was the need for a live meeting, such as when sampling products, the official guidelines were completely followed by taking all necessary safety measures. For the partners who were in the Group's companies' workplace, the policies and guidelines concerning the employees of the Group were followed.

**Customer health and safety**

And for its customers, the Group continued the strict implementation of all laws related to retail stores and followed the guidelines of the authorities regarding the number of customers and visitors in them. In addition, in all areas of the stores the following were put in place:

- special markings to maintain social distance,
- hand sanitizers,
- equipment for disinfecting objects,
- special bins for disposing of masks and disposable gloves,
- plexiglass at checkouts and other places where the employee comes into contact with thecustomer.

In addition, signs were placed in all stores to encourage the use of lifts only by people in need and only with the mandatory use of a face mask. During payments, the use of debit/credit cards was encouraged, to avoid direct contact with used banknotes and further spread of the virus.

**Outcomes of the above policies and non-financial key performance indicators**

To address the unprecedented challenge of the COVID-19 pandemic, the Group continued the implementation of its emergency response plan with the aim of its smooth operation and the health and safety of its employees, customers and business partners. In this context, the crisis management team held meetings, when determined necessary, so that it could make the necessary decisions in accordance with the latest developments on the pandemic. The Group maintained most of its office employees in teleworking status, at a rate higher than what was set as the minimum by law. In addition, the Group continued to strengthen its infrastructure both in terms of its information systems as well as the operation of its logistics centers, in order for its business and commercial operations to continue smoothly responding to the needs of its customers.

**EU Taxonomy Report** [Index A-S1]

The EU Taxonomy of the European Council ("the Regulation") is one of the tools established based on the European Green Deal, which aims to achieve a climate-neutral European Union by 2050. The Regulation establishes the criteria for determining whether an economic activity is characterized as environmentally sustainable, so as to determine the extent to which an investment is environmentally sustainable. The Regulation creates a common classification system that investors can use, when investing in projects and economic activities that have a significant positive impact on the climate and the environment.

EU Taxonomy Regulation 2020/852

The "EU Taxonomy Regulation 2020/852" is supplemented by the "Commission Delegated Regulation (EU) 2021/2178" and the "Commission Delegated Regulation (EU) 2021/2139".

For an economic activity to be characterized as environmentally sustainable, it shall:

- contribute substantially to at least one of the following six environmental objectives:

1. *Climate change mitigation*
2. *Climate change adaptation*
3. *The sustainable use and protection of water and marine resources*
4. *The transition to a circular economy*
5. *Pollution prevention and control*
6. *The protection and restoration of biodiversity and ecosystems*

- not significantly harm (Do No Significant Harm – DNSH) any of the rest five environmental objectives,
- be carried out in alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the eight fundamental conventions of the ILO and the International Bill of Human Rights,
- comply with technical screening criteria established by the European Commission.

In the Commission Delegated Regulation (EU) 2021/2139, issued on June the 4th, 2021, the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the first two environmental objectives (climate change mitigation and climate change adaptation) and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, are established.

**Compliance with EU Taxonomy Regulation 2020/852 - Methodology and accounting policy**

According to the Article 8, point (1), of Regulation (EU) 2020/852, any undertaking which is subject to an obligation to publish non-financial information (pursuant to Directive 2013/34/EU, shall disclose additional information related to the way and the degree to which their activities are connected with environmentally sustainable economic activities, as these are defined by the Regulation.

More specifically, according to the delegated Regulation 2021/2178 EU (Article 10, point (2)) for the publications that will take place during 2022, concerning the financial year 2021, (without the obligation of the inclusion of comparative information for 2020), arises for non-financial undertakings the obligation to disclose the proportion of eligible and non-eligible, based on the Regulation economic activities, in relation to the following key performance indicators:

- Turnover,
- Capital expenditure ("CapEx"), and
- Operating expenditure ("OpEx").

of the total turnover, capital, and operating expenditure.

For the publications that will take place during 2023, concerning the financial year 2022, the obligations will be increased, as the companies will have to disclose -among others- whether their eligible economic activities are aligned with the Regulation's technical screening criteria.

**Accounting policy for the determination of key performance indicators (KPIs)**

**Turnover (turnover KPI)**

The proportion of turnover referred to in Article 8(2), point (a), of the Regulation (EU) 2020/852 shall be calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-eligible economic activities (numerator), divided by the net turnover (denominator) as defined in Article 2, point (5), of Directive 2013/34/EU. The turnover shall cover the revenue recognized pursuant to International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008[1].

The KPI referred to in the first subparagraph shall exclude from its numerator the part of the net turnover derived from products and services associated with economic activities that have been adapted to climate change in line with Article 11(1), point (a) of Regulation (EU) 2020/852 and in accordance with Annex II to Delegated Regulation (EU) 2021/2139, unless those activities:

(a) qualify as enabling activities in accordance with Article 11(1), point (b) of Regulation (EU) 2020/852; or

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[1] *Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (OJ L 320, 29.11.2008, p. 1).*

(b) are themselves Taxonomy-eligible.

Turnover should not include any intra-group transactions.

**Capital expenditure (CapEx)**

The proportion of CapEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator as specified in points 1.1.2.1 and 1.1.2.2 of Annex I of the delegated Regulation 2021/2178 EU.

**Denominator**

The denominator shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator shall also cover additions to tangible and intangible assets resulting from business combinations.

For non-financial undertakings applying international financial reporting standards (IFRS) as adopted by Regulation (EC) No 1126/2008, CapEx shall cover costs that are accounted based on:

(a) IAS 16 Property, Plant and Equipment, paragraphs 73, (e), point (i) and point (iii);

(b) IAS 38 Intangible Assets, paragraph 118, (e), point (i);

(c) IAS 40 Investment Property, paragraphs 76, points (a) and (b) (for the fair value model);

(d) IAS 40 Investment Property, paragraph 79(d), points (i) and (ii) (for the cost model);

(e) IAS 41 Agriculture, paragraph 50, points (b) and (e);

(f) IFRS 16 Leases, paragraph 53, point (h).

For non-financial undertakings applying national generally accepted accounting principles (GAAP), CapEx shall cover the costs accounted under the applicable GAAP that correspond to the costs included in the capital expenditure by non-financial undertakings applying IFRS.

Leases that do not lead to the recognition of a right-of-use over the asset shall not be counted as CapEx.

**Numerator**

The numerator equals to the part of the capital expenditure included in the denominator that is any of the following:

(a) related to assets or processes that are associated with Taxonomy- eligible economic activities;

(b) part of a plan to expand Taxonomy-eligible economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ('CapEx plan') under the conditions specified in the second subparagraph of point 1.1.2.2 of Annex I of the delegated Regulation 2021/2178 EU;

(c) related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

The CapEx plan, referred to in the first paragraph of point 1.1.2.2 of Annex I of the delegated Regulation 2021/2178 EU, shall meet the following conditions:

(a) the plan aims either to expand the undertaking's Taxonomy-eligible economic activities or to upgrade Taxonomy-eligible economic activities to render them Taxonomy-aligned within a period of five years;

(b) the plan shall be disclosed at economic activity aggregated level and be approved by the management body of non- financial undertakings either directly or by delegation.

Where the relevant technical screening criteria are amended before the completion of the CapEx plan, non-financial undertakings shall either update the plan within two years to ensure the economic activities referred to in point (a) are aligned with the amended technical screening criteria upon the completion of the plan or restate the numerator of the CapEx KPI. The updating of plan shall restart the period referred to in point (a). The period referred to point (a) of the second paragraph of this point 1.1.2.2 can exceed five years only where a longer period is objectively justified by specific features of the economic activity and the upgrade concerned, with a maximum of 10 years. That justification shall feature in the CapEx plan itself and in the contextual information detailed under point 1.2.3 of the Annex I of the delegated Regulation 2021/2178 EU.

Where the CapEx plan fails to meet the conditions referred to in the second paragraph of this point 1.1.2.2, previously published KPI related to capital expenditure shall be restated.

The numerator shall also contain the part of the CapEx for adaptation of economic activities to climate change in accordance with Annex II to this Climate Delegated Act. The numerator shall provide for a breakdown for the part of CapEx allocated to substantial contribution to climate change adaptation.

**Operating expenditure (OpEx)**

The proportion of OpEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator as specified in points 1.1.3.1 and 1.1.3.2 of the Annex I of the delegated Regulation 2021/2178 EU.

**Denominator**

The denominator shall cover direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Non-financial undertakings that apply national GAAP and are not capitalising right-of-use assets shall include lease costs in the OpEx in addition to the costs listed in the first subparagraph of point 1.1.3.1 of the Annex I of the delegated Regulation 2021/2178 EU.

**Numerator**

The numerator equals to the part of the capital expenditure included in the denominator that is any of the following:

a. related to assets or processes associated with Taxonomy-eligible economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development;
b. part of the CapExplan to expand Taxonomy-eligible economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe as set out in the second paragraph of point 1.1.3.2 of the Annex I of the delegated Regulation 2021/2178 EU;
c. related to the purchase of output from Taxonomy-eligible economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article

12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

The CapEx plan, referred to in the first paragraph of point 1.1.3.2 of Annex I of the delegated Regulation 2021/2178 EU, shall meet the conditions specified in point 1.1.2.2 of the Annex I of the delegated Regulation 2021/2178 EU.

Research and development costs already accounted for in the CapEx KPI shall not be counted as OpEx.

The numerator shall also include the part of OpEx for the adaptation of economic activities to climate change in accordance with Annex II to Climate Delegated Act. The numerator shall provide for a breakdown for the part of the OpEx allocated to substantial contribution to climate change adaptation.

Where the operational expenditure is not material for the business model of non-financial undertakings, those undertakings shall:

a. be exempted from the calculation of the numerator of the OpEx KPI in accordance with point 1.1.3.2 of the Annex I of the delegated Regulation 2021/2178 EU and disclose that numerator as being equal to zero;
b. disclose the total value of the OpEx denominator calculated in accordance with point 1.1.3.1 of the Annex I of the delegated Regulation 2021/2178 EU;
c. explain the absence of materiality of operational expenditure in their business model.

**Eligible economic activities**

The eligible economic activities of the FOURLIS Group for the financial year 2021 include:

- 7.7 - Acquisition and ownership of buildings
- 4.1- Electricity generation using solar photovoltaic (PV) technology

In addition to the above economic activities, which generate revenue for the Group, capital and operating expenditure incurred from the purchase of outputs from the following eligible economic activities in relation to the regulation and individual measures that allow the operation of the FOURLIS Group to become low carbon or lead to reductions in greenhouse gas emissions (1.1.2.2. and 1.1.3.2. paragraph c of Annex I to the delegated Regulation 2021/2178 EU):

- 7.3 - Installation, maintenance, and repair of energy efficiency equipment

| FOURLIS Group Economic Activities (consolidated results) | % Turnover | % CapEx | % OpEx |
|---|---|---|---|
| **Eligible economic activities** | **0.1%** | **37.3%** | **0.5%** |
| 7.7 - Acquisition and ownership of buildings | 0% | 36.8% | 0.4% |
| 4.1- Electricity generation using solar photovoltaic (PV) technology | 0.1% | 0.0% | 0.1% |
| 7.3 - Installation, maintenance, and repair of energy efficiency equipment | 0.0% | 0.5% | 0.0% |
| **Non-Eligible economic activities** | **99.9%** | **62.7%** | **99.5%** |
| **Total** | **100%** | **100%** | **100%** |

*Assumptions:*

- *Regarding the KPI% on the net turnover, the numerator of 7.7 includes the total rental income from acquired or owned investment property of third parties outside the Group. The denominator includes consolidated revenue to third parties only.*
- *Regarding the KPI% of operating expenses (OpEx), 7.7 includes the total Opex from acquired or owned investment property .Does not include the revenue from capital gains/losses of real estate. The denominator includes total OPEX of the Group .*
- *Regarding the KPI% of capital expenditures (CapEx), 7.7 includes the total capex from acquired or owned investment property as presented in the cash flow. The denominator includes total Capex of the Group. The investments in Right of use under IFRS 16 is included in Capex.*
- *Depreciation is also included in OPEX.*
- *The economic activity 7.3 does not generate revenue for FOURLIS Group but is disclosed in the context of the requirements of 1.1.2.2. paragraph (c) of Annex I of the delegated Regulation 2021/2178 EU.*

This section is included for the first time in the non-financial statement of the Annual Financial Report 2021, following the provisions of EU regulations 2020/852, 2021/2178 and the 2615 / 10.11.2021 and 209 / 31.01.2022 letters of the Hellenic Capital Market Commission. Regarding this issue, it has interpreted the relevant directives and as the relevant legislation that governing the European Classification is constantly evolving, the Group monitors any changes aiming at appropriately adapting its approach and the disclosures it gives to publicity.

## 11. Related parties transactions

As Related parties of the Group are considered the Company, its subsidiaries, the affiliated companies and joint ventures, the Management and the first line managers and their connected individuals and legal entities (in accordance with IAS 24). The major transactions, which were eliminated for the purposes of consolidation of financial statements between Group companies, are mainly selling goods

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Receivables from:** | HOUSE MARKET SA | 0 | 0 | 3,250 | 10,464 |
| | H.M. HOUSE MARKET (CYPRUS) LTD | 0 | 0 | 22 | 12 |
| | INTERSPORT SA | 0 | 0 | 184 | 449 |
| | INTERSPORT (CYPRUS) LTD | 0 | 0 | 4 | 3 |
| | RENTIS SA | 0 | 0 | 1 | 1 |
| | GENCO TRADE SRL | 0 | 0 | 9 | 100 |
| | GENCO BULGARIA | 0 | 0 | 5 | 5 |
| | HOUSE MARKET BULGARIA EAD | 0 | 0 | 34 | 39 |
| | WYLDES | 0 | 0 | 15 | 0 |
| | INTERSPORT ATLETIK | 0 | 0 | 274 | 107 |
| | TRADE LOGISTICS SA | 0 | 0 | 26 | 22 |
| | TRADE ESTATES ΑΕΕΑΠ | 0 | 0 | 11 | 0 |
| | TRADE ESTATES CYPRUS LTD | 0 | 0 | 3 | 5 |
| | TRADE ESTATES BULGARIA EAD | 0 | 0 | 5 | 5 |
| | H.M. ESTATES CYPRUS LTD | 0 | 0 | 3 | 0 |
| | TRADE STATUS SA | 92 | 106 | 91 | 106 |
| | SOFIA SOUTH RING MALL AED | 0 | 62 | 0 | 0 |
| | **TOTAL** | **92** | **168** | **3,937** | **11,319** |
| **Payables to:** | HOUSE MARKET SA | 0 | 0 | 803 | 0 |
| | INTERSPORT SA | 0 | 0 | 1 | 10,000 |
| | TRADE LOGISTICS SA | 0 | 0 | 0 | 1 |
| | TRADE ESTATES ΑΕΕΑΠ | 0 | 0 | 1 | 0 |
| | TRADE STATUS SA | 2 | 0 | 0 | 0 |
| | SOFIA SOUTH RING MALL AED | 2 | 0 | 0 | 0 |
| | Directors, Managers | 0 | 46 | 0 | 46 |
| | **TOTAL** | **4** | **46** | **805** | **10,046** |

among companies in the same segment and logistics services - supply, maintenance - repairs and management support services.

Detailed information on the related parties' receivables/ payables for the Group and the Company on 1/12/2021 and 31/12/2020 is analyzed as follows (all amounts are expressed in terms of thousand euros):

Third Parties transactions for the period 1/1 to 31/12/2021 and for the period 1/1 to 31/12/2020 are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Revenue | 39 | 60 | 4,464 | 4,217 |
| Other income | 4 | 3 | 1,474 | 1,227 |
| Dividends | 0 | 0 | 6,500 | 7,000 |
| **Total** | **43** | **63** | **12,438** | **12,444** |

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Administrative expenses | 1 | 171 | 4 | 6 |
| Distribution expenses | 96 | 0 | 96 | 0 |
| **Total** | **97** | **171** | **101** | **6** |

The transactions with the subsidiaries and affiliated companies of the Group and the Company during the period 1/1-31/12/2021 and the period 1/1-31/12/2020 are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Revenue | (56,584) | 44,617 | (4,425) | 4,157 |
| Cost of sales | 32,590 | 25,583 | 0 | 0 |
| Other income | (3,030) | 2,513 | (1,470) | 1,224 |
| Administrative expenses | 6,889 | 4,891 | 4 | 6 |
| Distribution expenses | 20,052 | 16,613 | 0 | 0 |
| Other operating expenses | 63 | 43 | 0 | 0 |
| Dividends | 20,970 | 7,000 | 6,500 | 7,000 |

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Trade receivables | 26,218 | 31,616 | 3,847 | 11,214 |
| Inventory | 281 | 281 | 0 | 0 |
| Creditors | 26,218 | 31,616 | 805 | 10,001 |

## 12. Human Recourses of the Group

The total number of employees of the Group as at 31, December 2021 was 4.010 people (4.105 on 31/12/2020). Respectively, the human resources of the Company on 31/12/2021 are 106 people (102 on 31/12/2020).

## 13. Treasury shares

The Ordinary General Meeting of the shareholders of the Company "FOURLIS HOLDINGS SA" on 18/6/2021 in accordance with the provisions of article 49 of law 4548/2018, approved the purchase by the Company of its own (treasury) shares.

Regarding the terms and conditions of the acquisition of own shares, the Chairman proposed to Messrs. shareholders, the maximum number of shares that can be acquired, including the shares previously acquired by the Company and maintained, amounts to 2,604,600 shares (5% of the paid-up share capital), the approval of the General Meeting to be granted for a period of 24 months and, finally, to set the minimum acquisition limit at one euro (1.00) per share and the acquisition ceiling at eight euros (8.00) per share.

On 31/12/2021 the Company holds 1,391,048 treasury shares, representing 2.6683% of the share capital of the Company with an average purchase price of € 3.78 per share and a total value of

5,258,516.21 euros (604,051 on 31/12/2020).

## 14. Explanatory report – information according to article 4 par. 7 of Law 3556/2007

### a. Structure of the Company's share capital

The share capital on December 31,2021 amounted to euro 52,131,944.00 divided into 52,131,944.00 shares with a nominal value of 1.00 euros each. The share capital on December 31, 2020 amounted to Euro 52.092.001,00 divided into 52.092.001,00 shares with a nominal value of 1,00 Euro each.

All shares are common registered, held in intangible form, listed for trading on the Securities Market ("High Capitalization" category) of the Athens Stock Exchange. Each share provides the right to one vote except for the number of own (treasury) non-voting shares.

The liability of the shareholders is limited to the nominal value of the shares they hold.

### b. Restrictions as to the transfer of the Company's shares

The transfer of shares of the Company is made as prescribed by law and there are no restrictions as to their transfer by the Company's Articles of Association.

### c. Significant direct or indirect shareholdings as prescribed by articles 9 - 11 of Law 3556/2007

On 31/12/2021, the following shareholders owned more than 5% of the voting shares of the Company:

- KEM DAFNI A. FOURLIS: (17,22%)

### d. Preference shares providing special control rights

The Company does not have any such preference shares.

### e. Restrictions to voting rights

There are no restrictions to voting rights arising from the Company's Articles of Association.

### f. Shareholder agreements, known to the Company, resulting in restrictions to the transfer of shares or to the exercise of voting rights

The Company is not aware of any Shareholder agreements resulting in restrictions to transfer of shares or to the exercise of voting rights as it is prescribed by the Company's Articles of Association.

### g. Rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association which differ from those prescribed by Law 4548/2018.

The rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association, provided in the Articles of Association of the Company, do not differ from those prescribed by Law 4548/2018.

**h. Responsibility of the Board of Directors or of some members of the BoD for the issue of new shares or the purchase of own (treasury) shares in accordance with article 49 of Law 4548/2018**

A. According to Art 24 par 1 of Law 4548/ 2018 and the Art 4 par. 1 of the Articles of Association of the Company, during a 5-year period from the Shareholders' General Assembly resolution, the board of directors has the right, by its decision taken by a majority of 2/3 of all its members, to increase share capital through the issue of new shares for an amount that cannot exceed three times the paid-up share capital on the date that the board of directors was awarded the aforementioned right and this authority of the board of directors can be renewed from the general assembly by its resolution for a time period that will not exceed 5 years for each granted renewal. The resolutions of the general assembly for the granting or renewal of a power for increase of the share capital by the board of directors are subject to publicity. Share capital increases that are decided according to the aforementioned (extraordinary increases) constitute an amendment of the Articles of Association.

Moreover, in accordance with the provisions of article 25 par. 2 of Law 4548/2018 and article 4 par. 4 of the Company's Articles of Association, in case of a share capital increase, which is implemented by resolution of the general assembly, taken with increased quorum and majority (ordinary increase), the general assembly can authorize the Board of Directors to decide on the determination of the underlying price of the new shares. The validity period of the authorization is specified at the relevant resolution of the general assembly and cannot exceed one (1) year. In that case, the payment deadline of the capital in compliance with article 20 of Law 4548/2018 begins with the decision-making of the Board of Directors, by which the underlying price of the shares is determined. The authorization is subject to publicity.

B. 1) The Extraordinary General Assembly of shareholders of the Company "FOURLIS Holdings SA" as of 27/9/2013, acting under the provisions of paragraph 13 of Article 13 and paragraphs 3 and 4 of Article 29 and paragraph 2 of Article 31 of the C.L. 2190/1920, decided the implementation of a stock option plan - hereinafter "Program A" - to executives of the Company and its affiliated companies within the meaning of paragraph 5 of article 42e of the said Law and authorized the Board of Directors, to regulate procedural matters and details. The Board of Directors, under the terms of the plan and the law shall issue for the beneficiaries, who exercised their right, certificates of the options for new shares, and shall issue and deliver the shares to these beneficiaries, increasing the share capital of the Company and certifying the capital increase. These increases in share capital are not amendments to the Articles of Association. The Board of Directors during the last month of the fiscal year within which capital increases have occurred, as determined above, must adjust, by its resolution, the article of the Articles of Association on capital, so as to predict the amount of capital, as shown after these increases, in compliance with the publicity requirements provided by Article 7b of the C.L. 2190/1920.

In the context of the implementation of the aforementioned Program A, within the year 2021, 39.943

options were exercised (hereinafter "the Options"). Under the resolution of the Board of Directors as of 20/12/2021 (relevant minutes of the BoD with number 430/20.12.2021), the exercise of the aforementioned options by the respective beneficiaries of the Program (SOP) was certified by payment of the price for the exercise of the option for new shares.

It is noted that the underlying price of shares to which granted stock options correspond, had been initially determined at the amount of three Euros and forty cents (€ 3,40) per share, which was the closing stock price of shares on the date of the General Assembly's resolution regarding the Program (27/9/2013). Already, under the BoD resolutions as of 20/11/2017, 19/11/2018 and 18/11/2019 (relevant minutes with number 389/20.11.2017, 399/19.11.2018 and 407/18.11.2019), a readjustment has been made at the historical share price of the Company, thus the applied price for the exercise of options for new shares of the Program is deemed to amount to Euro three and 0,2226 € (€ 3,2226) per share.

Following the certification of payment of the price for the exercise of Options by the beneficiaries, namely of the total amount of € 128,720.33, 39,943 new ordinary registered shares were issued and delivered to the respective beneficiaries of the Program, of a nominal value € 1,00 per share, whereas the share capital of the Company increased by the amount of € 39,943.00 which corresponds to the nominal value of the new shares. Further, as a result of the exercise of the aforementioned Options by payment of the exercise price € 3,2226 per share, in accordance with the aforementioned, the share premium of the total amount of € 88,777.33 was transferred to the account "share premium reserve".

The aforementioned change was registered to the General Commercial Registry (GCR) on 11.01.2022 (Code Registration Number 2773271), following the issue of the relevant 1043/11.01.2022 announcement by the Directorate for Companies of the Ministry of Development and Investments.2) The Ordinary General Assembly of shareholders of the Company "FOURLIS HOLDINGS SA" as of 16/6/2017, acting under the provisions of paragraph 13 of Article 13 and paragraphs 3 and 4 of Article 29 and paragraph 2 of Article 31 of the C.L. 2190/ 1920, decided the implementation of a stock option plan - hereinafter "Program B" - to senior executives of the Company and its affiliated companies within the meaning of article 32 of L. 4308/2014 as in force, and authorized the Board of Directors, to regulate procedural matters and details. The Board of Directors, under the terms of the plan and the law shall issue to beneficiaries, who exercised their option, certificates of the option for new shares and issue and deliver the shares to these beneficiaries, increasing the share capital of the Company and certifying the capital increase. These increases in share capital are not amendments to the Articles of Association. The Board of Directors during the last month of the fiscal year within which capital increases occurred, as determined above, must adjust, by its resolution, the article of Articles of Association regarding capital, so as to predict the amount of capital, as shown after these increases, in compliance with the publicity requirements provided by Article 7b of the C.L. 2190/1920.

No stock options were exercised within the year 2021 within the context of the aforementioned Program B.

3) The Extraordinary General Meeting of the shareholders of the Company "FOURLIS HOLDINGS SA" as

of 22.07.2021 decided, in accordance with the provisions of article 113 of Law 4548/2018, the implementation of the Stock Options Program-hereinafter "Program C" - to senior executives of the Company and its affiliated companies within the meaning of article 32 of Law 4308/2014 as in force, and authorized the Board of Directors to regulate procedural issues and details. The beneficiaries of Program C were determined by the decision of the Board of Directors dated 22.11.2021 (relevant minutes of the Board of Directors with number 429 / 22.11.2021). During the program and in accordance with these terms, the Board of Directors shall issue to the beneficiaries who exercised their right certificates of the option for new shares and issue and deliver the shares to the above beneficiaries, increasing the share capital of the Company and certifying the capital increase. These share capital increases do not constitute amendments to the Articles of Association. The Board of Directors is obliged during the last month of the fiscal year, in which capital increases have occurred, as specified above, to adjust, by its decision, the article of the Articles of Association on the capital, so that the amount of the capital is predicted, as arisen after the above increases, in compliance with the publicity requirements of article 13 of Law 4548/2018.

No stock options were exercised during the fiscal year 2021 in the context of the implementation of the above Program C.

**i. Any significant agreement that the issuer has entered into, which comes into force, is amended or terminated in the event that there are changes in the issuer's control due to a public offer and the results of this agreement**

There are no significant agreements concluded by the Company, which come into force, are amended or terminated in the event that there are changes in the Company's control due to a public offer.

**j. Agreements that the issuer has entered into with members of the Board of Directors or its employees, which provide for indemnity in the event of resignation or redundancy without founded cause or termination of their term or their employment due to the public offer**

There are no agreements that the Company has concluded with members of the Board of Directors or its human resources, which provide for indemnity, especially in the event of resignation or redundancy.

## 15. Corporate Governance Statement for the period 1/1 – 31/12/2021

According to L. 4548/2018 article 152, and L.4706/2020 article 18, the Board of Directors of the Company declares the following:

a) Reference to the Corporate Governance Code to which the Company is subject or which it has voluntarily decided to apply, as well as to the website that the relevant text is available to the public and can be found.

b) Reference to the corporate governance practices applied by the Company in addition to the law provisions, as well as reference to the place where these practices have been published.

c) Description of the main characteristics of the Company's internal control and risk management systems in relation to the process of preparation of the financial statements.

d) Information required under Article 10 (1) (c), (d), (f), (h) and (i) of Directive 2004/25 / EC of the European Parliament and of the Council, dated 21 April 2004 on takeover bids, provided that the Company is subject to this Directive.

e) Information on the operation of the General Assembly Meeting of Shareholders and their basic authorities, as well as a description of the rights of shareholders and the form of exercising them

f) Composition and operation method of the Board of Directors and any other administrative, managerial or supervisory bodies or committees of the Company.

g) If the Company deviates from the corporate governance code to which it is subject orwhich it applies, the corporate governance statement includes a description of the discrepancy with reference to the relevant parts of the corporate governance code and a justification for this discrepancy. If the company does not apply certain provisions of the corporate governance code to which it is subject or which it applies, the corporate governance statement shall include a reference to the non-compliant provision and an explanation of the reasons for non-compliance.

h) Reference to the fit and proper policy

i) Reference to the proceedings of the Committees of article 10 of law 4706/2020

j) Detailed biographical notes of members of the Board of Directors and senior executives

k) Information on the participation of the members of the Board of Directors in its meetings and in the meetings of the Committees of article 10 of law 4706/2020

l) Information on the number of shares held by each member of the Board of Directors and each chief executive officer of the Company

m) Confirmation of the fulfillment of the conditions of independence based on article 9 of law 4706/2020 of the independent non-executive members of the Board of Directors before the publication of the annual financial report 2021.

n) Reports and independent non-executive members' report based on article 9 of law 4706/2020

**More specifically:**

**15.1 Reference to the corporate governance code to which the Company is subject or which the Company has voluntarily decided to apply, as well as to the place where the relevant text is available to the public.**

In Greece, the corporate governance framework for Greek companies holding securities listed on a regulated market, consists, on the one hand, of the adoption of mandatory legal rules and, on the other, of the application of corporate governance principles as well as the adoption of best practices and recommendations through self-regulation. Specifically, it includes Law 4706/2020 ("Law on Corporate Governance"), the decisions of the Hellenic Capital Market Commission issued under the authority of the Corporate Governance Law, certain provisions of law 4548/2018 on societes anonymes and principles, best practices and self-regulatory recommendations incorporated in the corporate governance code.

The Hellenic Code of Corporate Governance (hereinafter referred to as "the HCCG" or "the Code"), has been drafted by the Hellenic Corporate Governance Council (hereinafter: "the HCCC") and has already been updated (version of June 2021) within the periodical revision and harmonization with the requirements of the capital market legislation. HCCC was founded in 2012 and is the result of a partnership between the Hellenic Stock Exchanges (HELEX) and the Association of Businesses and Industries (SEV).

The purpose of the HCCC is to monitor the implementation of the Greek Corporate Governance Code by Greek companies and in general to operate as a specialized body for the dissemination of corporate governance principles, increasing the credibility of the Greek market among international and domestic investors and improving the competitiveness of Greek companies and seeks to develop a culture of good governance in the Greek economy and society. The general action plan of the HCCC includes the formation of positions on the institutional framework, the submission of proposals, the participation in consultations and working groups, the organization of educational and information campaigns, the monitoring and evaluation of corporate governance practices and the implementation of corporate governance codes, providing assistance tools and rating the performance of Greek companies.

Addressed to the Greek societes anonymes (as defined by Law 4548/2018) with registered seat in Greece, especially those whose values have been admitted to trading on a regulated market (listed), according to article 17 of law 4706/2020 and article 4 of the Decision of the Hellenic Capital Market Commission (Decision 2/905 / 3.3.2021 of the Board of Directors of the Hellenic Capital Market Commission), the Hellenic Corporate Governance Code (HCCG - June 2021), which replaces the Greek Code of Corporate Governance for Listed Companies that was issued by the HCCC in 2013, is adapted to Greek law and business reality and has been drafted under the principle of "comply or explain" ("comply or explain"). The HCCG does not impose obligations, but explains how to adopt good (best) practices with self-regulatory recommendations and facilitates the formulation of corporate governance policies and practices, which will meet the specific conditions of each company.

The main goal of HCCG is to create an accessible and understandable reference guide, which sets in a codified way in a single text, high (higher than mandatory) requirements and corporate governance standards. In particular, the HCCG does not address issues that constitute mandatory legal provisions (laws and regulations), which are already very extensive. On the contrary, the Code establishes principles beyond the mandatory framework of Corporate Governance legislation and addresses those issues that are either a) not regulated by law, or b) regulated, but the current framework allows selection or derogation, or c) regulated to their minimum content. In these cases, the Code either complements the mandatory provisions, or introduces stricter principles, drawing on experience from European and international best practices, always guided by the characteristics of Greek business and the Greek stock market.

The Hellenic Code of Corporate Governance (June 2021) is entered into force from the entry into force of articles 1 to 24 of law 4706/2020, thus from 17/7/2021 (according to the transitional provision of article 92 § 3 of the above Law) and is uploaded on the website of the Hellenic Corporate Governance Council, at the address: http://www.esed.org.gr.

The Company with the decision of its Board of Directors dated 16/7/2021, has voluntarily decided to apply the Greek Corporate Governance Code (June 2021) which has been drafted by the HCCC which is a body of recognized reputation and accreditation based on a relevant decision of the Hellenic Capital Market Commission, in compliance with the obligation arising from the provision of article 17 of law 4706/2020.

The HCCC will review the content of the Code on a regular basis and will adapt it according to developments, both in specific practices and in the regulatory framework but also according to the needs of the Greek business world.

The Code consists of Parts and Sections. In more detail:

• Part A '- Board of Directors

- First Section: Role and Responsibilities of the Board of Directors

- Second Section: Size and Composition of the Board of Directors

Third Section: Functioning of the Board of Directors

• Part B - Corporate Interest

- Fourth Section: Obligation of acting in Good Faith & Diligence

- Fifth Section: Sustainability

• Part C - Internal Control System

- Sixth Section: Internal Control System

• Part D - Shareholders, Stakeholders

- Seventh Section: General Assembly

- Eighth Section: Shareholders' Participation

- Ninth Section: Stakeholders

• Part E - Instructions for drafting a Corporate Governance Statement

By adopting best corporate governance practices, the Company seeks to increase the investors' confidence and broadens the horizons of attracting investment funds with the ultimate goal of ensuring further value to its shareholders, with transparency and safeguarding their interests.

**15.2 Reference to the corporate governance practices implemented by the Company beyond the requirements of the Law, as well as reference to the website, where these practices have been published by the Company**

Indicatively, the following principles, best practices and self-regulatory recommendations implemented by the Company are mentioned and are incorporated in the Greek Code of Corporate Governance:

- The responsibilities of the Chairman are explicitly established by the Board of Directors in distinction from those of the Chief Executive Officer and are described in the Charter of Operation of the Company which is updated, issued and approved by the Board of Directors and its summary is uploaded on the Company's website (http://www.fourlis.gr).
- The maturity of the options is defined in a period of not less than three (3) years from the date of their granting to the executive members of the Board of Directors. A description of the valid options programs of the Company is included in its financial reports which are posted on its website (http://www.fourlis.gr).
- The Board of Directors is supported by a competent, qualified and experienced Corporate Secretary who attends its meetings. All members of the Board of Directors have access to the services of the Corporate Secretary, whose role is to provide practical support to the Chairman and the other members of the Board of Directors collectively and individually, based on the compliance of the Board of Directors with internal rules and relevant laws and regulations.
- The Corporate Secretary keeps the minutes of the meetings of the Board of Directors and its committees and ensures the efficient flow of information between the Board of Directors and its committees as well as between the Senior Management and the Board of Directors. The Corporate Secretary plans the introductory briefing program for the newly elected members of the Board of Directors immediately after their election and ensures that they are provided with ongoing information and training on issues related to the Company. Further, the Corporate Secretary ensures the effective organization of the General Meetings. The detailed CV of the Corporate Secretary is displayed in the section 16.10 of the Corporate Governance Statement.
- The company adopts and implements a policy for ESG issues and sustainable development (Sustainability Policy) which is uploaded on its website (http://www.fourlis.gr).
- The Chairman of the Board of Directors is available for meetings with shareholders of the Company and discusses with them issues related to the governance of the Company. The Chairman ensures that the views of the shareholders are communicated to the Board of Directors. In this way, the exercise of shareholders' rights and the active dialogue with them (shareholder engagement) is facilitated. The mechanisms of communication with the shareholders are described in the Operating Regulations of the Company, a summary of which is uploaded on the Company's website (http://www.fourlis.gr).
- The Audit Committee applies a procedure of periodic evaluation of the efficiency of its operation as mentioned in its Charter of Operation which is uploaded on its website

(http://www.fourlis.gr).

## 15.3 Description of the main characteristics of internal control and risk management systems of the company in relation to the process of preparation and drafting of the financial statements

The Company has developed and implements a process for issuing the financial statements (consolidated and separate) and the Financial Report. The Group companies record their transactions in their information systems and through automated procedures the consolidation application is updated. Crosschecking of data is performed and is reviewed (intra - group transactions, receivables and payables, etc.). Elimination and consolidation entries are recorded and the financial statements with the Information Tables included in the Financial Report are issued. After the completion of audit procedures, the Financial Report that includes the financial statements is submitted to the Board of Directors for approval. Prior to the approval of the Board of Directors, the Audit Committee has conducted a review of the Financial Report, in order to assess its completeness and consistency in relation to the information provided to it as well as the accounting principles applied by the Company and informs respectively the Board of Directors

The main characteristics of internal control and risk management systems applied by the Company in relation to the process of preparation of the financial statements and the Financial Report are the following:

- Adequate knowledge, skills and availability of personnel involved with clearly separated roles and areas of responsibility.
- Existence of recorded and updated procedures related to the issuance of financial statements and the appropriate time schedule.
- Regular review and audit of accounting principles and policies, and their compliance control
- Use of information systems for the issuance of financial statements and the preparation and drafting of financial reports related to the ERP of the Company, accessible with distinct roles and rights of use to all the consolidated companies of the Group.
- Existence of control activities associated with information systems used.
- Regular communication of the Independent Certified Auditors with the Management and the Audit Committee
- Regular communication between the members of the Audit Committee, the Chief Financial Officer and the Head of the Internal Audit Unit.
- Confirmation by the Board of Directors of the at least yearly fulfillment of independence criteria of the independent members of the Board of Directors and in any case before publishing of the annual financial report.
- Regular meetings for validation and registration of the significant resolutions, acknowledgements,

and estimations affecting the financial statements.

- Existence of risk management methodology and documentation for its implementation. Presentation of the results of risk management to the Board of Directors.
- Existence of a unique Chart of Accounts for all Group companies and its centralized management.
- Upon recommendation of the Audit Committee, annual evaluation by the Board of Directors of the internal control and risk management systems applied for the issuance of financial statements.

**15.4 Additional Information pursuant to sections c), d), f) g) and h) of Article 10 par.1 of the Directive 2004/25/EC as of the 21st of April 2004, regarding the Takeover Bids, provided that the Company is subject to this Directive**

During the year no Takeover Bids or public offer occurred.

**15.5 Information about the operation mode of the General Shareholders' Assembly, and its basic powers, as well as description of the rights of the shareholders and how these can be exercised**

The convocation of General Assembly of Shareholders of the Company is performed in accordance with the relevant provisions of Law 4548/2018, as in force.

Regarding the operation mode of the General Assembly of its Shareholders, the Company follows the practices mentioned below:

- Timely information provided to the Company's Shareholders within the deadlines prescribed by law, together with the publications required and provided by law regarding the convocation of the General Assembly..
- The Company publishes and uploads on its website the Invitation of the General Assembly, the ways of representation of the Shareholders, the deadlines and the mode of exercise of their rights as well as the voting results for each issue on the agenda.
- The Company publishes and uploads timely on its website an Explanatory Note regarding the agenda, the relevant proposals by Board of Directors, the required quorum and majority for the approval of the proposals. The Explanatory Note is also available in hard copy at the Company's Head Office and is distributed to the Shareholders upon entering the General Assembly, when this is held with physical presence of the shareholders.
- Ensuring that all shareholders are capable of participating at the General Assembly either by expressing their views or by submitting their questions.

The Company takes all measures for the lawful performance of the General Assembly and ensures the Shareholders' rights according to the applicable laws. More analytically:

The General Assembly Meeting of Shareholders of the Company is its supreme body and is entitled to decide on any case concerning the Company. The shareholders exercise their rights related to the management of the Company only by participating in the General Assembly Meeting. Each share provides the right to one vote at the General Assembly Meeting. In particular, the General Assembly is solely responsible for deciding on:

• Revival or dissolution of the Company, as well as amendments to the Articles of Association and the increases and reductions of the share capital, except for those explicitly assigned by law to the Board of Directors,

• Election of members of the Board of Directors and Auditors,

• Approval of the overall management according to article 108 of Law 4548/2018 and discharge of the Auditors,

• Approval of the annual and any consolidated financial statements,

• Distribution of annual profits,

• Approval of remuneration or advance payment of remuneration according to article 109 of Law 4548/2018,

• Approval of the remuneration policy,

• Merger, split, conversion, revival, extension of the term or dissolution of the Company,

• Appointment of liquidators and

• Any other issue provided by law.

The responsibilities of the General Assembly Meeting are mentioned in the Articles of Association of the Company, codified in its current form, which is uploaded on its website: http://www.fourlis.gr. The last amendment of the Company's Articles of Association was made during the Extraordinary General Meeting as of 21/12/2020 for the purpose of adaptation and harmonization with the provisions of articles 120 and 125 of Law 4548/2018, in relation to the possibility of holding General Meetings remotely in real time and to the possibility of participation of the shareholders in them.

The General Assembly meets at least once a year, within the first half from the end of each fiscal year. The Board of Directors may convene an extraordinary meeting of the General Assembly Meeting of Shareholders, when it deems it expedient or necessary.

The General Assembly, with the exception of the recurring meetings and those assimilated to them, must be convened at least twenty (20) full days before its scheduled meeting. It is clarified that non-working days are also included. The day of the publication of the invitation of the General Assembly and the day of its meeting are not counted.

It is allowed to participate in the General Meeting remotely by audiovisual or other electronic means, without the physical presence of the shareholder at the venue. It is also allowed to participate in the voting by distance, by electronic means or by mail correspondence, preceded the Assembly. By decision of the Board of Directors, the above possibilities are activated, divisively or cumulatively, regarding one or more General Assembly Meetings or for a defined period of time, the relevant technical and procedural details are determined, and procedures are adopted to ensure the identity of the participating person and the casting vote, as well as the security of the electronic or other connection.

The General Meeting is in quorum and meets validly on the issues of the agenda when at least 20% of the paid-up Share Capital is represented in it. The decisions of the General Assembly are taken by an absolute majority of the votes, which are represented in this Assembly. Exceptionally, the General Meeting is in quorum and meets validly on the issues of the agenda, if at least half (1/2) of the paid-up capital are represented in it when it comes to decisions concerning: the change of the Company's nationality, the change of the company’s business object, the increase of shareholders' liabilities, the regular capital increase unless imposed by law or made by capitalization of reserves, the reduction of capital unless made in accordance with paragraph 5 of article 21 of Law 4548/2018 or par. 6 of article 49 of Law 4548/2018, the change of the means of profit distribution, the merger, the split, conversion, revival, extension of term or dissolution of the Company, the provision or renewal of power to the Board of Directors for capital increase according to par. 1 of article 24 of Law 4538/2018 as well as in any other case stipulated by the Law that the General Assembly decides with increased quorum and majority.

The General Assembly Meeting is temporarily chaired by the Chairman of the Board of Directors or his deputy when disabled. He can be appointed by the Board of Directors by a special decision for this purpose. The duties of company secretary are temporarily performed by the person appointed by the Chairman. After the list of shareholders entitled to vote is approved, the General Assembly Meeting proceeds to the election of its final Chairman and a secretary who also acts as a teller. Decisions on these issues are taken by a majority of 2/3 of the votes represented in the General Assembly Meeting.

The discussions and decisions of the General Assembly are limited to the issues on the agenda. The agenda is prepared by the Board of Directors and includes the proposals of the Board of Directors to the General Assembly Meeting, as well as any proposals of the auditors or shareholders representing 1/20 of the paid-up share capital. For the issues discussed and the relative decisions taken in the General Assembly Meeting, minutes are kept, which are signed by the Chairman and its Secretary. The list of shareholders, who are present or represented at the General Meeting is recorded at the beginning of the minutes.

Anyone who appears as a shareholder in the Company's book-entry intangible shares system is entitled to participate in the General Assembly Meeting, which is kept electronically in the company "Hellenic Central Securities Depository Societe Anonyme" (ELKAT) at the beginning of the 5th day preceding the initial meeting (registration date). The above recording date is also valid in the case of postponed or recurring meeting since the postponed or recurring meeting takes place no more than 30 days after the recording date according to article 124 of Law 4548/2018.

The shareholder status can be identified by any legal means and in any case based on information received by the Company directly by electronic connection of the Company with the ELKAT files. The right to participate and vote in the Company’s Ordinary General Meeting has only whoever holds the status of shareholder on the above registration date. In case of non-compliance with the provisions of article 124 of Law 4548/2018, the shareholders participate in the Ordinary General Meeting only after its permission.

The exercise of these rights does not presuppose the pledge of the beneficiary's shares or the observance of another similar procedure, which limits the possibility of selling and transferring them during the period between the registration date and the date of the General Assembly Meeting.

The shareholders entitled to participate in the General Meeting can vote either in person or through representatives. Each shareholder can appoint up to 3 representatives. The shareholder may appoint a representative for one or more General Assembly Meetings for a certain period of time. The appointment and revocation or replacement of the shareholder's representative is made in writing at least 48 hours before the date of the Ordinary General Assembly Meeting. The shareholder representative is obliged to notify the Company, before the beginning of the General Assembly Meeting, of any specific event that may be useful to the shareholders for the assessment of the risk that the representative will serve interests other than shareholder's interests.

Other shareholders' rights are provided in par. 2, 3, 6 and 7 of article 41 of Law 4548/2018.

**15.6 <u>Composition and functioning of the Board and any other administrative, management or supervisory bodies or committees of the Company</u>**

The Board, its independent members, and all members of the Audit Committee, have been elected by the Annual Ordinary General Assembly of shareholders held on 16/6/2017 whereas in the Annual Ordinary General Assembly of shareholders on 14/6/2019 a member of the Audit Committee resigned and a new one was elected. At the Annual Ordinary General Meeting of Shareholders as of 12/6/2020 resigned a member of the Audit Committee who remains a member of the Board of Directors and a new was elected, and at the Annual Ordinary General Meeting of Shareholders as of 18/6/2021 a new independent non-executive member of the Board of Directors was elected in replacement of a resigned non-executive member. Further, at the Annual Ordinary General Meeting of shareholders as of 18/6/2021, the Audit Committee was redefined and a decision was made regarding its type, composition (number and qualities of members) and its term of office. The term of office of the members of the Board of Directors according to the Articles of Association of the Company and the members of the Audit Committee, is five years and is automatically extended until the first ordinary general meeting after the end of its term.

On 31/12/2021 the BoD established in a body as follows:

| | |
|---|---|
| Chairman of the BoD, Executive Member | Vassilis S. Fourlis |
| Vice – Chairman of the BoD, Executive Member | Dafni A. Fourlis |
| Independent Vice Chairman, Senior Independent Member, Independent Non-Executive Member, Member of the Nomination and Remuneration Committee | David A. Watson |
| CEO, Executive Member | Apostolos D. Petalas |

| | |
|---|---|
| Director, Executive Member, Corporate Social Responsibility Director | Lida S. Fourlis |
| Director, Non – Executive Member | Eftychios Th. Vasilakis |
| Director, Independent Non - Executive Member, Member of Audit Commitee | Pavlos K. Triposkiadis |
| Director, Independent Non – Executive Member, Chairman of Audit Committee, Member of Nomination and Remuneration Committee | Stylianos M. Stefanou |
| Director, Independent Non – Executive Member, Member of Audit Committee, Member of Nomination and Remuneration Committee | Ioannis A. Costopoulos |

Detailed resumes of all members of the Board of Directors as well as of the Corporate Secretary Mr. Ioannis Zakopoulos, are presented in section 16.10 of the Corporate Governance Statement.

The Articles of Association of the Company provide for the Board of Directors to be composed of 7 to 9 members. The Company has elected its Board with the maximum permitted number of Directors to ensure the diversity of gender, age, knowledge, qualification and experience serving the objectives of the Company as well as the balance between executive and non-executive members. On 31/12/2021 the Board of Directors consisted of 9 members, 3 (33%) of them were independent. The intention of the Company is to strengthen the independence of its Board of Directors in the Annual General Assembly Meeting of 2022 taking into account the relevant provisions of Law 4706/2020.

On 8/3/2022, the Board of Directors is reorganized into a Body, following the resignation of two members Mr. Pavlos K.Tryposkiadis and Eftychios Th.Vasilakis and the election of Mrs. Maria S.Georgalou and Mr. Nikolaos P. Lavidas following:

| | |
|---|---|
| Chairman of the BoD, Executive Member | Vassilis S. Fourlis |
| Vice – Chairman of the BoD, Executive Member | Dafni A. Fourlis |
| Independent Vice Chairman, Senior Independent Member, Independent Non-Executive Member, Member of the Nomination and Remuneration Committee | David A. Watson |
| CEO, Executive Member | Apostolos D. Petalas |
| Director, Executive Member, Corporate Social Responsibility Director | Lida S. Fourlis |
| Director, Non – Executive Member | Nikolaos P.Lavidas |

| | |
|---|---|
| Director, Independent Non - Executive Member, Member of Audit Commitee | Maria S.Georgalou |
| Director, Independent Non – Executive Member, Chairman of Audit Committee, Member of Nomination and Remuneration Committee | Stylianos M. Stefanou |
| Director, Independent Non – Executive Member, Member of Audit Committee, Member of Nomination and Remuneration Committee | Ioannis A. Costopoulos |

**The Role and the responsibilities of the Board of Directors**

According to the Company's Articles of Association, the Board of Directors is responsible for its management and representation, the assets management and the general pursuit of its purpose. The Bod decides on all general issues concerning the Company, within the framework of the corporate purpose, with the exception of those which according to the Law and the Articles of Association belong to the exclusive competence of the General Assembly Meeting.

The main responsibilities of the Board of Directors according to the Articles of Association include:

- Approving the overall long - term strategy and operational goals of the Company. The Board of Directors is responsible for defining the values and strategic orientation of the Company. At the same time, it remains responsible for the approval of the strategy and the business plan of the Company as well as for the continuous monitoring of their implementation. The Board of Directors also regularly reviews the opportunities and risks in relation to the defined strategy as well as the relevant measures taken to address them. The Board of Directors, seeking to receive all the necessary information from its executive members or from its executives, is informed about the market and any other developments that affect the Company.
- Ensuring that the values and strategic planning of the Company are in line with the corporate culture. The values and purpose of the Company are translated and applied in practice and influence the practices, policies and behaviors within the Company at all levels. The Board of Directors and the top management set the model of the characteristics and behaviors that shape the corporate culture and are an example of its implementation. At the same time, they use tools and techniques that aim at the integration of the desired culture in the systems and processes of the Company
- Understanding the Company's risks and their nature and determining the extent of the Company's exposure to the risks it intends to undertake in the context of its long-term strategic goals.
- Approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures which are under the final approval of the General Assembly Meeting. The Board of Directors provides the appropriate approval, monitors the implementation of the strategic directions and objectives and ensures the existence of the necessary financial and human resources, as well as the existence of an Internal Control System (ICS).
- Establishment of a policy for the identification, avoidance and treatment of conflicts of interest

between the interests of the Company and those of its members or persons to whom the Board of Directors has assigned some of its responsibilities, according to article 87 of law 4548 / 2018.

- Selecting and replacing, if necessary, the executive leadership of the company and overseeing succession planning.
- Definition and / or delimitation of the responsibilities of the Chief Executive Officer and the Deputy Chief Executive Officer, who exercises them if any.
- Monitoring the performance of senior management, and aligning executive remuneration with the longer term interests of the company and its shareholders taking into consideration the proposals of the Nomination and Remuneration Committee.
- Preparation and approval of the remuneration policy of the members of the Board of Directors which is subject to the final approval of the General Assembly Meeting of the Company's shareholders, taking into account the proposals of the Nominations and Remuneration Committee.
- Preparation and approval of the annual remuneration report of the members of the Board of Directors which is submitted for information to the General Assembly Meeting of the Company's shareholders, taking into account the proposals of the Nominations and Remuneration Committee.
- Approval of crisis measures or risk situations as well as when it is required to take measures which are reasonably expected to significantly affect the Company.
- Ensuring the adequate and efficient operation of the Internal Audit System (IAS) that aims at the consistent implementation of the business strategy with the effective use of available resources, the identification and management of essential risks associated with the business and operation of the Company, the effective operation of the internal control unit, in ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the financial situation of the Company and the preparation of reliable financial statements as well as the non-financial situation, in compliance with the regulatory and legal framework as well as the internal regulations governing the Company.
- Ensuring that the functions of the Internal Audit System (IAS) is independent of the business sectors they control and that it consists of the appropriate financial and human resources as well as the powers to operate them effectively.
- Definition and supervision of the implementation of the Corporate Governance System, monitoring and evaluation periodically every three (3) years, of its implementation and effectiveness by taking the appropriate actions to address shortcomings. The Corporate Governance System includes an adequate and effective Internal Audit System (IAS), including risk management and regulatory compliance systems, adequate and effective procedures for the prevention, detection and suppression of conflicts of interest, effective and efficient communication with the shareholders to facilitate the exercise of their rights and the active dialogue with them (shareholder engagement) and remuneration policy, which contributes to the business strategy, the long-term interests and the sustainability of the Company.
- Approval of the Fit the proper policy of the members of the Board of Directors and any amendment

which is submitted for final approval to the General Assembly Meeting of the Company's shareholders.

- Appointment of a vice-Chairman among its non-executive members in cases that the Chairman is an executive member.
- Ensuring compliance with independence criteria and the designation of a member of the Board of Directors as an independent member. Review at least annually and in any case before the publication of the annual financial report, the fulfillment of the independence criteria. In case it is found that the criteria are not met for the independent non-executive member, take the appropriate replacement actions.
- Appointment of the members of the Nominations and Remuneration Committee and the Audit Committee in the event that the General Assembly Meeting of the Company's shareholders has decided to consist exclusively of non-executive members of the Board of Directors.
- Vigilance regarding existing and potential conflicts of interest between the Company and its Management, members of the Board of Directors or major shareholders (including shareholders with direct or indirect authority to shape or influence the composition and conduct of the Board of Directors). Appropriate handling of such conflicts and the Board of Directors shall adopt a transaction supervision procedure with a view to transparency and the protection of corporate interests.
- Responsibility for making relevant decisions and monitoring the effectiveness of the Company's management system, including decision-making procedures and the assignment of powers and duties to other executives.
- Formulation, dissemination and application of the main values and principles of the Company that govern its relations with all interested parties, related to the Company.
- Defining the sustainable development policy of the Company and monitoring its implementation.
- Approving the Internal Regulation Charter, Corporate Governance Code embraced and applied by the Company, Code of Conduct and their revisions.
- Approval of the Charter of Operation of the Internal Audit Department, the Charter of Operation of the Audit Committee and the Charter of Operation of the Nominations and Remuneration Committee and their revisions.
- Examining the internal audit reports submitted every quarter to the Board of Directors through the Audit Committee including its recommendations.
- Approving equal opportunities and diversity policy, including gender balance between board members.
- Informing the shareholders, through the Company's website, about its candidate members no later than 20 days before the General Meeting regarding the justification of the proposal, the detailed CV and the determination of the eligibility criteria of the candidate members.
- Ensure that the Company's Articles of Association, codified in its current form, are posted on the Company's website.
- Obligation to include in the corporate governance statement a reference to the fit and proper policy,

in the work of its committees, in the CVs of the members of the Board of Directors and senior executives, in the participation of the members of the Board of Directors in its meetings and in the meetings of its committees and information on the number of shares of the Company held by each member of the Board of Directors and each senior manager of the Company based on article 152 of Law 4548/2018.

**The Role and the responsibilities of the Executive, Non-Executive and Independent Non Executive Members of the Board of Directors**

The Executive Members of the Board deal with the issues involved in the day-to-day Management of the Company and supervise the implementation of the Board's resolutions. The following are included in their duties:

- The implementation of the strategy determined by the Board of Directors.
- Regular consultation with non-executive members of the Board of Directors on the appropriateness of the strategy implemented.
- The written information either jointly or separately of the Board of Directors in existing situations of crises or risks as well as when it is required to take measures that are reasonably expected to significantly affect the Company, such as when decisions are to be made regarding business development and risks taken, which are expected to affect the financial situation of the Company. The information is provided without delay, submitting a relevant report with their assessments and suggestions.

The executive members of the Board of Directors participate in a strictly limited number of other Boards of Directors (apart from the Group companies).

Non-Executive Members are charged with supervising the implementation of the Board's resolutions as well as with other issues or areas of activity of the Company that have been specifically assigned to them by resolution of the Board of Directors. In their duties the following are included:

- The monitoring and examination of the Company's strategy and its implementation as well as the achievement of its goals.
- Ensuring effective oversight of executive members, including monitoring and controlling their performance.
- Examining and expressing views on proposals submitted by executive members, based on existing information.

The non-executive members of the Board of Directors meet at least annually, or extraordinarily whenever deemed appropriate without the presence of executive members in order to discuss the performance of the latter. In these meetings the non-executive members do not act as a de facto body or committee of the Board of Directors.

Non-executive members may request, in accordance with the procedure contained in the Charter of Operation of the Board of Directors, to contact the executives of the top management of the Company, through regular presentations by the heads of departments and services.

The non-executive members of the Board of Directors do not participate in the Boards of Directors of more than five (5) listed companies and in the case of the non-executive Chairman more than three (3).

A non-executive member of the Board of Directors is considered independent if at the time of his appointment and during his term does not directly or indirectly hold a percentage of voting rights greater than 0.5% of the Company's share capital and is exempt from financial, business, family or other dependent relationships, which can influence his decisions and his independent and objective judgment.

The independent non-executive members submit jointly or individually, reports to the regular or extraordinary General Assembly Meeting of the Company's shareholders, regardless of the reports submitted by the Board of Directors.

In the meetings of the Board of Directors that have as subject the preparation of the financial statements of the Company or are included in the agenda issues that their approval needs the General Assembly Meeting decision with increased quorum and majority according to Law 4548/2018, the Board of Directors is in quorum when at least two (2) independent non-executive members are present.

**The Role of the Chairman of the BoD**

The Chairman of the Board of Directors coordinates the operation of the Board of Directors and chairs it. It has the responsibility to convene the Board of Directors, to determine the issues on the agenda of its meetings and to ensure the good organization of its work and the efficient conduct of its meetings. He ensures the timely and correct information of the members of the Board of Directors, based on the fair and equal treatment of the interests of all shareholders, the maximization of the return on investments and the protection of the Company's property. He coordinates the implementation of the corporate governance system of the Company and its effective implementation.

When the Chairman is absent or incapacitated, the Vice-Chairman shall deputize for the full extent of his executive powers.

Indicatively, the responsibilities and duties of the Chairman of the Board of Directors are as follows:

Prepares the annual program of meetings of the Board of Directors and distributes it in the first fortnight of each year to its members.

• Proposes to the Board of Directors the issues and the date of General Meetings.

• Determines the items on the agenda of the meetings of the Board of Directors.

• Sends to the members of the Board of Directors the material that will be discussed during its meeting, at least four (4) working days before the meeting.

Coordinates the discussions between the members of the Board of Directors, formulates and puts to the vote the proposals on the issues of the agenda.

• Ensures the good organization of the work of the Board of Directors and the efficient conduct of its meetings.

• Ensures the timely and correct information of the members of the Board of Directors, based on the fair and equal treatment of the interests of all shareholders, the maximization of the return on investments and the protection of the Company's property.

• Attends the General Meeting of the Company's shareholders, takes an active part in its procedures and answers questions addressed to him by the shareholders. It provides that through the procedures of the General Meeting, sufficient time is available for the submission of questions by the shareholders.

• Ensures the effective communication of the Board of Directors with all shareholders and is available to meet the shareholders and discuss with them the governance issues of the Company.

• Ensures that the views of shareholders are communicated to the Board of Directors.

• Ensures that the General Meeting of Shareholders is utilized to facilitate their substantive and open dialogue with the Company.

• Proposes to the Board of Directors the distribution of a dividend, which after being approved by the Board of Directors, will be proposed to the General Meeting.

• Participates in corporate workshops / presentations (roadshows).

• Facilitates the effective participation of the non-executive members of the Board of Directors in its work and ensures constructive relations between its executive and non-executive members.

• Evaluates proposals of non-executive members of the Board of Directors for the appointment of specialized directors, when deemed necessary for the performance of their duties.

• Collaborates with the Chief Executive Officer, providing instructions in the context of the decisions of the Board of Directors, for the drafting of the Charter of Operation, the Code of Ethics and their revisions and suggests to the Board of Directors regarding their approval.

• Recommends to the Board of Directors the approval of the Charter of Operation of the Audit Committee, the Nominations and Remuneration Committee of the Charter of Operation of the Internal Audit Department and the Charter of Operation of the Board of Directors.

• Receives the minutes of the meetings of the Audit Committee and is regularly informed by its Chairman about the progress and findings of the audit procedures.

• Approves the Annual Social Responsibility Report.

• Proposes, for approval by the Board of Directors, the organization chart of the Company and its amendments.

• Evaluates the risk management process implemented by the Company and the effectiveness of the Company's risk management plans.

• Supervises the responsibilities of the Corporate Secretary.

• Evaluates in collaboration with the Chief Executive Officer and the Managers, the significant investment opportunities presented for the Company and proposes to the Board of Directors the relevant action plans.

• Evaluates proposals of the Committees of the Board of Directors for the recruitment of external consultants, to the extent necessary.

• Evaluates the efficiency of the operation of the Committees of the Board of Directors.

• He is a member of the Executive Committee of the Group and participates in its meetings.

• Receives regular information from the Chief Executive Officer (especially in the intervening periods between the meetings of the Board of Directors) regarding the progress of the Company and the risks it faces and any opportunities that are presented. It evaluates the issues and depending on their seriousness, can be convened by the Board of Directors, in addition to the regular annual planning for decision making.

• Receives from the CEO the important procedures of the Company, for submission and approval by the Board of Directors.

• Presents to the Board of Directors the progress of the new projects / activities / collaborations for the development of the Group's operations.

• Approves the introductory information programs for new members of the Board of Directors proposed by the Corporate Secretary.

• Approves the publications that are posted on the Company's website and concern issues of corporate governance, administrative structure, ownership status and other information useful for investors.

• Approves the procedures related to corporate governance, which are submitted by the CEO.

• Prepares the Charter of Operation of the Board of Directors and suggests its approval.

• Presents to the Board of Directors the Annual Financial Statements and the Management Report of the Board of Directors that will be submitted for approval to the Ordinary General Meeting of the Company's shareholders. Submits for approval to the Board of Directors the Interim Financial Statements and the Semi-Annual Management Report of the Board of Directors.

• Commits and represents the Company in accordance with the current Representation Minutes

**The Role of Vice Chairman of the Board**

The Vice Chairman of the Board of Directors replaces the Chairman of the Board of Directors in all his responsibilities, when the latter is absent or disabled.

**Role of Independent Vice Chairman or Senior Independent Member of the Board (Lead or Senior Independent Director)**

The Independent Vice Chairman supports the Chairman to act as a liaison between the Chairman and the members of the Board of Directors.

He is also in charge of the evaluation of the Chairman carried out by the members of the Board of Directors as well as in the meetings of the non-executive members of the Board of Directors.

He is obliged to be available and to attend the General Meetings of the Company's shareholders in order to discuss corporate governance issues when and if they arise.

Monitors and ensures the smooth and efficient communication between the Committees of the Board of Directors and the Board of Directors. Coordinates the non-executive members of the Board of Directors, including the independent members, in the fulfillment of their obligations.

## The Role of the Chief Executive Officer

The Chief Executive Officer is responsible for ensuring the smooth, orderly, lawful and efficient operation of the Company, in accordance with the strategic objectives, business plans and action plan, as determined by decisions of the Board of Directors and the General Meeting and the legal / regulatory frame. The CEO participates and reports to the Board of Directors of the Company and implements the strategic choices and important decisions of the Company.

The Chief Executive Officer and the senior management ensure that any information necessary for the performance of the duties of the members of the Board of Directors is available to them at any time.

The Chief Executive Officer is responsible for ensuring the smooth, orderly, lawful and efficient operation of the Company, in accordance with the strategic objectives, business plans and action plan, as determined by decisions of the Board of Directors and the General Assembly and the legal / regulatory frame. The CEO participates and reports to the Board of Directors of the Company and implements the strategic choices and important decisions of the Company.

Indicatively, the responsibilities of the CEO are the following:

• Has the responsibility for the Management and management of the Company within the provisions of its articles of association, the decisions of the General Meetings of its shareholders and its Board of Directors and in accordance with applicable law.

• Takes care of the protection of corporate property and the interests of shareholders and seeks to maximize the efficiency of business activities.

• Has the responsibility of drafting / revising the Charter of Operation, the Code of Corporate Governance and the Code of Ethics, in accordance with the instructions received from the Chairman of the Board in the context of the decisions of the Board of Directors.

• Has the responsibility of monitoring the implementation of the Board of Directors, the Charter of Operation, the Code of Corporate Governance and the Code of Ethics approved by the Board of Directors.

• Approves the procedures of the Company's Management. Procedures related to corporate governance are submitted for approval to the Chairman of the Board of Directors.

• Formulates proposals for the revision of the Company's organization chart in order to better meet its needs and submits it for approval to the Chairman of the Board of Directors.

• Prepares in collaboration with the Company's Managements the material of the presentations concerning the significant risks faced by the Company and formulates proposals to the Chairman of the

Board of Directors regarding their evaluation and treatment.

• Coordinates and controls the Management and the human resources of the Company in order to improve their efficiency.

• Controls the action plans of the Directorates in order to achieve the business objectives of the Company and proposes any amendments to improve their performance.

• Approves the Action Plan of the Regulatory Compliance Unit.

• Evaluates the proposals submitted by the Directorates and determines the priorities taking into account the needs of the Company and the relevant decisions of the Management bodies.

• Has the supervision of budgetary and accounting figures in terms of expenses and expenses of the Company per Directorate and in its entirety, as well as the respective investments for which it evaluates their profitability.

• Regularly informs the Chairman of the Board of Directors (especially in the intervening periods between the meetings of the Board of Directors) in relation to the progress of the Company and its financial figures, the risks it faces and any opportunities that are presented.

• Takes care of securing the required resources (human, technical and financial) for the smooth, efficient and competitive operation of the Company.

• Cooperates with the legal advisors of the Company for the examination of the contracts and any other commitments undertaken by the Company.

• Cooperates with the legal advisors of the Company for the legal drafting of the Invitations of the General Meetings and their legal conduct and submits them to the Chairman of the Board of Directors, so that they are submitted for approval to the Board of Directors and receive the publicity provided by law.

• Presents to the Board of Directors the Annual Operating Plan (AOP) of the Group and its revision (STRAT PLAN), when required.

• In each regular meeting of the Board of Directors presents the financial results in relation to the Annual Operating Plan (AOP) of the Group and justifies any deviations.

• She is a member of the Executive Committee of the Group and participates in its meetings.

• He is a member of the risk management team of the Group and is responsible for presenting to the Chairman of the Board of Directors of the risk management methodology.

• Formulates the agenda of the meetings of the Executive Committee and sends it to the participants.

• Presents the financial results of the Group vs Prior Year and AOP at the meetings of the Executive Committee.

• Approves the goals of the Company Managers.

• Evaluates the performance of the Company's Directors and submits suggestions to the Nominations and Remuneration Committee.

• Informs the Board of Directors, in collaboration with the Chairman, about the general course of the Company and other issues.

• Supervises the operation of subsidiaries in Greece and abroad.

• Collaborates with the Boards of Directors of the subsidiaries, receives reports on the progress of their work, the risks they face and any opportunities that are presented. Evaluates and presents the issues to the Chairman of the Board of Directors and the Board of Directors of the Company.

• Studies scenarios and alternative proposals for the development of the Group in new activities in Greece and abroad. Elaborates, evaluates and presents the issues to the Chairman of the Board of Directors and the Board of Directors of the Company for approval of the relevant investment plans.

• Supervises the progress of the work for the preparation of the Financial Statements and the Management Reports of the Board of Directors.

• Provides the members of the Board of Directors with any information they deem necessary for the performance of their duties at any time.

• Discusses with the certified auditors of the Company the most important findings from their audit.

• Signs the representation letters requested by the certified auditors.

• Organizes meetings with the Managers and executives of the Subsidiaries and coordinates their presentations regarding the examination of the course of business activities and their future perspective.

• Participates in corporate workshops / presentations (road shows).

• Represents the Company in employers' organizations, chambers, unions and associations and promotes the interests of its shareholders.

• Receives the minutes of the meetings of the Audit Committee and is regularly informed by its Chairman about the progress and findings of the audit procedures in the context of informing the members of the Board of Directors.

• Attends the General Meeting of the Company's shareholders, takes an active part in its procedures and answers questions addressed to him by the shareholders.

• Commits and represents the Company in accordance with the current Representation Minutes

**The Role of the Company Secretary**

The Board of Directors and its Committees are supported by a competent, qualified a and experienced Company Secretary. The role of the Company Secretary is to provide practical support to the Chairman and the other members of the Board of Directors, collectively and individually, based on the compliance of the Board of Directors in accordance with the internal rules and the relevant laws and regulations.

The responsibilities of the Company Secretary include:

- Checking the legality of the recommendations to the Board of Directors as defined in detail in the procedures and regulations of the Company and by the decisions of the Board of Directors.
- Legal elaboration of the agenda items for the meetings of the Board of Directors of the Company.
- Ensuring a good flow of information between the Board of Directors and its Committees as well as between the top Management and the Board of Directors.
- Ensuring the effective organization of shareholders' meetings and the generally good communication of the latter with the Board of Directors, based on the compliance of the Board of Directors with the legal and statutory requirements.
- Keeping records of members of the Board of Directors for the purpose of compliance with the laws (indicatively independence, participation conditions for the members of the Audit Committee and the Nominations and Remuneration Committee, conflict of interest, updated detailed curriculum vitae, etc.)
- Assistance of the Audit Committee in its work with the assistance of the Director of Internal Audit where necessary, organizing the meetings of the Audit Committee (regular meetings are held every quarter), issuing the agenda and keeping the minutes of the Audit Committee meetings, coordinating the meetings with the external auditors but also with the Financial Director of Planning and Audit of the Group and preparing the necessary material for the presentation of the issues that will be discussed during the meetings of the Audit Committee.
- Establishment of an introductory information program for the members of the Board of Directors, immediately after the beginning of their term of office and continuous information and training on issues concerning the Company.

The appointment of the Company Secretary and his dismissal is a matter for the Board of Directors as a collective body. All members of the Board of Directors have access to the services provided by the Company Secretary.

## Operation of the Board of Directors

The operation of the Board of Directors is described in detail in the Charter of Operation of the Board of Directors of the Company. In these Charter is described at least how the BoD convenes and takes decisions and the procedures it follows, taking into account the relevant provisions in the Articles of Association and the mandatory law provisions. It includes the following:

- Election of the Board of Directors
- Members of the Board of Directors
- Determining the independence of candidates or incumbent members of the Board of Directors
- Term of office of the Board of Directors
- Composition of the Board of Directors in a body
- Responsibilities of the Board of Directors

- Duties and behavior of the members of the Board of Directors
- Committees of the Boards of Directors
- Prohibitions
- Meetings of the Board of Directors
- Quorum of the Board of Directors and decision making
- Support for the operation of the Board of Directors
- Minutes of Board meetings
- Fit and proper Policy for members of the Board of Directors
- Remuneration policy for members of the Board of Directors
- Introductory information program for the members of the Board of Directors

The Board of Directors arrange meetings with the necessary frequency, in order to perform its duties effectively. At the beginning of each calendar year, the Board of Directors adopts a meeting calendar and a 12-month action plan, which can be revised according to the developments and needs of the Company, so that its proper, complete and timely fulfilment of its duties and responsibilities, as well as the review of all decision-making issues is ensured.

The evaluation of the Board of Directors and its Committees is carried out annually using questionnaires filled in by the members of the Board of Directors, which are processed by the Company Secretary and presented to the Board of Directors annually (usually at the November meeting).

The evaluation of the Board of Directors and its Committees is carried out annually using questionnaires completed by the members of the Board of Directors, which are processed by the Corporate Secretary and presented to the Board of Directors annually (usually at the November meeting).

After the assumption of the duties of the new members of the Board of Directors, a special induction program of the new members is implemented, which includes informative meetings, presentations and discussions with the key executives of the Board in order to understand the purpose and nature of the work of the company. In addition, the new members are informed about their obligations regarding the Code of Ethics, the Code of Corporate Governance, the Charter of Operation, the stock market legislation and in general the policies and procedures that govern the operation of the Company. The introductory briefing program also includes meetings with the Company's regular auditors.

Information about the participation of the members of the BoD in its meetings and in the meetings of the Committees of article 10 of L.4706/2020 are provided in the section 15.11.

The Board of Directors met nine (9) times during the year 2021. In the meetings of the Board of Directors that had as subject the preparation of the financial statements of the Company or the agenda of which included issues for the approval of which the decision was foreseen by the General Meeting with increased quorum and majority, according to Law 4548/2018, the Board of Directors was in quorum and at least two (2) independent non-executive members were present.

The operation of the Board of Directors is supported by two Committees: the Audit Committee and the Nomination and Remuneration Committee.  Secretary at both Committees is the Company's Secretary, Mr. Ioannis Zakopoulos; his resume is included in the section 15.10

**Audit Committee**

On 31/12/2021, the Audit Committee is established in a body as follows:

| | |
|---|---|
| Director, Independent Non-Executive Member, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee | Stylianos M. Stefanou |
| Director, Independent Non-Executive Member, Member of the Audit Committee | Pavlos C. Tryposkiadis |
| Director, non-executive member, Member of the Audit Committee, Member of the Nomination and Remuneration Committee | Ioannis A. Costopoulos |

The Audit Committee operates in accordance with article 44 of law 4449/2017 as amended by article 74 of law 4706/2012, articles 10, 15 and 16 of law 4706/2012 and EU Regulation No. 537/2014 , the Greek Corporate Governance Code that the Company has voluntarily adopted (http://www.helex.gr/el/HCCC) and the provisions of the Company's Operating Regulations. The Audit Committee has the following obligations:

a) Regarding the supervision of the regular audit:

- Is responsible for the selection process of the regular auditor and makes proposals to the Board of Directors regarding the appointment, reappointment and removal of the regular auditor, as well as for the remuneration and the terms of employment of the regular auditor under Article 44 of the "Audit Committee". Law 4449/2017 and article 16 of Regulation (EU) 537/2014 which will be approved by the General Assembly.
- Examines and monitors the independence of the regular auditor and the objectivity and effectiveness of the audit process, taking into account the relevant professional and regulatory requirements in Greece.
- Examines and monitors the provision of additional services to the Company by the auditing company to which the regular auditor/s belongs for this purpose, has developed and implements a procedure for approving the provision of non-auditing services by the auditing company that performs the statutory audit of the individual and consolidated financial statements of the Group companies and supervises its implementation.
- Reviews the financial reports before their approval by the Board of Directors in order to assess their completeness and consistency in relation to the information provided as well as the

accounting principles applied by the Company and informs accordingly the Board of Directors.

- Arranges meetings with the Management / competent executives during the preparation of the financial reports as well as the certified auditor during the planning and control stage, during its execution as well as during the preparation stage of the audit reports.
- It is informed about the procedure and the schedule for the preparation of the financial information by the Management and about the annual program of mandatory audit by the certified auditor.
- Receives from the regular auditor a supplementary report pursuant to Article 11 of Regulation (EU) 537/2014 which includes the results of the statutory audit and any weaknesses in the internal control system, in particular the weaknesses of the financial reporting procedures of the financial statements and informs the Chairman, the CEO and the Board of Directors of the company.
- Informs the BoD about the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial information and what the EU's role was in the process.
- Monitors the performance of the external auditors taking into account any findings and conclusions of the competent authority in accordance with paragraph 6 of Article 26 of Regulation (EU) No. 537/2014.

b) With regard to the financial information process and the system of internal control, regulatory compliance and risk management, the Audit Committee:

- Monitors the financial information process and submits recommendations or proposals to ensure its integrity and the reliability of the Company's financial statements.
- Supervises any official announcement regarding the financial performance of the Company (announcements, press releases), informs the Board of Directors about its findings and submits improvement proposals if it deems necessary.
- Inspects the Company's internal financial controls and monitors the effectiveness of the Company's internal control, regulatory compliance and risk management systems. To this end, the Audit Committee periodically reviews the company's internal control and risk management system to ensure that key risks are properly identified, addressed and disclosed. It informs the Board of Directors of its findings and submits proposals for improvement if it deems it necessary.
- Examines and evaluates in detail important issues such as:
    - Significant judgments, assumptions and estimations in the preparation of the financial statements
    - The valuation of assets at fair value.
    - Assessing the recoverability of assets.
    - The adequacy of disclosures about the significant risks faced by the Company.
    - The significant transactions with related parties.
    - The significant unusual transactions.

  - Adherence to accounting principles and standards and any changes from the previous year.
- Examines conflicts of interest during the Company's transactions with related parties and submits relevant reports to the Board of Directors,
- Examines the existence and content of those procedures, according to which the Company's employees may, in confidence, express their concerns about possible illegalities and irregularities in matters of financial information or other issues related to the operation of the Company. The Audit Committee ensures that there are procedures for the effective and independent investigation of such issues, as well as for their appropriate treatment.
- Examines the regulatory compliance system that includes the establishment and implementation of appropriate and up-to-date procedures, in order to achieve in time the full and continuous compliance of the Company with the applicable regulatory framework and to have at all times a complete picture of the degree of achievement of this purpose.
- Examines the policy and procedure for conducting periodic evaluation of the internal control system by persons who have proven relevant professional experience and do not have dependency relationships according to article 14 of Law 4706/2020.

c) Regarding the supervision of the Internal Audit Department, the Audit Committee:

- Ensures the efficient operation of the Internal Audit Department in accordance with standards for the professional implementation of internal audit.
- Identifies and examines the operating regulations of the Company's Internal Audit Department.
- Monitors and inspects the proper functioning of the Internal Audit Department and examines the quarterly audit reports of the Directorate.
- Ensures the independence of internal control, proposing to the Board of Directors the appointment and dismissal of the head of the Internal Audit Department.
- Has regular meetings with the head of the Internal Audit Department to discuss issues within his competence as well as problems that may arise from the internal audits.
- The head of the Internal Audit Department reports administratively to the Chief Executive Officer and functionally to the Audit Committee.
- The head of the Internal Audit Department submits to the Audit Committee an annual audit program and the requirements of the necessary resources as well as the consequences of limiting the resources or the audit work of the unit in general. The annual audit program is prepared based on the assessment of the Company's risks after taking into account the opinion of the Audit Committee. The annual audit program is approved by the Board of Directors.
- Receives quarterly from the Director of Internal Audit a report on the progress of the work of the Internal Audit Department of the Company and presents it to the Board of Directors of the Company along with its observations and findings.

d) Regarding sustainable development

- Includes in the report of activities submitted to the annual ordinary General Assembly Meeting, a description of the sustainable development policy followed by the Company.

The operation of the Audit Committee is described in detail in the Charter of Operation of the Audit Committee (Audit Committee Charter) approved by the Board of Directors of the Company and uploaded on the Company's website (http://www.fourlis.gr). The Audit Committee shall use any resources it deems appropriate to fulfill its purpose, including the services of external consultants.

Information on the participation of members in the meetings of the Audit Committee is given in section 15.11.

The discussions and decisions of the Audit Committee are recorded in minutes according to article 74 of L.4706 / 2020, which are approved via electronic mail by the present members, according to article 93 of L.4548 / 2018. The Secretary of the Board of Directors acts as Secretary of the Audit Committee.

For the year 2021, the Audit Committee has prepared an Annual Report of Proceedings to the ordinary General Meeting of Shareholders of the Company which is included in section 17 of the Management Report of the Board of Directors.

In the context of its role, the Audit Committee for the year ended on 31/12/2021, approved the receipt of non-audit services, in order to ensure the independence of the Certified Auditors. For the Group, the percentage of other fees (Non-audit services) in relation to the audit services amounted to 12% and for the Company to 12%.

On 8/3/2022, a new member of the Audit Committee is appointed Mrs. Maria S. Georgalou, an independent non-executive member of the Board of Directors, replacing Mr. Pavlos C. Tryposkiadis and the Committee is established in a body as follows:

| | |
|---|---|
| Director, Independent Non-Executive Member, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee | Stylianos M. Stefanou |
| Director, Independent Non-Executive Member, Member of the Audit Committee | Maria S. Georgalou |
| Director, non-executive member, Member of the Audit Committee, Member of the Nomination and Remuneration Committee | Ioannis A. Costopoulos |

## Nominations and Remuneration Committee

The Committee for the Promotion of Nominations and Remuneration is established a Body as follows:

| | |
|---|---|
| Independent Vice Chairman, Senior Independent Member, Independent Non-Executive Member, Member of the Nomination and Remuneration Committee | David A. Watson |
| Director, Independent Non-Executive Member, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee | Stylianos M. Stefanou |
| Director, non-executive member, Member of the Audit Committee, Member of the Nomination and Remuneration Committee | Ioannis A. Costopoulos |

The Committee for the Promotion of Nominations and Remuneration of the Company has been established in order to support the Board of Directors, in the fulfillment of its obligations to the shareholders, regarding the assurance that the nomination of candidates for the Board of Directors is done in a meritocratic and objective manner, so that the smooth succession of its members as well as the top executives with the aim of the long-term success of the Company is guaranteed. In the context of its role, the Nominations and Remuneration Committee identifies and proposes to the Board of Directors persons suitable for the acquisition of the status of a member of the Board of Directors, based on a procedure provided in its Charter of Operation. For the selection of the candidates, it takes into account the factors and criteria determined by the Company, in accordance with the Fit & Proper Policy that it adopts.

The Nominations and Remuneration Committee formulates proposals to the Board of Directors regarding the Remuneration Policy submitted for approval to the General Meeting (law 4548/2018, no. 112) and the remuneration of persons falling within the scope of the Remuneration Policy and executives of the Company, in particular the head of the internal control unit and examines the information included in the final draft of the annual remuneration report, providing its opinion to the Board of Directors before submitting the report to the General Meeting. The remuneration policies and practices adopted by the Company are characterized by fairness and responsibility and clearly link the performance of the Company with that of the individual.

In the context of its role, the Nomination and Remuneration Committee:

- Participates in the determination of the selection criteria and the procedures of promotion of the members of the Board of Directors.

- Submits proposals for the Diversity Policy including gender balance.
- Submits proposals to the Board of Directors for the nomination of its candidate members in the context of the approved Eligibility Policy.
- Carries out the process of determining and selecting candidate members of the Board of Directors within the approved Fit & Proper Policy.
- Submits proposals to the Board of Directors for the revision of the Fit & Proper Policy if required.
- Periodically evaluates the size and composition of the Board of Directors and submits proposals for consideration regarding its desired profile.
- Evaluates the existing balance of qualifications, knowledge, views, skills, experience related to corporate goals as well as between the sexes and based on this evaluation, describes the role and skills required to fill vacancies.
- Informs the Board of Directors about the results of the implementation of the Fit & Proper Policy of the members of the Board of Directors and the taking of any measures in case of deviations.
- Examines the Annual Remuneration Report of the members of the Board of Directors.
- Submits proposals to the Board of Directors regarding the remuneration of the members of the Board of Directors within the approved Remuneration Policy.
- Submits proposals to the Board of Directors for the revision of the Remuneration Policy if required.
- Informs the Board of Directors about the results of the implementation of the Remuneration Policy of the members of the Board of Directors and the taking of any measures in case of deviations.
- Submits proposals to the Board of Directors regarding the remuneration of the Company's executives, in particular the head of the internal control unit.

Information on the participation of members in the meetings of the Nomination and Remuneration Committee is given in section 16.11

The operation of the Nominations and Remuneration Committee of the Board of Directors is described in detail in the Charter of Operation of the Committee approved by the Board of Directors of the Company and uploaded on the Company's website (http://www.fourlis.gr). The Nominations and Remuneration Committee uses any resources it deems appropriate to fulfill its purpose, including services by external consultants.

**Executive committee**

In addition to the above Committees of the Board of Directors, an Executive Committee has been established and operates in the Company with advisory and recommendatory character as well as executive, to the extent that it is assigned specific executive responsibilities by the Board of Directors. The Executive Committee includes the Executive Members of the Board of Directors, the Managing Directors of its important subsidiaries and the Managers of Human Resources, Informatics, New Technologies, Development and Personal Data Protection and Finance Planning and Control and

Management of Cash, Investor Relations and Risk Management.

**Information on the number of shares held by the members of the Board of Directors and the executives of the Company**

Information on the number of shares held by the members of the Board of Directors and the executives of the Company are stated in section 15.12.

**The Company's Corporate Governance System includes**:

- Diversity Policy
- Sustainability Policy
- Related Party Transfer Pricing Policy
- Policy of Conflict Interest
- Remuneration Policy
- Fit and Proper Policy
- Code of Conduct
- Internal Regulation Charter
- Risk Management System
- Internal Control System
- Regulatory Compliance System
- Outsourcing
- Internal Audit Unit
- Investors Relations and Corporate Announcements

In more details:

**Policy of equal opportunities and diversity**

Aiming at the promotion of an appropriate diversity at the Board of Directors and a multi-diverse group of members, the Company applies an Equal Opportunities and Diversity Policy by the appointment of the new members of the BoD. The current applicable Equal Opportunities and Diversity Policy is uploaded on the Company's website (http://www.fourlis.gr) and briefly includes the following:

The Company is committed to provide equal opportunities for all employees and qualified applicants for employment, at all levels of hierarchy, regardless of race, color, religion, national origin, gender, sexual orientation, age, disability, marital status, or any other characteristic protected by law. The Company expressly prohibits any discrimination or harassment based on these factors.

The Company ensures that all employment decisions, including but not limited to those involving recruitment, hiring, promotion, training, compensation, benefits, transfer, disciplinary offences, and dismissals, are free from unlawful discrimination.

The Group encourages a safe and healthy work environment, free from discrimination, harassment and retaliation. All employment-related decisions are based on an individual qualification, performance and conduct.

The Company will provide for appropriate adjustments for qualified employees with a disability pursuant to the law, face and manage cases of any disability of employees on a case-by-case basis.

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board of Directors as an essential element in supporting attainment of its strategic objectives and its sustainable development. Based on this direction, the Company has a Fit and Proper Policy for the members of the Board of Directors in harmonization with the requirements of Law 4706/2020, the basic principles of which are presented in this Corporate Governance Statement.

Regarding the Senior Executive Officers but also the members of the remaining levels of the Company's hierarchy, certain minimum qualifications that these individuals should possess, include strong values and discipline, high ethical standards, and a commitment to full support to the structures and procedures of the Company. The Candidates should possess individual skills, experience and demonstrated abilities that help meet the Company's short-term planning and strategy.

The diversity at the Senior Executive Officers' level and among the members of the remaining Company's hierarchy levels is based on a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of previous employment.

All Board & Senior Executive Officers appointments and the appointments of the members at all remaining levels of the Company's hierarchy should be based on meritocracy, and candidates should be considered based on objective criteria, taking always into account the benefits of the Company's diversity.

Below, data on the representation proportion of Board members and Senior Executives per gender and age are presented:

| Representation percentages by gender and age of the Board of Directors and the management of FOURLIS HOLDINGS SA | 2019 | 2020 | 2021 |
|---|---|---|---|
| **Board of directors** | 9 | 9 | 9 |
| Men | 75% | 75% | 75% |
| Women | 25% | 25% | 25% |
| 50- 60 years old | 55% | 55% | 55% |
| >60 years old | 45% | 45% | 45% |
| **Executives** | 5 | 5 | 5 |
| Men | 60% | 60% | 60% |
| Women | 40% | 40% | 40% |
| 30- 40 years old | 0% | 0% | 0% |
| 40- 50 years old | 0% | 0% | 0% |
| 50- 60 years old | 100% | 100% | 80% |
| >60 years old | 0% | 0% | 20% |
| **Managers** | 16 | 16 | 17 |
| Men | 44% | 44% | 47% |
| Women | 56% | 56% | 53% |
| <40 years old | | | |

| | | | |
|---|---|---|---|
| 40 – 50 years old | 63% | 63% | 59% |
| 50- 60 years old | 38% | 25% | 29% |
| >60 years old | | 13% | 12% |

## SUSTAINABLE DEVELOPMENT POLICY

At FOURLIS Group we operate responsibly and we constantly evolve, in all the countries of activity, while being committed to our Values and having as a priority the respect for all our people and stakeholders, the support of the society and the protection of the environment, aiming at sustainable development at a financial, social and environmental level.

**Our Values**

Integrity, Respect, Efficiency

**Our Mission**

To create superior value for our customers, people, shareholders and society, by delivering goods and solutions for better living.

**For Our People**

- We aim at creating and safeguarding employment positions, through the development of our activities in Greece and abroad.
- We respect, protect and promote the internationally recognized human rights through the policies we adopt and the initiatives we take.
- We offer a work environment of meritocracy and equal opportunities, with policies of fair recruitment, reward and personal development for all our employees, without any discrimination.
- We invest in the continuous training and development of our human resources, as well as in their systematic and meritocratic evaluation.
- We apply a Health and Safety Policy for all the Group's companies in all the countries of activity, providing a healthy and safe working environment.
- We offer health benefits to our employees and personalized support to those affected by natural disasters or in cases of serious health issues.
- We encourage and promote employees' volunteerism.

**For the Society**

- We constantly get informed about the needs of the citizens and the societies in which the Group operates, through established communication and consultation channels.

- We evaluate and prioritize those needs and then we design and implement programs and actions as we target to meet the real and most important needs of each local community, taking into account the number of beneficiaries as well as the nature of our activities.
- We implement social actions which are in line with the social responsibility strategy of our Group (support of vulnerable social groups and especially children).
- We respond to emergencies (e.g. pandemic, natural disasters), beyond the standard social responsibility planning.

For the Market

Economic Growth

- We aim at achieving positive financial results, at continuing strictly chosen investments and at exploiting new investment opportunities.
- We invest in technology and at upgrading our services, following the fast changes in consumer habits, but also in the nature of the retail sector, seeking to meet the growing expectations of consumers and to create a positive experience for the customer.
- We aim at the continuous improvement of the relations with our suppliers, through the communication of the terms of cooperation and the main framework of principles and values that should govern our cooperation.
- We offer quality and affordable products.

**Corporate Governance**

- We comply with the law and apply internal safeguards to ensure compliance with the rules that concern the activity of all Group companies.
- We have developed and implement a Code of Conduct and related policies.
- We have adopted the Greek Corporate Governance Code for listed companies.
- We adopt a corporate structure and governance that allows a close relation with investors, aiming at creating superior value for shareholders.
- We assess and manage business risks aiming to safeguard the interests of all our stakeholders.
- We have committees, we take measures and follow policies and procedures to enhance transparency, to prevent and combat fraud, corruption and bribery and generally any conduct that is opposed to the Code of Conduct.

Health, Safety and Accessibility of Customers and Visitors

- We apply a Health and Safety Policy for all FOURLIS Group companies in all the countries of operation.
- We provide a healthy and safe environment for partners and visitors at our facilities.
- We provide for the safe accommodation and transportation of people with disabilities at our facilities.

• The products sold by FOURLIS Group companies meet the international quality and safety standards.

**For the Environment**

• We implement actions for the protection of the environment that are not limited to those dictated by the legislation.

• We focus on actions aiming at the reduction of our environmental impact, at responsible energy management and reduction of greenhouse gas emissions, at saving and recycling natural resources and at responsible water consumption.

• We offer products that contribute to a sustainable lifestyle.

• We raise awareness of employees and the public on environmental protection and the adoption of a responsible way of life.

For all the above issues, we set individual sustainable development goals, which we evaluate on an annual basis in terms of their effectiveness and review them, when and where necessary, aiming at our continuous improvement.

**Moreover at FOURLIS Group**

• Since 2008, FOURLIS Group is an official member of the United Nations Global Compact, thus we are committed to adopting, supporting and promoting its 10 Principles through our business.

• We perform a materiality analysis, in the context of continuously improving the Group's approach to sustainable development and social responsibility topics, in order to prioritize the Group's topics with the most significant economic, social and environmental impacts, but also those that significantly influence its stakeholders.

• We link the Group’s material issues to the Sustainable Development Goals (SDGs) of the UN, contributing to their achievement through responsible operation, our programs and the related results.

• We inform our stakeholders about the conducted work in the field of Sustainable Development, publishing an annual report in accordance with internationally accepted Sustainable Development standards.

The Management is committed to the implementation of the Sustainable Development Policy, at all levels, companies and activity sectors of the Group.

**Policy of Transfer Pricing transactions with related parties**

The policy of conducting transactions between subsidiaries of the Company and related parties aims at the timely information of the desired transaction and approval obtaining before its implementation. The policy applies at any transaction value. In case of existing transactions, approval is required for substantial modification of contract terms in force (new customer, new transaction, term extension, credit terms amendment, pricing conditions amendment etc).

The Company follows the rules regarding the transparency, the independent financial management, the accuracy and the correctness of its transactions.

Related parties, in relation to the Company, are considered the persons defined as affiliated with it according to International Accounting Standard 24 as well as the legal entities controlled by them, in accordance with International Accounting Standard 27.

Transactions between the Company and its affiliates are made at a price or consideration which is proportional to what would have been paid if the transaction had taken place with another natural or legal person, under market conditions prevailing at the time of the transaction and in particular proportional to the price or consideration agreed by the Company, when trading with any third party, in accordance with the relevant provisions of the relevant legislation

Information on the above transactions is included in the Management Report of the Board of Directors and in the Notes on the Financial Statements.

**Policy of Conflict Interest**

The Company has and implements a Conflict-of-Interest Policy in accordance with article 14 of Law 4706/2020; any revision of this Policy should be approved by the Company's Board of Directors. This Conflict of Interest Policy determines the circumstances constituting or possibly resulting in a conflict of interest, whereas, further specifies the procedures that must be followed and the measures that must be taken for the mitigation, the management and the resolution and settlement of each such conflict of interest that may arise. Through this Policy instructions to the Board of Directors, the Executive Committee, the management and all employees of the Company regarding the detection and the management of conflicts of interests are essentially provided.

The Company seeks to avoid conflicts of interest to ensure that it continues to operate in accordance with its purpose. In any case, it takes all necessary measures to prevent conflicts of interest and, if such conflicts arise, it acts immediately to manage and limit them by providing mitigation and resolution measures and applying the necessary controls, in accordance with the provisions of the above Policy.

Every member of the Board of Directors and every third person to whom responsibilities have been assigned by the Board of Directors, have an obligation of loyalty to the Company and must not pursue the same interests that are contrary to the interests of the Company. The members of the Board of Directors act with integrity and in the interest of the Company and safeguard the confidentiality of non-publicly available information. They must not compete with the Company and must avoid any position or activity that creates or appears to create a conflict between their personal interests and those of the Company, including holding positions in the Board of Directors or in the management of competing companies, without permission of the General Meeting of Shareholders of the Company. The members of the Board of Directors must contribute their experience and devote the necessary time and attention to their duties.

They should notify the Board of Directors, prior to their appointment, of their other professional commitments, including significant non-executive commitments to companies and non-profit institutions, and report to the Board of Directors changes to the above commitments as soon as they arise. In addition, they must timely and adequately notify the Regulatory Compliance Department of the Company and the other members of the Board of Directors of their own interests that may arise from any corporate transactions and / or activities of the Company that fall under their duties, as well as of any other conflict of interest that they may have with the interests of the Company or an affiliated Company.

Each member of the Board of Directors and the Executive Committee of the Company is obliged to submit to the Regulatory Compliance Division a "Declaration of Conflicts of Interests" according to the terms of the above Policy at the time of appointment to the Company, as well as on an annual basis and to update it during of the year, whenever required.

No member of the Board of Directors is allowed to vote on issues for which there is a conflict of interest between him (or an affiliated person) and the interest of the Company. In this case, the decisions are taken by the other members of the Board of Directors.

The Regulatory Compliance Directorate examines and evaluates all conflicts of interest notified to it in cooperation with the Legal Directorate or the Human Resources Directorate or any other Directorate required, and the decision is made on the measures to be taken for the appropriate resolution or conflict management, by properly informing the person involved. The Regulatory Compliance Department keeps a record of all cases of conflicts of interest that have been notified to it and the decisions that have been taken to address them, in addition to informing at least annually, the Company's Audit Committee of the above incidents and decisions taken during the year by submitting a relevant report.

**Remuneration Policy**

The policy and principles of the Company regarding the form of executive and non-executive board members' remuneration as well as the calculation method of remuneration, including quantitative and qualitative criteria taken into consideration, are included in Remuneration Policy which has been approved by the Extraordinary General Assembly on 18/6/2021 and has been uploaded in the Company's website http://www.fourlis.gr. The Policy refers to the members of the Board of Directors (BoD) of the Company and was conducted according to the EU Directive on stock options of shareholders (Directive (EU) 2017/828 of the European Parliament and of the Council as of 17 May 2017) as it has been integrated in Greek laws with L. 4548/2018.

The Remuneration policy contributes to business strategy, long-term interests and viability of the Company and clarifies the manner of contribution. It sets out in detail not only the existing rights of the Board of Directors' members and the Company's liabilities towards them, but also the terms based on which the remuneration will be provided in the future. The policy applies for four (4) years, unless revised and/or amended earlier by resolution of the Company's General Assembly of Shareholders.

Nomination and Remuneration Committee will review on an annual basis if the policy is still compatible with the Company's business strategy or if amendments need to be proposed to the Board of Directors.

Every four (4) years or earlier if an amendment need arises following recommendation of the Committee, the Board of Directors will submit for approval any Policy changes they consider appropriate at the General Assembly of the Company's shareholders.

The Remuneration Policy takes into consideration the existing legislation, good corporate governance practices, Greek Code of Corporate Governance, Articles of Association, and Rules of Operation on Internal Organization of the Company. The Policy recognizes the existing rights and obligations at members of the Board of Directors and defines the terms based on which the future remuneration may be provided to the existing or/and new members of Board of Directors for as long as the policy is valid.

No member of the Board of Directors make decisions nor is responsible for its own remuneration. The Remuneration and Nomination Policy will secure the fact that no person will be present at the discussion regarding its remuneration.

More analytically:

The Company pays both the executive and the non-executive members of the Board of Directors taking into account the principle of fair and reasonable remuneration for the best and most appropriate individual for the relevant position considering at the same time the level of responsibility as well as the knowledge and the experience required in order to meet the expectations, ensuring at the same time its short-term and long-term business plan, so that it can continue to create value for the customers, the shareholders, the employees and the economy of the countries in which it runs its business activities.

Remuneration Policy of the executive members of the Board of Directors

Remuneration Policy of executive members of the Board of Directors contributes into business strategy, long-term interests and sustainability of the Company:

- Providing a fair and proper level of a standard fixed remuneration which allows the executive members to focus on the creation of a viable long-term value.
- Balancing the short-term and the long-term remuneration in order to be ensured that short-term goals which will lead long-term to the creation of a value are targeted.
- Offering short-term variable remuneration with performance criteria which harmonize the interests of the executive member to the interests of the shareholders.
- Including long-term variable remuneration against titles with long-term performance criteria, which contribute to the creation of a value.

The Policy does not provide for variable remuneration for the non-executive members of the Board of Directors so that it can be guaranteed that there is no conflict of interests in decision-making of the non-executive members and in their option to doubt the decisions of the Board of Directors when these result in risk-taking by the Company.

The Remuneration Policy of Board Executive members, apart from the aforementioned, also takes into account other significant factors for the determination of the remunerations such as the knowledge and the experience required for the achievement of the objectives of the Business plan of the Company.

The Committee on Nominations and Remunerations and the Board of Directors are informed regularly about the structure of the remuneration and the policies followed inside the Company, as well as about the market trends in the specific issue (annual research on remuneration and benefits). These data are considered upon revision of the Policy.

Remuneration of the executive members of the BoD include a standard/fixed remuneration, participation in short-term program of variable remuneration MBO (Management by Objectives), participation in long-term program for the provision of incentives (Stock option rights), retirement benefit, liability insurance for Directors and Officers and other benefits such as private health insurance, life insurance, company car / car benefit and fuel card.

Remuneration Policy of non-executive members of the Board of Directors

In the determination of the remuneration level of the non-executive members of the Board of Directors, the market practice is taken into account, regarding the companies of a similar size on the basis of the stock market value, revenues, profits, complexity, structure and international dimension.

The non-executive members of the Board of Directors receive the basic remuneration and are paid additional remuneration in order to exercise the duty of presiding at the committees. The non-executive members of the Board of Directors do not have a participation right in any program for the provision of incentives.

To the non-executive members of the Board of Directors a remuneration is paid, which is standard and fixed and covers the time required for the exercise and execution of their duties. The said standard remunerations cover the attendance time in the meetings of the Board of Directors and in the meetings of the Committees of the Board of Directors including the time for preparation.

The maximum amount of the annual total basic remuneration is specified by the Board of Directors after proposal of the Committee on Nominations and Remunerations and is subject to approval by the Annual Ordinary General Meeting of shareholders.

There is no pre-determined level of annual remuneration or increase of remuneration nor a pre-specified maximum level of remuneration.

**Fit and Proper Policy**

Information on the Eligibility Policy of the members of the Board of Directors of the Company is given in section 15.8.

**Code of Conduct**

The Company has adopted high standards of professional ethics ensuring the commitment and cooperation of all its executives. Its Code of Conduct includes the following standards:

- **Relationship with third parties**

- **Collaborators/ Suppliers**

The human resources of the Company treat the partners and suppliers with objectivity and respect.

The Company has adopted a Supplier Code of Conduct, as well as relevant policies and procedures, which characterize its daily practices.

The Company encourages the compliance of its existing and key suppliers / partners with the current Supplier Code of Conduct.

In addition, during the selection process of new suppliers / partners, the Company notifies them in writing of this Code, as well as their obligation to comply with its provisions.

Each partner / supplier is aware that the Supplier Code of Conduct is uploaded on our website and agrees to comply with the principles of business ethics.

- **Media, Publications and Public Speeches**

Only natural persons authorized by the Board of Directors of the Company, can communicate with public bodies and the media and announce information about the activities and results of the Company and the Group.

A special and express approval must have been preceded also in case that a member of the human resources participates as a speaker representing the Company at any presentation, in order to obtain any necessary supporting material, and, if needed, relevant guidance prior to the publishing of any press release, in order to be confirmed that the text does not expose the Company's reputation at risk.

- **Social Media**

The Company encourages members of its human resources to participate in Social Media Networks, encouraging them to act with good judgment, common sense & be governed by ethical behavior.

In the context of ensuring the proper use of the accounts maintained by the Company on social media, access and the right to manage these accounts is provided only to authorized human resources, which can make posts in the name and on behalf of the Company.

- **Shareholders & public Investment**

The Company implements the appropriate procedures in order to ensure the immediate, accurate information of the shareholders, as well as their necessary support, regarding the exercise of their rights.

- **Relationship of employees with colleagues and with the Company in general**

- **Respect for colleagues**

All employees of the Company must promote respect in the workplace, as well as honest behavior and honesty among them.

Recognize, encourage and value diversity, different views and experiences, while supporting honest and reciprocal communication always in a spirit of adaptation, flexibility and compromise.

They develop relationships that are governed by understanding and trust, proving in practice mutual respect and respecting the hierarchy.

The Company seeks to improve issues related to employees and the workplace through structured dialogue in a way that is communicated and known to all employees. The Company participates in a social dialogue, based on trust and respect.

- **Health and Safety**

The rules of Health and Safety of human resources in the workplace are a requirement for the protection of human life.

The Company takes care of the health and safety of all human resources. Monitors and controls the relevant risks, while taking all necessary preventive measures against accidents and occupational diseases in the workplace. For this purpose, a health manager has been appointed within the Company.

- **Forced and child labor**

Any form of forced and child labor is a violation of human rights and the rights of children, therefore both of the aforementioned types of work are strictly prohibited within the Company.

In particular, the Company prohibits the use of any form of forced labor, including, indicatively but not limited to restrictive labor under imprisonment, particularly hard labor, slave labor, military labor and slave labor, and any form of human trafficking.

Furthermore, the Company strictly prohibits child labor, which is defined as the recruitment of any person below the minimum age permitted by law.

- **Respect for people - Equal opportunities policy**

A basic principle of operation of the Group is respect for people. The Group shows its respect for all employees by providing a positive, productive and safe work environment that accepts diversity and inclusion (diversity & inclusion).

The Company ensures that all its employees have equal rights and opportunities as well as obligations and duties. In addition, all employees are treated equally, they are provided with equal opportunities for growth and development, fair pay and equal access to tools in order to do their job to the best of their ability and contribute to the development of the Company.

- **Harassment in the workplace**

Harassment means any behavior that may be offensive, aggressive, violate or disturb the sensitivity and dignity and / or isolate the employee.

Any form of harassment is expressly prohibited and we do not accept harassment that offends the victim's personality and individual integrity and / or creates an environment of intimidation, hostility or humiliation for the victim (eg physical, sexual, , psychological, verbal or other form of harassment).

The Company's commitment to the safety of individuals is also evidenced by the "zero tolerance" in all cases of discrimination, violence, sexual harassment, which endanger the safety of employees and the performance of the Group.

The Company ensures that all employees contribute to a fair and equal working environment, not tolerating and acting directly against all forms of harassment.

Communication of incidents of discrimination and harassment is necessary for the Company to maintain a respectable work environment.

- **Evaluation**

Our evaluation is done with respect, honesty and based on objective criteria. The aim is to make only bona fide criticism and to set goals related to the improvement of our personal performance and through it to the development of the Company.

- **Education**

The Company provides training opportunities to all its human resources depending on the specific requirements of the position we hold, but also on its needs. There is cooperation, in order to choose the training that suits the abilities and the program of each employee. All employees must show a willingness to participate in the training offered.

- **Crisis management / Cooperation of employees in case of control by authorities, as well as in case of court proceedings**

In any case of crisis, all those involved must assist and make every effort to reduce as much as possible the negative effects of a possible crisis.

- **Awareness of Risk Management Culture (risk awareness)**

The corporate culture reflects the core values, attitudes and decisions of the Company and is a very important factor in shaping the perception of risk management.

According to the requirements of the legislation, the Group has a Risk Management System, with the main custodian being the Regulatory Compliance Directorate on the 2nd line. Specifically, the Company has:

- Risk management policy and procedures.

- Enterprise Risk Management (ERM) methodology based on the COSO framework.

- Risk register.

- **Regulatory Compliance Issues**

Conflict of interest

In accordance with the Company's Conflict of Interest Policy and Procedures, a Conflict of Interest is any situation in which a person liable (member of the Board of Directors, member of the Executive Committee, Director, Chief, employee of the Group or any affiliated company) or one of his relatives (children, spouse, cohabiting partner, parents, siblings, in-laws, grandparents and grandchildren, children of spouse or cohabiting partner, dependents of that person or spouse / its partner in a cohabitation agreement, personal business partners / affiliated companies - legal or natural persons) has, on its own account or on behalf of third parties, an interest, the achievement of which could hinder the achievement of the Group's corporate interest, to which the person in question owes a fiduciary obligation and / or could influence or appears to influence, directly or indirectly, the manner in which the person in question performs his or her professional duties to the detriment or benefit of the Company.

The existence of a Conflict of Interest is assessed and verified, taking into account the specific circumstances of each situation.

- **Publication of Financial and Non-Financial Information**

The Company is committed within the framework of the Internal Audit System (IMS) that applies, that the financial and non-financial information it provides is accurate and complete, valid and timely, the information is accessible, sufficiently available to authorized or eligible recipients, the systems that support them are securely secured and provide the appropriate evidence for all recorded transactions.

The entire human resources of the Company are responsible for compliance with the above commitments of Financial and Non-Financial Information, as well as for the required cooperation with internal and external auditors to verify the information provided. The Audit Committee of the Company conducts a review of the Financial and Non-Financial Information in order to evaluate its completeness and consistency and informs accordingly the Board of Directors responsible for its approval.

- **Notification of Dependency Relations of members of the Board of Directors**

In accordance with the provisions of article 9 of L.4706 / 2020 on independent non-executive members of the Board of Directors, the Company applies a procedure for notifying any dependent relationships of their members of the Board of Directors and persons who have close ties with them.

The Board of Directors is responsible for taking the necessary measures to ensure the above compliance, as well as for the necessary actions in case it is found that the conditions of independence, defined by law, are not met. The review of the conditions takes place on a quarterly basis with the assistance of the Corporate Secretary of the Group and is included in the annual financial management report.

The Procedure for Notification of Dependencies of members of the Board of Directors is described in detail in the Charter of Operation.

- **Compliance of Persons Exercising Managerial Duties**

The listed companies of the Company have a specific procedure of compliance of the persons exercising managerial duties in full compliance with the provisions of article 19 of Regulation (EU) 596/2014 regarding the transactions carried out by the executives of the listed companies and the persons who have close ties with them.

The Compliance Procedure of the Persons exercising Managerial Duties is described in detail in the Company's Charter of Operation.

- **Corruption**

Corruption is generally considered to be the promise, offer, payment, search or acceptance of a reward, such as payment, donation or favor, for the purpose of illegally exerting influence over a business transaction.

In the Company, the maintenance of high ethical standards, in compliance with national and international laws, is a guiding principle and governs all activities and functions.

The Company emphasizes the strict application of the anti-corruption law, we consider the protection of the company and its reputation crucial and the human resources seek to act in a way that is in line with the above assumptions.

- **Bribery**

Bribery consists of claiming, receiving, offering, promising or providing money or other non-due and unfair benefit from or to an employee of the Company or to a Public Servant in order to secure a commercial or personal advantage.

It is expressly forbidden to offer or promise or provide any monetary or other benefit to a Public Servant or other Public body and / or third party, as well as to receive such benefit, in order to secure and maintain a commercial transaction, to secure a commercial advantage or privilege. The ban also applies to all persons acting on behalf of the Company.

- **Fraud**

Fraud is the act or omission of a person who, in order to obtain the same or a third unlawful property benefit, harms foreign property by convincing someone of an act, omission or tolerance by knowingly presenting false facts as true or unlawful concealment or unlawful concealment or concealment of true facts.

The Company does not tolerate any form of fraud as well as acts or omissions that could expose it to the risk of fraud.

- **Protection of information, personal data and assets of the Company**

- **Confidentiality, privileged information**

There is an obligation to maintain the confidentiality of this confidential or privileged information, whereas their management, processing, and disclosure should be done only to the competent authorities or persons who are specially authorized and in any case in strict compliance with the relevant requirements. of legislation.

Any legal entity or person outside the Company who receives such information must sign a confidentiality agreement (in cases where this is legally possible).

- **Personal data**

The Company complies with all applicable provisions on the protection of personal and sensitive personal data and fully cooperates in any audits or investigations, carried out both internally by competent executives of the Company, as well as by the public authorities, and / or by private bodies that have undertaken this task.

The Company respects the privacy of individuals with whom it does business (visitors, customers, employees, candidates and former employees) and already uses their personal data exclusively for legitimate business purposes.

- **Assets of the Company**

The Company's property, facilities and resources (human and material) are used only for the Company's activities and not for personal purposes.

- **Healthy competition**

It is the Company's policy to operate with vigor and awareness of the law, to exercise an independent commercial judgment in the conduct of its operations and to comply faithfully with the laws governing the practices of trade and competition.

Antitrust and competition laws are intended to promote the functioning of the free market. These laws protect against non-competitive behavior that harms consumers. They also ensure the existence of a balanced business arena, which allows companies to compete fairly in terms of price, quality and service.

- **Environmental protection**

The Company complies with all environmental laws and regulations aiming at sustainable development at the economic, social and environmental level. In this context, a Sustainable Development Policy has been adopted, regarding which the Management is committed to its implementation at all levels, the companies and segments of the Company.

- **Code of Conduct Line - Whistleblowing Information System**

The Company is in compliance with the Directive 2019/1937 of the European Parliament and of the Council on the protection of persons who report violations of Union law.

With respect for the fundamental rights to freedom of expression and information, the protection of personal data, business freedom and good governance, consumer protection, public health and the environment, and in order to ensure a high level of protection for persons who report law infringements, the Company establishes the Code of Conduct Line - whistleblowing system. This is a system with internal reporting channels and monitoring procedures for breach reports:

o Product safety and compliance,

o Environmental protection,

o Food safety,

o Public health protection,

o Consumer protection,

o Protection of privacy and personal data,

o Rules and provisions of corporate tax legislation.

The Code of Conduct Line - whistleblowing system, in compliance with the criteria of impartiality and independence, appoints as the person responsible for receiving and managing the reports the Company's Regulatory Compliance Manager.

Relevant reports can be submitted through the following alternative channels:

o By sending an e-mail (email) to the e-mail codeofconduct@fourlis.com or telephone reference to the line of the Group Code of Conduct - 2106293010

o Upon request for a personal meeting (in person or by video conference) with the Company Regulatory Compliance Manager, within a reasonable period of time from the date of the request. The request is submitted in writing or by phone to the Code of Conduct Line 2106293010.

**Internal Regulation Charter**

The Company has an updated Operating Regulation in accordance with article 14 of Law 4706/2020 which includes:

- The organizational structure, the objects of the units, the committees of the Board of Directors or other standing committees as well as the duties of their heads and their reference lines.
- The report of the main characteristics of the Internal Audit System (IAC) which includes the internal audit unit, risk management and regulatory compliance.
- The process of recruiting top executives and evaluating their performance.
- The process of compliance of persons holding managerial duties and persons having close links with them, with the obligations of Article 19 of Regulation (EU) 596/2014.
- The process of notifying any dependent relationship of the independent non-executive members of the Board of Directors and the persons who have close ties with these persons.
- The process of compliance with the obligations arising from the law on transactions with related parties.
- The policies and procedures for the prevention and treatment of conflict of interest situations.
- The policies and procedures of compliance of the Company with the laws and regulations that regulate its organization and operation as well as its activities.
- The procedure available to the Company for the management of privileged information and the correct information of the public, in accordance with the provisions of Regulation (EU) 596/2014.
- The policy and procedure for conducting periodic evaluation of the Internal Audit System (IMS), by persons who have relevant professional experience and do not have dependent relationships.
- The training policy of the members of the Board of Directors, the executives as well as the other executives of the Company, especially those involved in internal control, risk management, regulatory compliance and information systems.
- The sustainable development policy followed by the Company.

The Company's Internal Regulation Charter and any amendments thereto are issued and approved by the Board of Directors. A summary of it is included on the Company's website.

**Risk Management System**

Risk management presupposes the definition of objective goals based on which the most important events that can affect the Company are identified, the relevant risks are assessed and the Company's response to them is determined.

The adequacy of the Risk Management System is based on:

• The nature and extent of the risks it faces,

• the extent and categories of risks that the Board of Directors deems as being within acceptable limits for the Company,

• The possibility of implementing the risks,

• The Company's ability to reduce the impact of the risks that are ultimately realized,

• The operating costs of specific safeguards, in relation to the benefit of risk management.

Risk management is a process that:

• is carried out by the executives and other employees of the Company.

• is designed to identify potential events that may affect the Company.

• manages the risks in the context of taking risks determined by the Board of Directors, in order that reasonable certainty about the achievement of the Company's objectives is ensured.

The methodology used for risk management is divided into four phases:

• Defining objective goals: The objectives of the Company are defined at a strategic level, in collaboration with the Management. The Company faces various risks from external and internal sources. Setting clear objectives is a prerequisite for effectively identifying, evaluating and addressing risks / events. The objectives of the Company are in line with the view of the Management for taking risks.

• Risk identification: Risk identification is based on the accumulated knowledge and experience of the Management, employees and other bodies of the Company and is carried out through structured discussions. Each working group has a facilitator who leads the discussion about the risks that may affect the achievement of the Company's goals.

• Risk assessment: The probability of risk is assessed based on the following approaches depending on whether the risk is recurrent or not: a) for recurrent risks, the frequency of their occurrence during the year, b) for continuous risks or risks that are characterized by an incident, the probability of risk occurrence at a given period of time. To assess the impact of a risk, the impact it will have on the assets and resources of the Company and the Group is examined. The effects can be: a) financial (loss of revenue, decrease in profits, decrease in return on investment), b) commercial (loss of customers or contracts, decrease in customer satisfaction), c) human and social (physical damage) integrity, degradation of the social climate, the requirements of liability), d) the image and reputation of the Company that are taken into account by all stakeholders (customers, suppliers, regulators, the general public).

• Risk response: After assessing the relevant risks, Management determines how the Company reacts. During this process, the Company examines the relevant costs and benefits of the risk response options, taking into account the measurable direct and indirect costs associated with the risk response. Opportunity costs associated with using resources to respond to risk are also taken into account.

The Company uses its Risk Management Methodology (Enterprise Risk Management Methodology) which follows the COSO Framework.

**Internal Control System**

The Internal Control System of the Company, includes all the policies, procedures, tasks, behaviors and other elements that characterize it, which are implemented by the Board of Directors, the Management and its other employees and have as objectives:

• The consistent implementation of the business strategy with the effective use of available resources.

• The identification and management of essential risks associated with the business and operation of the Company.

• The efficient operation of the internal audit unit.

• Ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the financial situation of the Company and the preparation of reliable financial statements as well as the non-financial situation,

• Compliance with the regulatory and legislative framework as well as the internal regulations governing the Company.

The Company has the following basic characteristics of the Internal Control System (ICS):

• Code of Conduct and procedures for monitoring its implementation.

• Approved organization chart in full development, for all levels of hierarchy and with distinction of functions into main and secondary, in which the area of responsibility per sector / department is clearly defined.

• Composition and operation of the Audit Committee.

• Organizational structure and operation of the Internal Audit Unit.

• Description of the strategic planning, its development process and its implementation.

• Long-term and short-term action planning per significant activity, with a corresponding report and highlighting of discrepancies on a periodic basis as well as their justification.

• Complete and up-to-date articles of association where the object of exploitation, work and the main purposes of the Company are clearly identified and recorded.

• Job description of directorates, departments and job descriptions.

• Recording of policies and procedures of important operations of the Company and identification of the control activities.

Procedures for compliance with the current legal and regulatory framework (Regulatory Compliance).

• Risk assessment and management procedures.

• Procedures for completeness and reliability of financial information.

• Procedures for hiring, training, assigning responsibilities, targeting and evaluating the performance of executives.

• Procedures for the security, adequacy and reliability of information systems.

• Staff and asset security procedures.

• Description of reference lines and communication channels inside and outside the Company.

• Mechanism for monitoring and evaluating the efficiency and effectiveness of procedures.

• Procedure for periodic evaluation of the adequacy and effectiveness of the ICS by an independent evaluator, communication of results and preparation of a treatment plan for weaknesses.

• Policies for the environmental management system and other environmental, social and governance issues (ESG factors).

The business objectives, the internal organization and the environment in which the Company operates are constantly changing. As a result, the risks it faces are changing. Therefore, an adequate and effective Internal Control System (ICS) requires periodic reassessment of the nature and extent of the risks to which it is exposed. In any case, the purpose is not the elimination (which is impossible), but the management of these risks in a framework desirable for the Company.

There are 5 key components of an Internal Control System (IAC):

• the control environment,

• risk assessment,

• the control activities,

• information and communication,

•the monitoring.

Control Environment

The control environment is the foundation of the Internal Control System (ICS) applied by the Company. It affects the way business strategies and goals are developed, the structure of corporate processes as well as the process of identification, evaluation and overall management of business risks. It also affects the design and operation of control activities, information & communication systems as well as the monitoring mechanisms of the Internal Control System (ICS).

The control environment is essentially the sum of many sub-elements that determine the overall organization and management and operation of the Company.

Risk Assessment

The adequacy and effectiveness of the Company's Internal Control System (ICS) is based on: a) the nature and extent of the risks it faces, b) the extent and categories of risks that the Board of Directors deems acceptable to undertake, c) the probability of implementation of the d) the Company's ability to reduce the impact of the risks that are ultimately implemented and e) the operating costs of specific control activities, in relation to the benefit of risk management.

Risk assessment presupposes the definition of objective goals. Based on these, the important events that may affect them should be identified, the relevant risks assessed and the Company's response to them determined.

Control Activities

Control Activities are the policies, procedures, techniques and mechanisms that are put into operation to ensure that the decisions of the Board of Directors regarding the management of risks that threaten the achievement of the Company's objective goal are implemented. They concern the whole Company and are executed by the executives of all levels (Board of Directors, Management, other employees) and in all corporate operations.

Control Activities consist of many categories of actions that vary in cost and degree of effectiveness, depending on the circumstances. They include approvals, authorizations, confirmations, operational performance reviews, asset security. They are part of the day-to-day work of employees and are integrated into corporate policies and procedures, which should be reviewed periodically in order to be properly updated.

Each applicable control activity should be associated with the existence of relative risk, as otherwise its operation burdens the company with costs (direct or indirect), without providing benefits in terms of achieving its business goals. The cost-benefit ratio is taken into account when choosing between possible alternative control activities to cover a risk.

Information & Communication

An element of the Internal Control System (ICS) is the way in which the Company ensures the recognition, collection and communication of information, at such a time and in a way that allows its various executives to perform their responsibilities. This flow can be in all directions, inside (from top to bottom, from bottom to top, horizontally) and outside the Company.

Monitoring

The monitoring of the Internal Control System (ICS) of the Company lies in the continuous evaluation of the existence and operation of the components of the internal control framework. This is achieved through a combination of ongoing monitoring activities as well as individual evaluations. The identified deficiencies of the Internal Control System should be communicated to the highest levels of the Company, whereas the most important of them should be communicated to the top management and the Board of Directors.

Periodic evaluation of the Internal Control System (ICS)

The periodic evaluation of the Internal Control System (ICS) is carried out in particular as regards the adequacy and effectiveness of financial information, on a separate and consolidated basis, as regards the risk management and the regulatory compliance, in accordance with recognized evaluation and internal control standards, as well as the implementation of the corporate governance provisions of the current legal framework. The evaluation of the Internal Control System is performed by an independent person who has proven relevant professional experience, according to the best international practices (indicative of the International Auditing Standards, the International Professional Standards Framework for Internal Audit and the Internal Control System Framework of the Committee (COSO).

**Regulatory Compliance System**

The main mission of regulatory compliance is the establishment and implementation of appropriate and up-to-date policies and procedures, in order to achieve timely the full and continuous compliance of the Company with the applicable regulatory framework and to have at all times a complete picture of the degree of achievement of this purpose. The complexity and nature of the Company's activities, including the development and promotion of new products and business practices, have been assessed in order to establish the relevant policies and procedures.

The Company has a Regulatory Compliance Department with the main mission of ensuring the Company's compliance with the current institutional and supervisory framework, which governs its business activities and operation. For this reason, the Regulatory Compliance Directorate monitors and analyzes developments and changes in the institutional and supervisory framework and conducts impact / deviation analyzes. Based on these analyzes, the Regulatory Compliance Directorate formulates proposals and action plans / actions.

Specifically, the Company must comply with at least the following framework:

- Corporate legislation and Corporate Governance legislation (eg Law 4548/2018, Law 4706/2020, N 4449/2017, Decision EC 1.891 / 2020, EKED)

- Stock market institutional and supervisory framework (eg Law 4443/2016, Law 3556/2007, Decision EC 3/347/2005, Circular EC 33 / 3.7.2007, 25 / 17.07.2008 of the Board of Directors ATHEX, ATHEX Regulation)

Regulation (EU) No 596/2014 (MAR) and other provisions of the national and European regulatory framework regarding the misuse of privileged information and market manipulation

- European and national legislation on product specifications

- European and national legislation on personal data protection, information protection, confidentiality

-Other institutional and supervisory framework.

The institutional and supervisory framework to which the Company complies, and which is supervised by the Regulatory Compliance Department is analyzed in detail in the Rules of Operation.

**Outsourcing**

The Company deems it necessary for all external partners, who have been assigned services or tasks in the form of outsourcing, to observe a high level of integrity and legality, when operating on its behalf. For this purpose, the Company applies control of the legality and integrity of its external partners. This test is analyzed in three distinct stages.

Pre-contractual stage

Each external partner is required to provide the Company with specific documents and information prior to the signing of the cooperation agreement (eg legal documents for legal entities, identity documents for natural persons, financial statements). At this stage, every possible effort is made to evaluate the potential external partner and mainly an effort is made to identify, evaluate and manage potential risks and situations of conflict of interest. The documents and information collected are checked by the Director of Regulatory Compliance, who, depending on the outcome of the audit, proposes to the competent Director the approval of the cooperation and the preparation of the relevant contractual documents or the rejection of a possible cooperation.

Contractual stage

At this stage, the contractual texts are drafted based on the requirements imposed by the nature of each cooperation, the relevant institutional framework that may exist and the restrictions provided by the Company's internal policies. After the contractual texts are drafted and approved by the competent executives, the stage of their signing, execution and their implementation follow with the beginning of the provision of the prescribed services.

During the provision of services / post-contractual stage

All external collaborations are constantly checked for possible risks during their execution. Depending on the duration of each collaboration, specific time points are provided at which the provision of services is evaluated and re-checked by the external partner, so that it is found that nothing has changed from what was found in the pre-contractual evaluation stage and if information updates need to be made, as well as the level of services offered, in order to determine whether they correspond to what has been agreed and whether in the end the expected result emerges.

If there is a need to terminate the cooperation for any reason, the provisions of the relevant contract regarding the subject of the complaint are examined and every possible effort is made so that the consequences of such a termination for all the contracting parties are the ones provided, without exposure of the Company to any risk. Furthermore, depending on the nature of the services related to the terminated contract and the needs of the Company, a new external partner is sought for the provision of these services.

The Company maintains a register of external partners, as well as a file of outsourcing contracts, which it has prepared and all the documents collected and evaluated for the existing partners, always complying with the provisions of current legislation on the protection of information and personal data.

**Internal Audit Unit**

The Internal Audit Unit operates in accordance with articles 15 and 16 of law 4706/2020, the Greek Code of Corporate Governance voluntarily adopted by the Company (http://www.helex.gr/el/esed) and the provisions of the Rules of Operation of the Company. The operation of the Internal Audit Unit is described in detail in the Rules of Operation of the Internal Audit Unit (Audit Committee Charter) approved by the Board of Directors of the Company and uploaded in the Company's website (http://www.fourlis.gr).

The responsibilities of the Internal Audit Unit include monitoring, control and evaluation:

•of the application of the Company's Rules of Operation, in particular as to the adequacy and correctness of the financial and non-financial information provided, risk management, regulatory compliance and the corporate governance code adopted by the Company.

•of quality assurance mechanisms,

•of corporate governance mechanisms,

• compliance with the commitments contained in newsletters and the Company's business plans regarding the use of funds raised from the regulated market.

The responsibility of the Internal Audit Unit includes the following:

• providing assurance that the risk recognition and risk management procedures applied by the Management are adequate;

• providing assurance on the effectiveness of the internal control system,

• provision of assurance on the quality and reliability of the information provided by the Management to the Board of Directors regarding the internal control system.

The Internal Audit Unit is distinctly the 3rd line of defense of the Company and is independent from the other organizational units of the Company (IIA - The Three Lines Model).

The head of the Internal Audit Unit is appointed by the Board of Directors of the Company following a proposal of the Audit Committee, is a full-time employee, personally and functionally independent and objective upon performance of his duties and has the appropriate knowledge and relevant professional experience. He reports and accounts administratively to the Chief Executive Officer and operationally to the Audit Committee.

The Head of the Internal Audit Unit submits to the Audit Committee the annual audit program and the requirements of the necessary resources, as well as the consequences of limiting the resources or the audit work of the Internal Audit Unit in general. The annual audit program is prepared based on the assessment of the Company's risks after taking into account the opinion of the Audit Committee.

The head of the Internal Audit Unit attends the general meetings of the shareholders.

For its areas of responsibility, the Internal Audit Unit prepares reports to the audited units with any findings, the risks arising from them and proposals for improvement, if any.

These reports after the integration of the relevant views by the audited units, the agreed actions if any or the acceptance of the risk of non-action by them, the limitations on the scope of its control if any, the final internal audit proposals and its results response of the audited units of the Company to its proposals, are submitted quarterly to the Audit Committee. Further, the Internal Audit Unit applies periodic follow-up of the degree of implementation of the agreed actions and informs the Audit Committee accordingly. In addition, the Internal Audit Unit submits reports to the Audit Committee at least every three (3) months, including its most important issues and proposals regarding the above tasks, which the Audit Committee presents and submits together with its comments to the Board of directors. The Internal Audit Unit is responsible for the absolute safeguarding of the confidentiality of the data and the general confidentiality.

The Internal Audit Unit cooperates and coordinates its work with other organizational units of the Company that constitute the first and second line of defense and have similar security objectives (eg

Regulatory Compliance Unit, Financial Planning and Control Direction) for the purpose of efficient and effective coverage of all areas of control interest (operational, financial, compliance), without overlapping with each other.

The Internal Audit Unit, at the request of the Management, may provide consulting services on issues such as: evaluation of procedures, information systems so that they are in compliance with the Internal Control systems. The undertaking of consulting projects is approved by the Audit Committee and their type and duration should not interfere with the objectivity and independence of the Internal Auditors.

In case the subsidiaries operate separate Internal Audit Units, the Internal Audit Unit of the parent company ensures the uniform development and implementation of internal audit in the Group companies.

The head of the Internal Audit Unit provides in writing any information requested by the Hellenic Capital Market Commission, cooperates with it and facilitates in every possible way the task of monitoring, controlling and supervising exercised by it.

**Investors Relations & Corporate Announcements**

The Investors Relations & Corporate Announcements takes care of:

- direct, accurate and equal information of the shareholders as well as their support, regarding the exercise of their rights based on the currently applicable legislation and the Company's Articles of Association,
- distribution of dividends and free shares, the issuance of new shares with cash payment, the exchange of shares, the period of exercise of the relevant pre-emptive rights or the changes in the initial time limits, such as the extension of the deadline of exercise of the rights,
- providing information on the regular or extraordinary general assembly meetings and the decisions taken by them,
- acquisition of treasury shares and their disposal and cancellation, as well as the programs of distribution of shares or free distribution of shares to members of the Board of Directors and the employees of the Company,
- exchange of data and information with the Central Securities Depository and intermediaries, in the context of shareholder identification,
- wider communication with shareholders,
- informing the shareholders in compliance with the provisions of the law for the provision of facilities and information by the Company,
- monitoring the exercise of shareholder rights, in particular with regard to shareholder participation rates and the exercise of voting rights in general meetings,
- monitoring the exercise of shareholder rights, in particular with regard to shareholder participation rates and the exercise of voting rights in General Assembly Meetings,
- informing the shareholders through the necessary announcements concerning regulated information (article 91 L.4548 / 2018) and corporate events (article 104 L.4548 / 2018),
- compliance with the obligations provided in Article 17 of Regulation (EU) 596/2014 regarding

the disclosure of preferential information and other applicable provisions.

**15.7 If the company deviates from the Corporate Governance Code that applies, the Corporate Governance Statement includes a description of that deviation with reference to the relevant parts of the Corporate Governance Code and provides explanation for the deviation. If the company does not comply with certain provisions of the Corporate Governance Code, to which the Company is subject and which it applies, the Corporate Governance Statement includes a reference to the provision that is not applied and an explanation for the reasons of that deviation.**

The Company complies with the Hellenic Corporate Governance Code with minor deviations that are presented and justified in the following table.

| **Hellenic Code of Corporate Governance (June 2021)** | **Explanation/ Justification of deviations from special practices of the Hellenic Code of Corporate Governance** |
|---|---|
| The non-executive members of the Board of Directors meet at least annually or extraordinarily when it is deemed appropriate without the presence of executive members in order to discuss the performance of the latter. In these meetings the non-executive members do not act as a de facto body or committee of the Board of Directors (special practice 1.13, Role and Responsibilities of the Board of Directors). | The meeting of non-executive members without the presence of executive members will take place within the Q2 of 2022. |
| The Board of Directors utilizes technological tools with the necessary security specifications for real-time information and in order to facilitate the connection and information of the members.<br>(special practice 1.18, Role and Responsibilities of the Board of Directors). | The non-implementation is due to the time of entry into force of the Hellenic Corporate Governance Code. The Company is in the process of compliance. |
| The company adopts a diversity policy that is part of the eligibility policy. With regard to gender representation, diversity policy includes specific quantitative targets for gender representation. The company ensures that the diversity criteria apply beyond the members of the Board of Directors and senior and / or senior executives with specific gender representation goals as well as timelines for achieving them (specific practices 2.2.13, 2.2.14 and 2.2.15, Composition of the Board of Directors). | The non-implementation is due to the time of entry into force of the Hellenic Corporate Governance Code. The Company is in the process of compliance. |
| The company has a framework for completing the required number of the members of the BoD, and for the succession of the members of the Board of Directors in order to identify the needs for filling positions or for replacement and to ensure the smooth continuation of the management and the achievement of the company's object. The company also has a succession plan for the CEO. The preparation of a complete succession plan of the Chief Executive Officer is entrusted to the Nominations Committee which in this case ensures:<br>• identification of the required quality characteristics that should | The non-implementation is due to the time of entry into force of the Hellenic Corporate Governance Code. The Company is in the process of compliance. |

| Hellenic Code of Corporate Governance (June 2021) | Explanation/ Justification of deviations from special practices of the Hellenic Code of Corporate Governance |
|---|---|
| be gathered in the personality of the Chief Executive Officer;<br>• continuous monitoring and identification of potential internal candidates and<br>• dialogue with the CEO regarding the evaluation of candidates for his position and other senior management positions<br>(special practices 2.3.1 and 2.3.4 and 2.2.15, Composition of the Board of Directors). | |
| The Board of Directors sets up a nomination committee which has the primary role in the nomination process, in the design of the succession plan for the members of the Board of Directors and the senior executive officers (special practice 2.3.7, Succession of the Board of Directors). | The non-implementation concerns only the top executives and is due to the time of entry into force of the Hellenic Corporate Governance Code. The Company is in the process of compliance. |
| The remuneration committee has the responsibility to determine the remuneration system for the members of the Board of Directors and the senior executives and to make a relevant proposal on them to the Board of Directors which decides on them or proposes to the General Assembly where required (special practice 2.4.8, Remuneration of members of the Board of Directors). | The non-implementation concerns only the top executives and is due to the time of entry into force of the Hellenic Corporate Governance Code. The Company is in the process of compliance. |
| The contracts of the executive members of the Board of Directors provide that the Board of Directors may demand the return of all or part of the bonus awarded, due to breach of contract terms or inaccurate financial statements of previous years or generally based on incorrect financial data used to determine the bonus (special practice 2.4.14, Remuneration of members of the Board of Directors). | The existing contracts of the executive members of the Board of Directors with the company do not include this term. For the contracts of executive members of the Board of Directors that will result from the election of a new member at the ordinary General Meeting in 2022, there will be relevant compliance of the Company. |
| The Nomination Committee, based on best practices<br>determines the evaluation parameters and has a leading role in the decision on the following issues:<br>• Evaluation of the body of the Board of Directors,<br>• Individual evaluations of the CEO and the Chairman,<br>• Succession plan of the Chief Executive Officer and the members of the Board of Directors,<br>Targeted composition profile of the Board of Directors in relation to the strategy and the fit and proper policy of the company (special practice 3.3.8, Evaluation of the Board of Directors / CEO). | The non-implementation is due to the time of entry into force of the Hellenic Corporate Governance Code. The Company is in the process of compliance. |

| Hellenic Code of Corporate Governance (June 2021) | Explanation/ Justification of deviations from special practices of the Hellenic Code of Corporate Governance |
|---|---|
| The Board of Directors, under the guidance of the nomination committee, takes care for the annual evaluation of the CEO's performance. The results of the evaluation should be communicated to the CEO and considered in determining his variable remuneration (special practice 3.3.12, Evaluation of the Board of Directors / CEO). | The non-implementation is due to the time of entry into force of the Hellenic Corporate Governance Code. The Company is in the process of compliance. |
| The promotion of the corporate interest and the competitiveness of the company is linked to its sustainability. Sustainability is determined by the impact of the company's activities on the environment and the wider community and is measured on the basis of non-financial ESG factors that are economically significant (essential) for the company and the collective interests of key stakeholders (employees, customers, suppliers, local communities and other important actors). The Board of Directors ensures the existence of mechanisms of knowledge and understanding of the interests of stakeholders and monitors their effectiveness. The Board of Directors commits and monitors the executive management for issues related to new technologies and environmental issues (special practices 5.2, 5.3, 5.4 and 5.9, Obligation of loyalty and diligence). | The non-implementation is due to the time of entry into force of the Hellenic Corporate Governance Code. The Company is in the process of compliance. |

The Hellenic Corporate Governance Code is posted on the website of the Hellenic Corporate Governance Council, at the address: http://www.helex.gr/el/HCCC.

## 15.8 Reference to the Fit & Proper Policy

The Company has a Fit and Proper Policy for the members of the Board of Directors which is approved by its Board of Directors and is submitted for final approval to the General Meeting of Shareholders of the Company. The first version of the Fit and Proper Policy for the members of the Board of Directors based on the provisions of Law 4706/2020 was approved by the Ordinary General Meeting of Shareholders on 18/6/2021 and is uploaded on the Company's website (http: //www.fourlis. gr). The basic concepts and principles of the Company's Fit and Proper Policy are the following:

• Fit and Proper Policy is the set of principles and criteria that are applied at least during the selection, replacement and renewal of the term of office of the members of the Board of Directors in the context of the evaluation of individual and collective suitability.

• Individual suitability is the degree to which a person is considered to have as a member of the Board of Directors sufficient knowledge, skills, experience, independence of judgment, moral guarantees, and a good reputation for performing his duties as a member of the Board of Directors of the Company, according to the suitability criteria set by the Company's Fit and Proper Policy.

• Collective Fit & Proper is the Fit & Proper of the members of the Board of Directors as a whole.

• The Fit & Proper Policy aims to ensure the quality staffing, efficient operation and fulfillment of the role of the Board of Directors based on the overall strategy and medium-term business aspirations of the Company in order to promote the corporate interest.

• The Fit and Proper Policy is clear, adequately documented and governed by the principle of transparency and proportionality.

• The criteria for assessing individual suitability are general and apply to all members of the Board of Directors, regardless of their capacity as executive, non-executive or independent non-executive members.

• The composition of the Board of Directors reflects the knowledge, skills and experience required to exercise its responsibilities. This includes the requirement that the Board of Directors has an adequate understanding of the areas for which the members are collectively responsible and has the necessary skills to exercise the actual management and supervision of the Company, regarding, among other things:

-Its business activity and the main risks associated with it,

— Strategic planning,

— The financial reports,

— Compliance with the legislative and regulatory framework,

— Understanding corporate governance issues,

— The ability to identify and manage risks,

— The impact of technology on its activities,-Adequate representation by gender.

• The Fit and Proper Policy explicitly provides for adequate representation by gender of at least 25% of all members of the Board of Directors and in case of a fraction, this percentage is rounded to the previous whole.

• The Fit and Proper Policy refers to the Equal Opportunities and Diversity Policy of the Company to ensure that it has been taken into account when appointing new members of the Board of Directors

• The Monitoring the implementation of the Fit and Proper Policy is the responsibility of the Board of Directors. The implementation of the Fit & Proper Policy is assisted by the Internal Audit Unit, the Regulatory Compliance Unit, the Nominations and Remuneration Committee and the Corporate Secretary where required. The results of the Assessment Policy are recorded as well as the actions to be taken to address any deficiencies identified at both the individual and the collective level.

• The documentation regarding the approval of the Fit & Proper Policy and any amendments thereto are kept in an electronic file.

**15.9 Reference to the proceedings of the Committees of article 10 of law 4706/2020**

During the year 2021, the members of the Audit Committee held a total of nine (9) meetings, during which they discussed the following issues:

•Meeting as of 18/1/2021

- Issue 1: External Audit & Financial Information Procedure (case b) of par. 3 article 44 of Law 4449/2017 and Law 4706/2020). Approval of the receipt of non-audit services by the auditing company that performs the mandatory audit of the Financial Statements.
- Issue 2: Procedures of internal control and risk management systems and internal audit unit (par. 3 article 44 of Law 4449/2017 & Law 3016/2002). Revised Draft Audit Plan 2021 ((Internal Audit Plan)).
- Issue 3: Other A. Approval of the Report of the Acts of the Audit Committee based on L.4706 / 2020 (article 74 par. I). B. Sustainable Development.

•Meeting as of 22/3/2021

- Issue 1: External Audit A. Additional Report to the Audit Committee of the Company based on article 11 of EU Regulation no. 537/2014 for the financial year 2020. B. Approval of the receipt of non-audit services by the auditing company that performs the mandatory audit of the Financial Statements.
- Issue 2: Financial information procedure (case b of par. 3 of article 44 of Law 4449/2017 and Law 4706/2020). A. Annual Financial Report 1/1 - 31/12/2020 of the Company: Evaluation of the drafting process and overview in terms of completeness and application of accounting principles. B. Approval of the presentation of the Chairman of the Audit Committee to the Board of Directors of the Company as of 22/3/2021 in accordance with article 44 of Law 4449/2017 as amended by articles 10, 15 and 16 of Law 4706/2012 and the relevant its decision EC No. Prot. 1508 of 17/7/2020. 1. Regular Audit supervision. 2. Financial Information Process. 3. Internal control system (ICS), regulatory compliance, risk management and Internal Audit Department. 4. Report of the Acts of the Audit Committee for the year 2020.
- Issue 3: Procedures of internal control and risk management systems and internal audit unit (par. 3 article 44 of L.4449 / 2017 & par. C) of article 16 of L.4706 / 2020). A. Report of the Company's internal audit project for the audit year 2020. B. Action plan status update. C. Approval of the letter of information of the Board of Directors of the Company for the performed internal audit of the period November 2020 - February 2021. D. Planning of internal audit projects of the Company for the period 16 February 2021 - 15 May 2021.
- Issue 4: Other. A. Approval of Minutes of previous EU meeting.

•Meeting as of 17/5/2021

- Issue 1: External Audit. A. Approval of the receipt of non-audit services by the auditing company that performs the mandatory audit of the Financial Statements. B. Statutory Audit Fees 2021 (Statutory fees).
- Issue 2: Financial information procedure (case b of par. 3 of article 44 of Law 4449/2017). A. Consolidated Financial Statements of the Group for the first quarter 2021 of the Company.
- Issue 3: Procedures of internal control and risk management systems and internal audit unit (par. 3 article 44 of L.4449 / 2017 & par. C) of article 16 of L.4706 / 2020). A. Report of the Company's internal audit project for the period February 2021 - May 2021. B. Report of the EU to the Company's Board of

Directors for the performed internal audit of the period February 2021 - May 2021. C. Planning of the Company's internal audit projects for the period 16 May 2021 - 15 August 2021. D. Self-Assessment of the Internal Audit Unit (Internal Audit Self-Assessment). E. Internal Audit Procedures Manual (Internal Audit Manual).

- Issue 4: Other. A. Regulation of Operation of the Company according to article 14 of law 4706/2020. B. Amendment of the audit year.

- Meeting as of 18/6/2021

- Sole Issue of the Agenda: Establishment of the Audit Committee in a Body and election of its Chairman in accordance with the provisions of article 44 of law 4449/2017.

•Meeting as of 11/10/2021

- Issue 1: Procedures of internal control and risk management systems and internal audit unit (par. 3 article 44 of L.4449 / 2017 & par. C) of article 16 of L.4706 / 2020). A. Status of the Implementation of Corrective Acts (Action plan status update) for Health & Safety IGR. B. Methodology for the development of the Audit Program 2022 based on risk assessment (Risk based audit plan). C. Results of Evaluation of internal audit services by the auditees (Post Audit Survey Results). D. Internal Audit Procedures Manual (Internal Audit Manual). E. Internal Auditor of subsidiaries (Trade Estates / Greece, GENCO TRADE SRL / Romania).

-Issue 2: Annual Regulatory Compliance Plan & Annual Risk Management Plan.

- Issue 3: Other. A. Approval of Minutes of previous EU meeting.

•Meeting as of 22/11/2021

- Issue 1: External Audit. A. Confirmation of a meeting with the external auditors on 20/12/2021 for the audit of the year 2021. B. Confirmation of approval of the receipt of non-audit services by the auditing company that carries out the statutory audit of the Financial Statements and recording in the minutes.

- Issue 2: Financial information procedure. A. Overview of Consolidated Financial Statements of the Group for the period 1/1 - 30/9/2021

-Issue 3: Procedures for internal control and risk management systems and internal audit unit. A. Presentation of an internal audit project of the Company for the period 16 August 2021 - 15 November 2021 & Action plan status update. EU quarterly report to the Board. B. Planning of internal audit projects of the Company for the period 16 November 2021 - 31 December 2021. C. Annual Internal Audit Program 2022.

•Meeting as of 22/11/2021

- Issue 1: External Audit. A. Confirmation of a meeting with the external auditors on 20/12/2021 for the audit of the year 2021. B. Confirmation of approval of the receipt of non-audit services by the auditing company that carries out the mandatory audit of the Financial Statements and recording in the minutes.

- Issue 2: Financial information procedure. A. Overview of Consolidated Financial Statements of the Group for the period 1/1 - 30/9/2021

Issue 3: Procedures for internal control and risk management systems and internal audit unit. A. Presentation of an internal audit project of the Company for the period 16 August 2021 - 15 November 2021 & Action plan status update. EU quarterly report to the BoD. B. Planning of internal audit projects of the Company for the period 16 November 2021 - 31 December 2021.

C. Annual Internal Audit Program 2022.

- Issue 4: EU meetings and actions. A. Planning of meetings and actions of the Audit Committee 2022. B. Sustainable development policy - Scheduling a meeting with the Group Social Responsibility Director. C. Planning the preparation of an annual report for the activities of the Audit Committee.

- Issue 5: Other. A. Approval of Minutes of a previous meeting of the EU. B. Extraordinary Meeting of the Audit Committee.

•Meeting as of 9/12/2021

-Issue 1: Revised Draft Internal Audit Program 2022 for Approval by the EU.

- Issue 2: Informing the Audit Committee on Sustainable Development issues.

- Issue 3: Approval of Minutes of previous EU meeting.

•Meeting as of 20/12/2021

- Issue of the Agenda: Meeting with the external auditors for the scheduling of the audit work at the end of the fiscal year 2021..

During the year 2021, the members of the Nomination and Remuneration Committee held a total of four (4) meetings, during which they discussed the following issues:

•Meeting as of 18/6/2021

-Issue 1: Establishment of the Committee for the Promotion of Nominations and Remuneration in a Body and election of its Chairman.

- Issue 2: Approval of the Charter of Operation of the Nomination and Remuneration Committee.

•Meeting as of 26/7/2021

- Issue of the Agenda: Approval of the procedure for attracting and selecting candidate members of the Board of Directors.

•Meeting as of 22/10/2021

- Issue of the Agenda: Receiving offers for the election of a director with the task of locating the appropriate members of the Board of Directors.

•Meeting as of 30/11/2021

- Agenda item: Evaluation of offers and decision making for the election of a director with the task oft locating the appropriate members of the Board of Directors.

Section 17 includes the Audit Report of the Audit Committee for the year 2021.

### 15.10 Detailed CVs / Resumes of the members of the Board of Directors and senior executives

**Vassilis Fourlis, Chairman of the Board of Directors, Executive Member**

**Personal information:**

Nationality: Hellenic
Year of birth: 1960

**Current positions:**

Chairman of the Board of Directors of FOURLIS HOLDINGS SA, Chairman of the Board of Directors of TRADE ESTATES REIC, Vice Chairman of the Board of Directors of HOUSEMARKET SA (IKEA), member of the Board of Directors of INTERSPORT SA

Member of the Boards of Directors of the Hellenic Foundation for European & Foreign Policy (ELIAMEP) and the Hellenic Society of Environment and Culture.

**Previous Professional Experience:**

He has been a member of the Boards of Directors of the Association of Enterprises and Industries (SEV), of the Hellenic Corporate Governance Council (HCCC) of the company TITAN Cement SA, OTE SA, of IMITHEA SA (Henry Dunant Hospital Center), of Piraeus Bank, Vivartia SA, as well as National Insurance SA.

In 2004 he was awarded the "Kouros Entrepreneurship" award by the President of the Hellenic Republic.

**Academic Qualifications:**

Master of Science in Management (International Business), Boston University/ Brussels, graduation year 1989

Master of City Planning (Economic Development and Regional Planning), University of California /Berkeley, graduation year 1985

Bachelor of Arts (Honors in Economics and Urban Studies), College of Wooster, graduation year 1983

**Dafni Fourlis**

**Vice Chairman of the BoD, Executive Member**

**Personal Data:**

Nationality: Hellenic

Year of birth 1966

**Current Positions:**

Vice Chairman of the Board of Directors of Fourlis Holdings SA, as well as

Chairman of the Board of Directors of Intersport Athletics SA, and

Chairman of the Board of Directors of HOUSEMARKET SA (IKEA)

**Previous Professional Experience:**

1989 – 2000 Marketing Department Wholesale of FOURLIS BROS SA (currently renamed to "FOURLIS HOLDINGS SA")

**Academic Qualifications:**

Business Administration BSc awarded by the Deree College

**Eftychios Vasilakis, Non-Executive Member of the Board of Directors**

**Personal information**:

Nationality: Hellenic

Year of Birth: 1966

**Current Positions:**

President of Aegean and Olympic Air and CEO of Autohellas.

He participates in the boards of directors of other unlisted companies of affiliated subsidiaries of Auto Hellas or Aegean & in a wider sense, of the Th. Vasilakis Group.

Non-executive member of the Board of the company FOURLIS HOLDINGS SA since 2005 as well as of its subsidiary HOUSEMARKET SA since 2016.

Non-executive member of the Board of Directors of (the listed on the ASE) company "LAMDA DEVELOPMENT S.A" as well as of the company for development and management of high quality tourist destinations TEMES.

Since 2011 he is a member of the Board of Directors and Vice President since 2014 of the Association of Greek Tourism Enterprises (SETE) as well as since 2012 a member of the Board of Directors and since 2018 a member of the Executive Committee of the Association of Enterprises and Industries (SEV). Since 2017 he is a Member of the Board of Directors of Endeavor Greece.

He is also one of the founders & Member of the BoD of "Marketing Greece" but also of the partnership for the tourist and cultural promotion of Athens "This is Athens".

**Previous Professional Experience:**

He has served as a non-executive member of the BoD of Piraeus Bank and TITAN.

**Academic Qualifications:**

He has studied Economics at Yale University (1988) and holds a Master in Business Administration from the Columbia Business School of New York (1991).

**<u>Lida Fourlis, Executive Member of the Board of Directors, Director of Social Responsibility and Sustainable Development</u>**

**Personal information:**

Nationality: Hellenic
Year of birth: 1965

**Current positions:**

Advisor-Executive member of the BoD of FOURLIS HOLDINGS SA (since 2008)

Vice Chairman of the BoD of INTERSPORT ATHLETICS S.A. (since 2005)

Chairman of the BoD of TRADE STATUS SA (DP… am stores) (since 2006)

FOURLIS Group Social Responsibility Director (since 2008)

**Previous Professional Experience:**

1989- 1997: FOURLI BROS SA- Marketing Department

1998-2008: Director of Human Rescources at FOURLIS Group

**Academic Qualifications:**

BA - Honours in Economics, American College of Greece - Deree College

MBA – Amos Tuck School- Darmouth College U.S.A.

**Ioannis Costopoulos, Non-Executive Member of the Board of Directors, Member of the Audit Committee and the Nominations and Remunerations Committee**

**Personal Data:**

Citizenship: British
Year of birth: 1956
Resident in UK and Greece

**Recent Job Positions:**

Non-Executive Member of the Board of Directors of Frigoglass SA (since 2015).
Non-Executive Member of the Board of Directors of FOURLIS Holdings SA (since 2007) and of the subsidiary HOUSEMARKET SA (since 2016). Member of the Audit Committee and the Nomination and Remuneration Committee. He has served as Chairman of the Audit Committee in both companies.
Member of the Supervisory Board of Austriacard AG. (since 2016).
Independent Non-Executive Member of the Board of Directors of DMEP Ltd, London (since 2020).
Founder and CEO of CCML Consulting Ltd (United Kingdom) (since 2018).
Consultant at PwC's Consulting Services on strategic development and implementation of corporate performance optimization programs (since 2018).

**Previous professional experience:**

2015-2020 SETE S.A. Geneva and SETE Ltd (London). Advisor. Geneva and London.
2007-2015 Hellenic Petroleum SA Group CEO. Athens.
2004-2007 Hellenic Petroleum SA Executive Member of the Board of Directors. Athens.
2001-2003 PETROLA HELLAS SA CEO. Athens.
1997-2000 Johnson & Johnson. Athens and Zug. Regional Director, Central and Eastern Europe.
1992-1997 Diageo Plc - METAXA. Athens and London. CEO.
1986-1991 Booz Allen & Hamilton. Director. London.
1982-1986 Chase Manhattan Bank. VP. New York and London.
1980-1982 Procter & Gamble. Brand Manager. Geneva.

**Memberships in Boards:**

2008 to 2015 Member of the Board of Directors of SEV, the Hellenic Federation of Enterprises and Industries.
2011 to 2015 Vice Chairman of SEV's Sustainability Board.
2005 to 2009 Member of the Board of Directors of IOBE, the Institute of Economic and Industrial Research of the Hellenic Federation of Enterprises and Industries.

**Education:**

BSc Honors in Economics - University of Southampton UK
MBA - University of Chicago USA

**David W. Watson, Independent Member of the Board of Directors, Chairman of the Nomination and Remuneration Committee**

**Personal Data:**

Citizenship: U.S. and Greek (European Union)

Year of birth: 1947

Residences: Casco, Maine, US and Athens, Greece

**Current Job Positions:**

Currently serving as Independent Non-Executive Member in two Boards of Directors:

- easyGroup Holdings (since 2008), Munich - easyGroup is a holding company owned by Mr. Stelios Hadji-Ioannou, engaged in various easy-branded businesses. In addition, he is a member of the Board of Directors, Trustee in the Trust Company and member of Stelios Philanthropic Foundation

• FOURLIS HOLDINGS SA (since 2016), Chairman of the Nomination and Remuneration Committee. He has also served as a member of the Audit Committee of FOURLIS HOLDINGS SA and its subsidiary HOUSEMARKET SA.

**Previous Professional Experience:**

- April 2002 to December 2005
  Business Manager at Eurobank

  Responsible for Subsidiary Banks in SE Europe, Athens, Greece

- June, 1998 to September, 2001
  Managing Director of Piraeus Bank, Athens, Greece

  Completed the operational merger of three banks.

- January, 1997 to May, 1998
  Country Corporate Officer, Citibank Egypt, Cairo, Egypt

- September, 1990 to December, 1996
  CEO of Xiosbank, Athens, Greece

Xiosbank was a new start-up venture opening for business established in 1990 due to the market deregulation.

- January, 1990 to August, 1990
  Deputy Division Risk Manager

  Citibank – Middle East and Southern Europe, London, Great Britain

- April, 1987 to December, 1989
  Institutional Bank Business Manager for Citibank Greece, Athens, Greece

- June, 1985 to March, 1987

Regional Manager of Business Risk Review

Citibank – Southeast Asia, Manila, Philippines

- July, 1974 to May, 1985
  Citibank Greece

  Various Assignments - Corporate Banking

**Academic Qualifications**:

Northeastern University Boston, Massachusetts MBA

Elective emphasis on advanced accounting.

Miami University Oxford, Ohio BA

Seminars in Banking, Management and Business Strategy.

**Pavlos K. Tryposkiadis Independent Non-Executive Member of the Board of Directors, Member of the Nominations and Remuneration Committee**

**Personal information:**

Nationality: Hellenic

Year of Birth: 1958

**Recent Job Positions:**

He has been participating since 2013 as an independent non-executive member of FOURLIS HOLDINGS SA and from 2017 to 2021 he was also a member of the Nominations and Remuneration Committee. Since 2021 he is a member of the Audit Committee.

**Previous professional experience:**

He began his professional career at Coopers & Lybrand (1986-1987) in Chicago as a Business Consultant. He returned to Greece at the end of 1987 where he worked at Citibank N.A. (1987-1991) as Resident Vice President. Then he was a senior executive in industrial companies: VIVECHROM SA (1990-2002) initially as General Manager and then as CEO. PETZETAKIS SA (2002-2003) CEO. INFORM P. LYKOS SA (2003-2011) Executive Vice President and Deputy Chief Executive Officer. He then found himself in the field of private health, serving as the Managing Director of Euroclinic Athens and Euroclinic for Children and as a member of the Board of Directors of the Association of Greek Clinics.

**Education:**

He studied Business Administration at the Athens University of Economics and Business and holds an MBA from the Kellogg School of Management at Northwestern University.

**Stelios M. Stefanou Independent Non-executive Member of the Board of Directors, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee.**

**Personal Data:**

Nationality: Hellenic and Cypriot
Year of birth: 1962

**Recent Job Positions:**

2005 - to date Entrepreneur – MBO of METAXA plant. Exclusive producer of the METAXA brands, Skinos Mastiha, Green Cola soft drinks, Three Cents soft drinks and other smaller alcoholic and nonalcoholic brands.
Haagen-Dazs Master Franchisee in Cyprus and Haagen-Dazs Franchisee in Greece.

2016 - to date Independent BoD Member, Chairman of the Audit Committee and Remuneration Committee of CNP Zois SA.

2020 - to date Independent BoD Member, Member of the Audit Committee of CNP Asfalistiki & CNP Cyprialife, in Cyprus.

2021 – to date Independent Member of the Board of Directors of Fourlis SA, Chairman of the Audit Committee and member of the Nominations and Remuneration Committee

**Previous Professional Experience:**

1985 – 1990 KPMG London Office - Senior Audit Supervisor

1990 - 1992 METAXA - Financial Planning & Analysis Manager

1992 - 1997 METAXA - Chief Financial Officer

1997 - 1999 METAXA - Managing Director and Head of UDV European Operations

1999 - 2005 METAXA - Managing Director and shareholder in JV with BOLS BV

2001 - 2004 Independent BoD Member of Hellenic Bank Unit Trust

2007-2021 Independent Member of the Board of Directors, Chairman of the Audit Committee of Elgeka SA

**Education:**

1982 - 1985 THE LONDON SCHOOL OF ECONOMICS
BSc (Hons) in Economics (Accounting & Finance)

1985 - 1990 KPMG - London Office

1988 – to date FCA - Member of the Institute of Chartered Accountants in England and Wales

**Apostolos Petalas, Chief Executive Officer, Executive Member of the Board of Directors**

**Personal Data:**

Nationality: Hellenic
Year of birth: 1960

**Professional Experience:**

2007-Until today Fourlis Group

CEO FOURLIS HOLDINGS SA, Executive Member of the BoD of FOURLIS HOLDINGS SA, Non-executive member of the BoD of TRADE ESTATES REIC, Member of the Audit Committee of TRADE ESTATES REIC

- IKEA Franchisee in Greece, Bulgaria, Cyprus
- Intersport Franchisee in Greece, Romania, Bulgaria and Turkey (140 stores)
- Distributor of Samsung, General Electric, Liebherr & Körting companies in Greece and Romania until 2011
- Main tasks include Strategic Directions, Development of New Activities, Organizational Planning & Development, Communication with Investors, Development of relationships with business partners and key shareholders, Setting targets & performance goals
- Report to the Board of Directors of the Group

1999 - 2006 PBG (Pepsi Bottling Group), Greece

Chairman & CEO

- Responsible for Greece (Production, Sales, Marketing & Distribution) and the Operation of PepsiCo Franchise Operations in Cyprus and the Balkans
- Complete portfolio of Carbonated Soft Drinks, Mineral Water (Natural & Carbonated), Natural Juices, Iced Tea and Isotonic Drinks
- Revenue € 130 million, 3 Production Factories, 200 Distributors, 700 Employees, Distribution Channels (Retail, On the Go, Wholesale, Exports)
- Reference to European and Global Central Administration

1996 - 1998 PEPSICO Greece

Finance Director

Reference to the General Directorate of Greece and to the central Financial Administration

1990 – 1995 PEPSICO Greece

| | |
|---|---|
| | Financial Controller |
| | Report to the Chief Financial Officer |
| 1985 – 1990 | Colgate–Palmolive Greece |
| | Cash and Costing Manager |
| | Report to the Chief Financial Officer |

Independent Member of the BoD, Independent Vice-Chairman, Chairman of the Audit Committee and Chairman of the Nominations and Remuneration Committee of the listed company « AS Company SA ».

Member in many Associations in Greece, indicatively : SEVT, SELPE, SEV, EASE , Hellenic-American Chamber etc.

**Academic Qualifications:**

| | |
|---|---|
| 1992-1993 | PepsiCo Executives Strategic Development Program (international) |
| 1978-1982 | University of Piraeus, Department of Business Administration |

**Ioannis Zakopoulos, Company's Secretary**

**Personal Data:**

| | |
|---|---|
| Nationality: | Hellenic |
| Year of birth | 1958 |

**Professional activity:**

| | |
|---|---|
| 1/1986 - today | Legal Services - Legal Advisor of companies, with specialization in commercial law |

**Other activities:**

| | |
|---|---|
| 6/2020 – to date | Member of the Board of Directors of "FLEXUS INVESTMENT S.A. " |
| 6/2012 – to date | Member of the Board of Directors of the company "RENTIS REAL ESTATE INVESTMENTS SA" |
| 2/2011 – to date | Company's Secretary of "FOURLIS HOLDINGS SA" |

**Academic Qualifications**

| | |
|---|---|
| 1982 - 1983 | DESS Banque et Finances, Université Paris I Panthéon - Sorbonne (Master's degree in Banking Law) |

- Diploma thesis on "Le controle des changes relatif aux importations et aux exportations" (The exchange control related to imports and exports")
- Internship at the National Bank of Greece (France)

| | |
|---|---|
| 1981 - 1982 | DEA Droit des Affaires et Droit Economique, Université Paris I Panthéon - Sorbonne (Master's Degree in Business Law and Financial Law) |
| 1976 - 1981 | Degree in Law, Law School of the University of Athens |
| 1970 - 1976 | Varvakeios Model School |

**Military service:**

| | |
|---|---|
| 1983 - 1985 | Hellenic Air Force |

**Foreign Languages:**

English, French

**George Alevizos, Chief Financial Officer (Treasury, IR and Risk Management), member of the Executive Committee**

**Personal Data**

Nationality: Hellenic
Year of birth 1967

**Recent Job Positions:**

03/2000– to date
Chief Financial Officer (Treasury, IR and Risk Management)
Key responsibilities:
Financing & Capital Purchase (Capital Markets)
Negotiation, documentation and structure of bond loans, syndicated loans, long-term loans, cross-border loans, leases and special purpose financing (project financing). Guarantees and letters of support. Relations with regulatory and supervisory authorities (including the Hellenic Capital Market Commission and the Athens Stock Exchange) and ensuring compliance with applicable law.
Transactions
«Buy-side» and «sell-side» transactions (In Greece and abroad)
Cash Management
Cash pooling, Relations with cooperating banks
Risk Management
Currency and interest rate risk, derivatives, counterparty risk, operating risk management and hedging techniques.
Investor Relation

Organization of presentations and events with investors, corporate communication, press releases, announcements, company's website.

Insurance

Property insurance against all risks, Liability, transnational coverage, Executive Insurance (Directors & Officers liability).

**Previous professional experience:**

XIOSBANK SA (Banking Sector)

04/1995 - 02/2000

Treasury Dealer (Negotiator Money Market and FX)

Negotiator Money market (Bonds, interest rate swaps) and foreign exchange trader (Spot, Forwards, SWAPS, Options). Certification of type "A" trader of the Derivatives Exchange.

GIZA BROS SA (Wholesale)

08/1994 - 04/1995

*Credit Control Manager*

Claims management in a family business distributing fast-moving consumer goods, snacks and food products.

**Boards of Directors:**

Trade Estates REIC - Vice President, Executive Member and Member of the Investment Committee

RENTIS Real Estate Investments SA - CEO and member of the BoD
Trade Status SA(DPAM) - Chief Financial Officer and Member of the BoD
HM Housemarket Cyprus Ltd (IKEA Cyprus) - Member of the BoD
Intersport Athletics Cyprus Ltd - Member of the BoD
Genco Trade SrL (Intersport Romania) – Administrator
Genco Bulgaria EOOD (Intersport Bulgaria) - Administrator
WYLDES Ltd –Director
VYNER Ltd - Director
South Sofia Ring Mall EAD – Director
SEVAS TEN REAL ESTATE DEVELOPMENT AND EXPLOITATION SA - Vice Chairman of the BoD
MANTENKO REAL ESTATE DEVELOPMENT AND EXPLOITATION SA - Vice Chairman of the BoD

**Academic Qualifications**

ALBA Graduate Business School, Athens, Greece
09/1993 - 09/1994
*Master of Business Administration*

University of Patras, Department of Mathematics

**Manolis Vidoris, IT Director, member of the Executive Committee**

**Personal Data**

Nationality: Hellenic
Year of birth: 1963

**Recent Job Positions:**

2012 – to date: I work at FOURLIS HOLDINGS SA. I am responsible for the strategic planning and development of the Information and telecommunication systems and infrastructures of the Group. I participate in the Group's Management Boards in regular meetings in order to coordinate all parties for the optimal operation and development of activities. On a case-by-case basis, I participate in or monitor all Group's projects related to IT and telecommunications.

**Previous Professional Experience:**

2004 - 2012: I worked at HOUSEMARKET SA, a subsidiary of FOURLIS HOLDINGS SA, which is the representative of the IKEA store chain for Greece, Bulgaria and Cyprus. I had the title of IT Operations Manager and the responsibility of the efficient operation of the IT department of the central services and the local IT departments of the Branches. • The smooth operation of the front-office systems Microsoft Dynamics Nav, LS Retail and Microsoft CRM. • I actively participated in the design and installation / configuration of the logistics infrastructure for the opening of all the Company's Branches and its subsidiaries in Greece, Cyprus and Bulgaria. • I participated in the project of transition of the Back-office system of Housemarket to SAP ERP. • I participated in projects to upgrade logistics infrastructure and applications at the company's facilities.
2003 – 2014: Inchcape Group in Greece (Group Applications Development and Systems Administration Manager)
1999 – 2003: TOYOTA Hellas SA (IT Director)
1993- 1999: I.M.S. Informatics SA (Project Leader)
1988 - 1993: M.I.S. Ltd. (Analyst - Developer)
1987 - 1988: TOYOTA Hellas SA (Analyst - Developer)
1986 - 1988: ELSA SA (Programmer)
1985 - 1987: General Staff of Aviation (Computer Programmer)

**Academic Qualifications**

1981: Graduate of the Leontio Lyceum of Patission
1985: Graduate of the Private Institute of Informatics. Specialisation: Analyst - Computer Programmer

**Professional Certifications:**

Microsoft (Microsoft Summit, Developers days, TechEd days

Online IBM OS/400 04/1994

Basis LTD CASE Tool SYNON 2 for IBM AS/400. 10/1994

EEDE Project management. 05/1995

Infoquest SA Time Management. 04/1997

I.M.S SA INFORMIX Data Base, INFORMIX SQL 03/2000

Inchcape TOYOTA Retail Conference (Birmingham – England) 04/2000

HP/Oracle E-services / E-business Executive Seminar 04/2001

Inspirandum PRINCE Project Management Methodology 10/2001

EEDE E-business Technology Seminar 02/2002

ALBA Project Management 07/2003

TMME TOYOTA Paneuropean IT Conference

**Maria Theodoulidou, Group Finance Director (Controlling & Planning), member of the Executive Committee**

**Personal Data**

Nationality: Hellenic

Year of birth 1968

**Recent Job Positions:**

2000 – to date FOURLIS Group of Companies

Financial Director of Planning and Control (2009 – to date) & member of the Executive Committee. Responsibilities for compliance, risk management and corporate governance issues

FOURLIS Group Internal Audit Manager (2000-2008)

Areas of professional experience: Financial Management and Financial Information, Controlling and Internal Control Systems, Taxation, Corporate Governance, Internal Audit, Risk Management, Risk Compliance and Compliance Functions, Project Management and Business Function Redesign.

**Previous Professional Experience:**

1995 – 2000 KPMG

Director of the Consulting Department (1999 - 2000), Chief Executive Officer (1997 - 1998),

Senior Advisor (1995 - 1996)

1993 - 1994 01 PLIROFORIKI

Project Manager

**Academic Qualifications**

University of Manchester, UK, M.Sc. in Operations Management

Technical University of Crete, Greece, Certified Production and Management Engineer (admitted 2nd in a row)
19th General High School of Thessaloniki

**Professional Certifications:**

Certified Information Systems Auditor (CISA)

Certification in Control Self- Assessment /CCSA
Certification in Internal Audit /CIA
Certification in Environmental Audit
Certification as an ISO 9000 Internal Auditor

**Memberships:**

Member of BOD of INTERSPORT ATHLETICS SA
Member of BOD of HOUSEMARKET (CYPRUS) LTD
Member of BOD of TRADE ESTATES CYPRUS LTD
Member of BOD of H.M. ESTATES CYPRUS LTD
Independent Member of the Audit Committee of the Hellenic Electricity Distribution Network
Corporate Governance Committee of the Hellenic American Chamber of Commerce
BSE Corporate Governance Committee
BSE Tax Group Committee
Non-Executive Director's Club in Greece
Public Register of Internal Auditors of Greece
Technical Chamber of Greece
Panhellenic Association of Production and Management Engineers
Act-tlo Youth Professional Solidarity Initiative

**Natasha Spirou, Group HR Director, member of the Executive Committee**

**Personal information:**

Nationality: Hellenic

**Recent Job Positions:**

Natasha Spirou has been with FOURLIS Group, since 2008, holding the position of Group HR Director, responsible for all countries where the Group is operating.

**Previous professional experience:**

Through her professional working experience, she acquired a vast experience, in various market sectors, in the field Human Resources.
She started her career in Human Resources in 1986, as Learning & Development Manager at Pirelli Hellas SA and then she joined AB Vassilopoulos – Group Delhaize Le Lion, holding the same role.
She took over the role of HR Director at STET Hellas SA and then took over the Group HR Director position at M.J.MAILLIS Group, aiming at formulating the HR strategy, in all countries the Group operated.

As of 2002 till 2008, she joined Tellas SA, a startup company, consortium of PPC and WIND Italia, in the telecommunication market (fixed telephony and internet).

Throughout her professional career her motives have been the management of new challenges as well as the accomplishment of measurable results, through people.

**Education:**

She is a graduate of Italian Literature & Philosophy (Aristoteleion University of Thessaloniki, 1980 – 1984), whereas she has done studies in Marketing (1980 – 1982).

**Ioannis Lioupis, Group Business Development Manager, Member of the Executive Committee**

**Personal information:**

Nationality: Hellenic

Year of Birth: 1959

**Recent Job Positions:**

2017 – to date

FOURLIS GROUP

Business Development Manager

Responsible for exploring, evaluating and developing new business potential opportunities in the best performing and most profitable retail sectors in South East Europe.

He reports to the CEO of the Group.

**Previous professional experience:**

He was a member of the Boards of Directors of the companies:

FOURLIS HOLDINGS SA, Fourlis Trade SA, Service One SA and P. Kotsovolos SA

2002-2016

FOURLIS TRADE SA

CEO

FOURLIS TRADE was one of the largest trading companies in electrical and electronic devices in the Greek market with the exclusive representation of large and established companies abroad, such as Samsung, General Electric, Liebherr, Neff and Korting.

He reports to the Group CEO.

2000 - 2002

FOURLIS TRADE SA

Marketing Director

He reports to the CEO

1996 – 2000

FOURLI BROS SA

Marketing Manager

He reports to the CEO.

1994 – 1996

WELLA HELLAS SA

Group Product Manager

He reports to the Commercial Director

1991 – 1994 FARAN LABORATORIES SA

Product Manager

He reports to the General Manager.

1989 - 1991.

FOUNDATION FOR ECONOMIC & INDUSTRIAL RESEARCH (IOBE)

Head of Sectoral Research Reports

He reports to the Director of Sectoral Research Reports

**Education:**

1983-1985 UNIVERSITY COLLEGE OF WALES, UK

M.Sc. Marketing

1980-1983 UNIVERSITY OF NEWCASTLE UPON TYNE, UK

B.Sc. Food Marketing

**Anestis Partalidis, CEO TRADE LOGISTICS, member of the Executive Committee**

**Personal information:**

Date of birth: 6/10/1956

Place of birth: ISTANBUL

**Education:**

**1975-1981** National Technical University of Athens, School of Mechanical Engineering.

**Professional activity:**

**1983-2000** Gr. Sarantis SA. Initially as a procurement manager, then as Operations Manager and finally as a Logistics Manager. In 1997 he created the storage facilities of Gr. Sarantis in Oinofyta.

**2000- to date FOURLIS Group.** From 2000 to 2004 as Logistics Director in Kotsovolos (it was a company of the FOURLIS Group at that time) and later as CEO in Trade Logistics. He was the leader of the team that designed and implemented the project of the Trade Logistics facilities in Schimatari, from which the IKEA and INTERSPORT stores of the Fourlis Group in five countries are currently supplied. The Trade Logistics facilities are connected to the railway network, they are equipped with two automation systems, the first for pallet handling and the second for order collection and their energy balance is neutral.

Trade Logistics in 2009 won the "European Supply Chain Excellence Award in Logistics" in London among eighty entries from all European countries and in 2011 in Berlin, the second place in the competition "Supply Chain Distinction Awards"

**Awards:**

In 2015, he was named "Professional of the Year 2015" in Brussels by the European Logistics Association (which has fifty thousand members in thirty European countries). In the same year he was awarded the MEGAS ALEXANDROS prize by the Logistics Management Institute of Greece.

**Additional activities:**

He was a member of the Permanent Committee of Logistics, of the Ministry of Development (2013-2014), since 2016 he is a member of the Council of Development and Competitiveness of the Supply Chain , also he is Coordinator of the National Logistics Committee, member of the Working Group "Smart Transport and Supply Chain" of the General Secretariat for Research & Technology, member of the Legislative Drafting Committee for the review of the institutional framework of logistics and member of the Initiative Group for the Logistics of Hellenic Federation of Enterprises.

He is the Chairman of the Board of INTERSPORT ATLETIK in Turkey.

**Seminars - Conferences:**

He has attended numerous seminars and conferences in Greece and abroad and has participated as a speaker in many conferences.

**Languages:**

English, Turkish

**Panagiotis Katiforis, CEO HOUSEMARKET, member of the Executive Committee**

**Personal information:**

Nationality: Hellenic

Year of Birth: 1967

**Recent Job Positions:**

Mr. Panagiotis Katiforis is the CEO House Market (IKEA) from 2011 until today. House Market is a subsidiary of FOURLIS Holdings SA which operates IKEA stores in Greece, Cyprus and Bulgaria.

**Previous Professional Experience:**

From 2007 to 2011 he was General Manager of SARA LEE Hellas. From 2000 to 2007 he was a manager of Kimberly Clark in various positions, responsible in Europe and Greece. From 1994 to 2000 he held various managerial positions at Beiersdorf Hellas, whereas from 1985 to 1993 he worked in the family business that produced and traded handmade silverware.

From 2011 until today he is a member of the BoD of HOUSE MARKET (IKEA) as well as of Trade Logistics.

**Education:**

He holds a degree in Marketing Management from the American College in Greece (Deree College) (1993), as well as a Master's degree MBA with specialization in Finance, from the Strathclyde Business School, Glasgow, Scotland.

**Evangelos Batris, CEO of INTERSPORT, member of the Executive Committee**

**Personal information:**

Nationality: Hellenic

Year of Birth: 1975

**Recent Job Positions:**

Mr. Evangelos Batris is the CEO of Intersport SA from 2020 until today. Intersport SA is a subsidiary of FOURLIS Holdings SA, which operates Intersport stores in Greece, Cyprus, Bulgaria, Romania and Turkey.

**Previous Professional Experience:**

From 2010 to 2019 he was a manager in various positions at Nike, responsible for the EMEA headquarters in the Netherlands, for Eastern Europe & the Middle East, and in the Greek office in commercial roles.

From 2002 to 2010 he held various management positions at Coca - Cola Hellenic, whereas from 1999 to 2002 he worked at Allianz as a Private Banking Account Officer.

From 2020 until today he is a member of the BoD of Intersport SA in Greece as well as Intersport Cyprus ltd in Cyprus and Intersport Atletik in Turkey. He is also the legal representative of Genco Trade Srl in Romania and Genco Bulgaria Ltd in Bulgaria.

**Education:**

He holds a BSc in Electrical Engineering, Patras University, Greece (1998) and a postgraduate MSc in Business Administration, Cardiff Business School, UK (1999)

**Panagiotis Pachaturidis, Director of New Technologies, member of the Executive Committee**

**Personal information**:

Nationality: Hellenic

Year of Birth: 1983

**Recent Job Positions:**

2021-up to date Director of New Technologies of FOURLIS HOLDINGS SA.

**Previous Professional Experience:**

He has a total of 15 years of experience in the Technology field, originally in 2007 as founder of Media Society, the first Greek company for the localization of television signal, and from 2012 as manager for strategic collaborations of Google in the Southeast Europe and Sub-Saharan Africa, responsible for the development of new markets, as well as for the establishment of a viable Internet ecosystem for the entire Africa continent. In August 2017, he moved to Facebook as a manager for the development of

Facebook API in Europe, Middle East and Africa, as well as for the development of strategic collaborations with artificial intelligence, virtual reality companies, and advertisement technology providers

**Education:**

He graduated from Athens College and studied Economics in the University of Pennsylvania in Philadelphia, USA; he also has an M.B.A. from the City University in London and a executive education degree from the Harvard Business School in Boston

**Christos Theodoridis, Group Internal Audit Manager**

**Personal information:**

Nationality: Hellenic

Year of Birth: 1987

**Current position:**

March 2022 – today: Group Internal Audit Manager, FOURLIS HOLDINGS S.A.

-Preparation and execution of the Internal Audit Plan based on risk assessment.

-Testing of internal controls and preparation of audit reports.

-Communication of audit results to management and recommendation of action plans.

-Reporting to Audit Committee.

**Previous Professional Experience:**

November 2019 – February 2022: Group Internal Auditor, FOURLIS HOLDINGS S.A.

-Carrying out audits based on the Annual Audit Plan.

-Testing of internal controls and preparation of audit reports.

-Communication of audit results to management and recommendation of action plans.

-Development of audits based on Computer-aided audit tools.

September 2014 – October 2019: Risk Assurance Senior Associate, PwC S.A.

-Audit and advisory projects: Evaluation of Internal Controls, IT audits, Fraud analytics, Lead and execute complex data analysis projects, experience in the implementation of ERP platforms.

-Present audit results and findings to audit teams.

-Responsible for the design of the training and implementation of the ACL Analytics software to audit teams.

-Business processes blueprinting and optimization.

**Education:**

2005 – 2010: Aristotle University of Thessaloniki, Degree in Economics

2012 – 2014: University of Antwerp, BE - MSc in Finance

**15.11 Information on the participation of the members of the Board of Directors in its meetings and in the meetings of the Committees of article 10 of law 4706/2020**

The following table provides information on the participation of the members of the Board of Directors in its meetings for the year 2021.

| Composition of the Board of Directors | Activity | Meetings of the Board of Directors during 2021 (13 in total) | Percentage of attendance at the meetings |
|---|---|---|---|
| Vassilios Fourlis of Stylianos | Chairman of the Board of Directors, executive member | 13 | 100% |
| Daphne Fourli of Anastasios | Vice Chairman of the Board of Directors, Executive Member | 13 | 100% |
| Eftychios Vasilakis of Theodoros | Director, non-executive member | 13 | 100% |
| Ioannis Costopoulos of Athanasios | Director, non-executive member | 13 | 100% |
| Lida Fourli of Stylianos | Director, executive member | 13 | 100% |
| Apostolos Petalas of Demetrios | Director, executive member | 13 | 100% |
| David Watson of Arthur | Director, independent non-executive member | 13 | 100% |
| Pavlos Tryposkiadis of Constantine | Director, independent non-executive member | 13 | 100% |
| Stylianos Stefanou of Markos | Director, independent non-executive member | 13 | 100% (from 18/6/2021) |
| Ioannis Brebos of Evangelos | Director, non-executive member | 13 | 85% (until 18/6/2021) |

The following table provides information on the participation of members in the meetings of the Committees of article 10 of law 4706/2020 and specifically of the Audit Committee and the Nominations and Remuneration Committee for the year 2021.

| **Composition of the Audit Committee** | **Status/Property** | **Audit Committee Meetings in 2021 (Total 9)** | **Percentage of participation in the meetings** |
|---|---|---|---|
| Stylianos Stefanou of Markos | Director, independent non-executive member | 9 | 100% |
| David Watson of Arthur | Director, independent non-executive member | 9 | 89% (until 18/6/2021) |
| Pavlos Tryposkiadis of Constantine | Director, independent non-executive member | 9 | 100% (from 18/6/2021) |
| Ioannis Costopoulos of Athanasios | Director, non-executive member | 9 | 100% |

| **Composition of the Nominations and Remuneration Committee** | **Status/ Property** | **Meetings of the Nominations and Remuneration Committee during 2021 Total 4** | **Percentage of participation in the meetings** |
|---|---|---|---|
| David Watson of Arthur | Director, independent non-executive member | 4 | 100% |
| Stylianos Stefanou of Markos | Director, independent non-executive member | 4 | 100% |
| Ioannis Costopoulos of Athanasios | Director, non-executive member | 4 | 100% |

| | | | |
|---|---|---|---|

**15.12 Information on the number of shares held by each member of the Board of Directors and each chief executive officer of the Company**

The following table provides information on the number of shares of the members of the Board of Directors and the main managers dated 31/12/2021. Indirect participations are also included in the Table.

| Name | Title | Position 31/12/2021 | Indirect participation |
|---|---|---|---|
| Vassilios Fourlis | Chairman of the Board of Directors, executive member | 289.088 | 357.000 |
| Daphne Fourli | Vice Chairman of the Board of Directors, Executive Member | 8.970.116 | |
| Eftychios Vasilakis | Director, non-executive member | 40.000 | 70.000 |
| Lida Fourli | Director, executive member | 683.170 | 161.587 |
| Apostolos Petalas | Director, executive member | 14.000 | |
| George Alevizos | Chief Financial Officer (Treasury, IR and Risk Management),<br>Member of the Executive Committee | 42.100 | |
| Ioannis Lioupis | Group Business Development Manager, member of the Executive Committee | 84.343 | |
| Panagiotis Katiforis | CEO HOUSEMARKET, member of the Executive Committee | 28.741 | |
| Evangelos Batris | CEO INTERSPORT, member of the Executive Committee | 9.146 | |

| | | | |
|---|---|---|---|
| Anestis Partalidis | Managing Director TRADE LOGISTICS, member of the Executive Committee | 16.674 | |
| Emmanuel Vidoris | Director of Informatics, member of the Executive Committee | 9.915 | |
| Maria Theodoulidou | Financial Director of Planning & Control, member of the Executive Committee | 5.223 | |
| Anastastia Spyrou | Director of Human Resources, member of the Executive Committee | 6.000 | |

**15.13 Confirmation of the fulfillment of the conditions of independence based on article 9 of law 4706/2020 of the independent non-executive members of the Board of Directors before the publication of the annual financial report 2021**

The Board of Directors confirmed the fulfillment of the criteria of independence based on article 9 of law 4706/2020, of the independent non-executive members of the Board of Directors, before the publication of the annual financial report 2021.

### 15.14 Reports and reports of the independent non-executive members of the Board of Directors based on article 9 of law 4706/2020

The independent non-executive members of the Board of Directors, from the beginning of law 4706/2020, are obliged to submit to the regular or extraordinary General Meeting of the Company reports either jointly or individually.

The content of the above reports must include, at a minimum, a report on their obligations, as described in article 7 of law 4706/2020: the non-executive members of the Board of Directors, including the independent non-executive members, have, in particular, the following obligations:

a) Monitor and examine the Company's strategy and its implementation, as well as the achievement of its objectives.

b) Ensure the effective supervision of the executive members, including the monitoring and control of their performance.

c) Examine and express views on proposals submitted by executive members, based on existing information

FOURLIS

ΟΜΙΛΟΣ ΕΤΑΙΡΙΩΝ

## 16. Report of the Acts of the Audit Committee of FOURLIS SA HOLDINGS for the year 2021 (1 / 1-31 / 12/2021)

**To the regular General Meeting of Shareholders of the year 2022**

Ladies and Gentlemen Shareholders,

This report of the activities of the Audit Committee concerns the period of twelve months of the closed year (1 /1-31/12/2021). The report was prepared and is harmonized with the provisions of law 4449/2017 as amended by article 75 of law 4706/20120 and aims to inform you about the activities of the Audit Committee based on its responsibilities.

In more detail:

During the year 2021, the Audit Committee met nine (9) times, participating in all meetings of the Director of Internal Audit. Depending on the topics of the meetings, the heads of the units responsible for Financial Information, Risk Management, Regulatory Compliance, Sustainable Development as well as the certified public accountants were invited to participate, where necessary.

The relevant information material (internal audit reports, administrative reports, auditors' reports and presentations, financial and non-financial information, etc.) was distributed in a timely manner to the members of the Committee for study so that they could express substantiated views. Minutes were kept for the meetings of the Audit Committee in which the issues discussed were approved and approved by the present Members and notified to the Board.

The Audit Committee consists of three members and consists of two independent non-executive members of the Board and one non-executive member of the Board. The members of the Audit Committee as a whole, have proven sufficient knowledge in the field in which the company operates, while the Chairman has sufficient knowledge and experience in auditing and accounting.

External evaluation of the Audit Committee will be carried out during the evaluation of the Internal Control System based on article 14 par. I of law 4706/2020.

In the exercise of its responsibilities, the Audit Committee had unhindered and full access to all the necessary information and was provided with the necessary resources and infrastructure for its efficient operation.

The Audit Committee informed the Board of Directors in writing about the results of all its actions with its findings and submitted specific proposals for the implementation of corrective actions, where it deemed appropriate.

In addition, during the year 2021:

1. With regard to the supervision of the regular audit, the Audit Committee:

• Proposed to the Board of Directors the reappointment of the auditing company EV for the mandatory audit of the Company and the consolidated financial statements for the year 2021 as well as for the approval of the remuneration and the terms of employment of the regular auditor based on article 44 of law 4449/2018 , as applicable.

• Met once (1) with the chartered accountant of FOURLIS HOLDINGS SA, before the publication of its semi-annual financial statements.

• Met once (1) with the chartered accountant of FOURLIS HOLDINGS SA, before the publication of its annual financial statements.

• Meet once (1) with the certified public accountant of FOURLIS HOLDINGS SA for purposes of information on the schedule and scheduled end-of-year audit procedures 2021.

• Examined the audit program and the audit approach of the mandatory audit of EV for the year 2021.

• Upon completion of the annual statutory audit and the semi-annual review, it received from the regular auditor the supplementary report under Article 11 of Regulation (EU) 537/2014 with the results of the statutory audit and the confirmation of its independence and informed the Board about with the above.

• Examined and monitored the independence of the regular auditor and the objectivity and effectiveness of the audit process, taking into account the relevant professional and regulatory requirements in Greece.

• Monitored the services provided by the Certified Public Accountants in the context of the statutory audit and evaluated their performance, taking into account any findings and conclusions of ELTE.

• Reviewed and monitored the implementation of the procedure "Approval of receipt of non-audit services by the audit company that performs the mandatory audit of the individual and consolidated financial statements of the Group companies", approving the receipt of non-audit services to ensure the independence of Certified Auditors . For the Group, the percentage of other fees (Non-audit services) in relation to the audit services amounted to 12% and for the Company to 12%.

2. With regard to the financial information process and the system of internal control, regulatory compliance and risk management, the Audit Committee:

• Before their approval by the Board of Directors, examined the financial statements (corporate and consolidated) of FOURLIS HOLDINGS SA, and taking into account the content of the supplementary report of the Certified Auditor, positively assessed their completeness and consistency and informed the Board.

• Was informed extensively by the competent bodies of the Management and the certified auditors about the important control issues, the important crises, assumptions and estimates during the preparation of the financial statements.

• Evaluate the adequacy and effectiveness of the Internal Control System, taking into account the content of the audit reports of the Internal Audit Department.

• Evaluate the adequacy and effectiveness of the Risk Management System and especially with regard to the risks that emerged due to the COVID-19 pandemic. Specifically regarding the management of the main risks and uncertainties of the Group, the Audit Committee evaluated the methods used to identify and monitor the risks, the treatment of the main ones through the Internal Control System and the Internal Audit Department as well as the Internal Audit Department. properly disclosed financial information.

• Evaluate the adequacy and effectiveness of the Regulatory Compliance System

3. Regarding the supervision of the Internal Audit Department, the Audit Committee:

• Approved the annual audit program of the Internal Audit Department, evaluating the process of its formulation. He confirmed that the annual audit program 2021 was prepared based on the main risks (financial information, operational, regulatory compliance, financial) faced by the Group companies and systematic application of the COSO ERM methodology that has been adopted.

• Monitored the implementation of the annual audit plan and evaluated the effectiveness of the Internal Audit Department, through the quarterly reports of the Head of Management and the annual report.

• Monitored the progress and effectiveness of the audit work, evaluating, through the quarterly reports, the findings identified, the corrective actions agreed to address the findings and the progress of their implementation.

• Evaluate issues identified by the audits of the Directorate of Internal Audit and made specific proposals for further action to introduce new procedures and controls to eliminate the weaknesses identified, where necessary.

• Confirmed that the current version of the Charter of Operation of the Internal Audit Department is posted on the website (http://www.fourlis.gr).

• Assured the adequacy of the resources of the Internal Audit Department and was informed about the training plan of its executives.

4. Regarding sustainable development

The Audit Committee was informed about the Sustainable Development Policy and the actions of the Group in matters of sustainable development as well as about the objectives that have been set and analyzed in the Sustainable Development Report.

The company, recognizing that the principles of Sustainable Development are an element of its responsible course and continuous development, has developed a Sustainable Development Policy that is inextricably linked to its values and mission.

More specifically, the **Sustainable Development Policy** provides for the following:

At FOURLIS Group we operate responsibly, we are constantly evolving and we move in all our countries of activity with dedication to our Values and guided by respect for our employees and all our stakeholders, the support of society and the protection of the environment, aiming at sustainable development at economic, social and environmental level.

**Our Values**

Integrity, Mutual Respect, Efficiency

**Our mission**

To create additional value for our customers, our people, our shareholders and society, by providing products and services for a better life.

**For our People**

• We take care of the creation and preservation of jobs with the development of our activities in Greece and abroad.

• We respect, defend and promote internationally recognized human rights through the policies we adopt and the initiatives we take.

• We offer a work environment of meritocracy and equal opportunities, with policies of fair recruitment, reward and professional development, to all our human resources, without any discrimination.

• We invest in the continuous training and development of our human resources, as well as in its systematic and meritocratic evaluation.

• We apply Health and Safety Policy for all the companies of the Group in all the countries of its activity, providing a healthy and safe working environment.

• We offer health benefits to our employees and personalized support in cases of serious health issues and affected by natural disasters.

• We encourage and promote the volunteering of our employees.

**For the community**

• We are constantly informed about the needs of the citizens and the societies in which we operate through institutionalized channels of communication and consultation.

• We evaluate and prioritize the needs and then design and implement programs and actions based on meeting the real and important needs of each local community, the number of beneficiaries and the nature of our activities.

• We implement social actions which are in line with the social responsibility strategy of our Group (support of vulnerable social groups and especially children).

• We respond to emergencies (eg pandemics, natural disasters), in addition to the standard planning of the social responsibility plan.

**For the market**

Economic development

• We aim at achieving positive financial results, the continuation of strictly selected investments and the exploitation of new investment opportunities.

• We invest in technology and upgrading our services, following the rapid changes in consumer habits and the physiognomy of the retail trade, seeking to meet the growing expectations of consumers and create a positive experience for the customer.

• We take care of the continuous improvement of the relations with our suppliers, through the communication of the terms of cooperation and the basic framework of principles and values that should govern the cooperation between us.

• We offer quality and affordable products.

Corporate governance

• We comply with the legislation and apply control valves of compliance with the rules concerning the activity of all the companies of the Group.

• We have developed and implemented a Code of Conduct and related policies.

• We have adopted the Greek Corporate Governance Code for listed companies.

• We adopt a corporate structure and governance that allows for a close relationship with investors, with the ultimate goal of creating further value for shareholders.

• We assess and manage business risks in order to safeguard the interests of all our stakeholders.

• We have committees, take action and follow policies and procedures to enhance transparency and prevent and combat fraud, corruption and bribery and any conduct contrary to the Code of Conduct.

Health, safety and accessibility of customers and visitors

• We apply Health and Safety Policy for all the companies of the Group in all the countries of its activity.

• We provide a healthy and safe environment for partners and visitors to our facilities.

• We take care of the possibility of safe stay and movement and the facilitation of people with disabilities in our facilities.

• The products traded by the Group companies meet the international quality and safety standards

**For the environment**

• We implement actions for the protection of the environment that go beyond the limits of compliance with the legislation.

• We focus on actions to reduce our environmental footprint, proper energy management and reduction of greenhouse gas emissions, saving and recycling of natural resources, responsible water consumption.

• We offer products that contribute to a sustainable lifestyle.

• Raise awareness of employees, customers and the public on environmental issues and the adoption of a sustainable lifestyle.

For all the above issues, we set individual goals for sustainable development, which we evaluate on an annual basis in terms of their effectiveness and review them, when and where necessary, with the aim of continuous improvement.

**In addition in the FOURLIS Group**

• Since 2008 we have been a signatory to the United Nations Global Compact and we are committed to adopting, supporting and promoting, through our business activity, its 10 Principles.

• We carry out a substantive analysis, in the context of the continuous improvement of the Group's approach to issues of sustainable development and social responsibility, in order to prioritize the Group's issues that have the most important economic, social and environmental impacts, but also those that significantly affect its interested parties.

• We connect the essential issues with the Sustainable Development Goals (SDGs) of the UN, contributing to their achievement through responsible operation, our programs and related results.

• We inform our stakeholders about the ongoing work in the field of Sustainable Development, publishing an annual Report in accordance with internationally accepted standards of Sustainable Development.

The Management is committed to the implementation of the Sustainable Development Policy, at all levels, companies and areas of activity of the Group

The Sustainable Development and Social Responsibility Report issued by the Group, already for the thirteenth (13th) year and has been prepared according to the standards for the preparation of Sustainable Development Reports (GRI Standards, edition 2016), presents in detail the practices followed and the results that have achieved in matters of interest to our Social Partners, for the development of a responsible business environment.

The FOURLIS Group has adopted the ESG Information Disclosure Guide of the Athens Stock Exchange (https://www.athexgroup.gr/el/web/guest/esg-reporting-guide). The annual Progress Reports of the FOURLIS Group as well as the Sustainable Development and Social Responsibility Reports that include the Progress Report (COP) of the Group regarding the 10 Principles of the Universal Pact, are available on the website (http://www.fourlis.gr).

The issues of sustainable development are discussed at least once a year in the Executive Committee in which executives of the Group companies participate, as well as executive members of the Board of Directors, who in turn transfer the issues of sustainable development to the other Members of the Board, in order to according to the results of the materiality analysis, to set the priorities and set the respective objectives. The essential issues of the FOURLIS Group are regulatory compliance and business ethics, ensuring the health and safety of customers and visitors, the creation and distribution of immediate economic value to stakeholders, job creation, compliance, labeling and responsible product communication, advocating for the health, safety and well-being of workers, active and responsible social contribution, advocating for human rights at work and investing in education and development of workers. The Audit Committee evaluated the above and concluded that the Group's actions, its organization as well as the policies and procedures in force, constitute an adequate framework and promote sustainable business and a better future for all the Social Partners and the Group.

The current version of the Charter of Operation of the Audit Committee is posted on the website (http://www.fourlis.gr).

**Subsequent events**

The Audit Committee has carried out a self-evaluation of its effectiveness and the results were discussed at the Board of Directors at its present meeting.

Maroussi, March 21 2022

The Audit Committee

**17. Significant events after the date of preparation of the Annual Financial Statements for the year from 1/1/2021 - 31/12/2021**

There are no other events after 31/12/2021 that significantly affect the financial situation and the results of the Group except for the following:

- Those mentioned in Note 6 of the Annual Report and related to the exercise of stock options regarding the Stock Option Plan,
- On 12/1/2022, the Group announced its entry into the fast growing sector of health and wellness, through a strategic partnership with Holland & Barrett, one of Europe's largest retail chains in the health and wellness sector. FOURLIS Group initiating a third retail activity, aims to have a leading role within the sector and has the intention to open 120 stores over time with both physical stores and a Holland & Barrett website launching simultaneously in 2022.
- On 25/1/2022, the company TRADE ESTATES R.E.I.C. participated in a share capital increase in "BERSENCO REAL ESTATE DEVELOPMENT AND PROPERTY MANAGEMENT SA" amounting to € 5,000,000.
- On 26/1/2022, the company TRADE ESTATES R.E.I.C. participated in a share capital increase in the company SEVAS TEN SA, based on the decision of the Extraordinary General Assembly of SEVAS TEN. The investment amounts to Euros 100,000.
- On 18/2/2022, a modified and codified Memorandum of Understanding was signed between RETS CONSTRUCTION SA and TRADE ESTATES R.E.I.C., in order to jointly proceed with the acquisition of Real Estate and the development and construction of a storage and distribution center, with an area of 56,000 sq.m. in the Municipality of Elefsina in the Region of West Attica. On the same date, a decision was taken to increase the share capital of RETS CONSTRUCTION SOCIETE ANONYME amounting to 132 thousand euros.
- The Company TRADE ESTATES REIC proceeded to the issuance of a syndicated bond loan - without collateral - amounting to 80 million euros, lasting until 21/02/2024. The purpose of the loan is to finance the investment activities of the company.
- On 22/12/2021 it was announced that the Company TRADE ESTATES R.E.I.C. proceeded to the signing of an agreement for the purchase of shares of the company KTIMATODOMI SA. owner and manager of the largest commercial park in Greece, under the name FLORIDA 1. The Commercial Park is located in Thessaloniki and covers an area of 132,000 sq. m. with commercial areas of 31,407 sq.m. leased 100% in twelve of the largest retail companies in Greece (Leroy Merlin, AB VASILOPOULOS, JUMBO, Kotsovolos, Moustakas, Jysk and others). FLORIDA 1 Retail Park has achieved impressive recovery performance in the evolution of the pandemic, highlighting its unique commercial characteristics as well

as its resilience, while also confirming the choice of TRADE ESTATES R.E.I.C strategy to focus on this category of commercial Real Estate. The Company, after the specific acquisition, is expected to increase its revenues by an amount of 4.5 million Euros. On 22/2/2022, the completion for the purchase of the company KTIMATODOMI SA was announced. The total price for the acquisition of 100% of the shares of the company amounted to euro 35,960,509.00.

- On 22/2/2022, a bond loan of euro 35 million was issued, maturing on 31/12/2029 of the subsidiary INTERSPORT SA.
- Regarding the developments in Ukraine, the Group declares that it has no subsidiaries, parent or affiliated companies based in Russia or Ukraine, nor significant transactions with affiliated parties from Russia or Ukraine. The Group also states that it has no significant customers or suppliers or subcontractors or partners from Russia or Ukraine, nor does it maintain warehouses with goods in Russia or Ukraine. The Group states that it does not maintain accounts or have loans with Russian Banks. The Group states that it will not have an indirect impact from potentially affected sectors nor does it expect a significant impact from energy increases, inflation, fuel and supply chain disruptions.
- The Commitments and Contingent Liabilities of the Fourlis Group as of 1 / 1 - 21 / 3 / 2022 are:

  Letters of guarantee have been given by the parent company to subsidiaries to secure liabilities amounting to 68,681 thousand euros.

  Letters of guarantee have been given by subsidiaries to indirect subsidiaries to secure liabilities, amounting to 44,850 thousand euros.
- On 16/2/2022, the Company TRADE ESTATES REIC proceeded to the issuance of a bond loan of euro 30 million, lasting until 16/02/2023.

Maroussi, March 21, 2022

The Board of Directors

The Financial Statements (Consolidated and Corporate) listed on pages 174 to 258, have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, approved by the Board of Directors on 21/3/2021 and signed by:

| Chairman of the Board of Directors | CEO |
|---|---|
| Vassilis St. Fourlis | Apostolos D. Petalas |
| ID No. AM - 587167 | ID No. AK - 021139 |

| Finance Manager Controlling & Planning | Chief Accountant |
|---|---|
| Maria I. Theodoulidou | Sotirios I. Mitrou |
| ID No. T - 134715 | ID No. AI – 557890 |
| | Ch. Acct. Lic. No. 30609 A Class |

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

# INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of FOURLIS HOLDINGS S.A.**

## Report on the Audit of the Separate and Consolidated Financial Statements

### Opinion

We have audited the accompanying separate and consolidated financial statements of Fourlis Holdings S.A. (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2021, and the separate and consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.
In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of Fourlis Holdings S.A and its subsidiaries (the Group) as at December 31, 2021 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

### Basis for Opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters and the related risks of material misstatement were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

| Key audit matter | How our audit addressed the Key audit matter |
|---|---|
| **Valuation of inventories (consolidated financial statements)** | |
| In the consolidated statement of financial position of December 31, 2021, the Group presents inventories amounting to €79 million, which includes a provision for impairment of €3.7 million.<br>As described in Note 3.14 of the consolidated financial statements, the Group records inventories at the lower of cost or net realizable value.<br>Critical judgement and estimates are exercised by the Group management in identifying and assessing the amount of allowance for inventories, which include among other, estimation of the slow-moving inventories, estimation of obsolete inventories that will be destructed during the following period, evaluation of seasonality and estimation of the future selling prices of the products.<br><br>We consider that because of the judgment involved in inventory valuation and the assumptions used by management, in combination with the significance of the amount of inventories to the Group financial statements, valuation of inventories is a key audit matter.<br><br>Group discloses the related accounting policies and estimates, and the assumptions used for inventory valuation, in Notes 2.2, 3.14 and 13 of the consolidated financial statements. | We have performed the following procedures:<br>• Historical costs and margins were tested on a sample basis through reconciliation of purchase cost and margins with the original purchase invoices and sales invoices.<br>• We recomputed on a test basis the weighted average valuation method that is used to value inventories.<br>• We assessed whether there were inventories which were sold with a negative margin and whether this was considered for inventory valuation at the lower of cost or net realizable value, considering the effects of COVID-19.<br>• At year end, we attended on a part of inventory counts in Group stores and distribution centers, to validate on a sample basis whether there were indications of obsolesce.<br>• We assessed management's estimations for slow moving inventories through observing on a sample basis historical sales and seasonality, considering the effects of COVID-19.<br>• We evaluated the historical accuracy of allowance of inventories assessed by management by comparing on a sample basis the actual loss from inventory destruction, inventory write offs or other entries related to inventories to the historical allowance.<br>• Furthermore, on a sample basis, we validated the mathematical accuracy of management's calculations for inventory provision.<br>• We also assessed the adequacy of the disclosures which are included in the notes to the consolidated financial statements. |

| Key audit matter | How our audit addressed the Key audit matte |
|---|---|
| **Impairment exercise on stores, right of use assets related to stores, and stores within assets held for sale (consolidated financial statements)** | |
| Financial statement line items "Property plant and equipment" and "Right of Use assets" on December 31, 2021 include net book value of stores amounting to Euro 70 million and Euro 121 million respectively. In addition, the line item "Assets held for sale" of Euro 229m, depicts store assets, investment properties and investments in | Our audit procedures included, among others, the following:<br>• We evaluated the Group policies to identify the Cash Generated Units.<br>• We evaluated the Group policies to identify triggering events for potential impairment of assets in each Cash Generated Unit. |

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| | |
|---|---|
| affiliated companies of a subsidiary of the Group under the name "TRADE ESTATES Real Estates Investment Company", as detailed in note 9 of the consolidated financial statements. The above constitute significant assets of the Group.<br>The Group, in most cases, considers that each store is a Cash Generating Unit, or based on facts and circumstances, a Group of stores is considered as a Cash Generating Unit.<br>In accordance with IFRS, where there are indications for impairment the Group performs an impairment exercise at Cash Generating Unit Level.<br>Due to the material carrying value of those assets as well as the judgment and assumptions involved in the identification of any impairment indication and the assessment exercised whether there is a need of impairment or not, we consider the impairment exercise on stores a key audit matter.<br><br>The impairment test as at 31 December 2021 did not result in impairment loss for the property, plant and equipment related to strores, ROU and assets held for sale.<br><br>Group discloses the related accounting policies and estimates, and the assumptions used for the impairment exercise on stores, in Notes 2.2, 3.7, 3.10, 3.17, 7, 8 and 9 of the consolidated financial statements. | • We evaluated management assumptions underlying the potential impairment calculation for those stores where a triggering event was identified. Valuation specialists supported the audit team.<br>• We evaluated the management estimates for the future cash flows by performing the following audit procedures:<br>(a) We compared forecasted future cash flows of prior years with the actual cash flows, and<br>(b) We compared the future cash flows that were used in Group models with market available data and industry trends, considering the effects of COVID-19.<br>• We reviewed the discount rate and residual value calculated by the Group with regards to the assumptions used, and compared them with the available industry trends and other financial information, considering the effects of COVID-19.<br>• We evaluated the sensitivity analysis of the most significant assumptions used.<br>• For the assets held for sale, we assessed at December 31, 2021: (a) the Group's evaluation of the measurement of those assets at the lowest between their carrying amount and their fair value less costs to sell, and (b) the fair value of those assets, where we included the support of our valuation specialists.<br>• We also assessed the adequacy of the disclosures which are included in the notes to the consolidated financial statements. |

**Other information**

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

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

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

**Responsibilities of the Management and Those Charged with Governance for the Separate and Consolidated Financial Statements**

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

The Audit Committee (Law 44 v.4449/2017) 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

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

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 separate and consolidated financial statements of the current period and are therefore the key audit matters.

## Report on Other Legal and Regulatory Requirements

### 1. Board of Directors' Report

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

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 and 153 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2021.

c) Based on the knowledge and understanding concerning Fourlis Holdings S.A. and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

### 2. Additional Report to the Audit Committee

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Our opinion on the separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Group, in accordance with Article 11 of the EU Regulation 537/2014.

**3. Provision of Non-audit Services**

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

Non-audit services provided by us to the Company and its subsidiaries during the year ended December 31, 2021, are disclosed in note 6 of the separate and consolidated financial statements.

**4. Appointment of the Auditor**

We were firstly appointed as auditors of the Company by the General Assembly on June 11, 2010. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of 12 years.

**5. Rules of Procedure**

The Company has in place Rules of Procedure, the context of which is in accordance with the provisions of article 14 of Law 4706/2020.

**6. Reasonable Assurance report on the European Single Electronic Format [2]**

We have examined the digital files of the Company and/or the Group, prepared in accordance with the European Single Electronic Format ("ESEF") as defined in the EU Delegated Regulation 2019/815, as amended by the EU Delegated Regulation 2020/1989 of the European Commission (hereinafter referred to as "the ESEF Regulation"), that comprise an XHTML file (213800V54ASIMZREDX49-2021-12-31-el_ixbrlview.xhtml) which includes the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, and an XBRL file (213800V54ASIMZREDX49-2021-12-31-el.zip) with the appropriate tagging of the aforementioned consolidated financial statements.

**Regulatory Framework**

The digital files of the European Single Electronic Format are prepared in accordance with the ESEF Regulation and the Interpretative Communication of the European Commission 2020/C 379/01 dated 10 November 2020, as required by Law 3556/2007 and the relevant communications of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter referred to as the "ESEF Regulatory Framework").

This Framework provides, among others, the following requirements:

[2] Η ενότητα «Έκθεση Διασφάλισης επί του Ευρωπαϊκού Ενιαίου Ηλεκτρονικού Μορφότυπου Αναφοράς» έχει εφαρμογή μόνο για εταιρείες με κινητές αξίες εισηγμένες σε ρυθμιζόμενη αγορά στην Ελλάδα. Στο εν λόγω υπόδειγμα περιλαμβάνεται συμπέρασμα χωρίς επιφύλαξη - σε περίπτωση που προκύψουν ευρήματα τα οποία οδηγούν σε διαφοροποίηση του συμπεράσματος, η εν λόγω ενότητα πρέπει να διαμορφώνεται κατά περίπτωση με βάση το Παράρτημα Β των κατευθυντήριων οδηγιών του ΣΟΕΛ που εκδόθηκαν την 14/02/2022.

all annual financial reports should be prepared in XHTML format.
for the consolidated financial statements prepared in accordance with International Financial Reporting Standards, the financial information in the statement of total comprehensive income, the statement of financial position, the statement of changes of equity and the statement of cash flows should be marked-up (XBRL tags), according to the Taxonomy of ESEF (ESEF Taxonomy), as applicable. The technical specifications for ESEF, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the ESEF Regulatory Framework provide appropriate criteria for us to express a reasonable assurance conclusion.

**Responsibilities of Management and Those Charged With Governance**

Management is responsible for the preparation and submission of the separate and consolidated financial statements of the Company for the year ended December 31, 2021, in accordance with the requirements set out in the ESEF Regulatory Framework, and for such internal control as management determines is necessary to enable the preparation of the digital files that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibilities**

Our responsibility is to plan and perform this assurance engagement in accordance with the Decision 214/4/11-02-2022 of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board and the "Guiding instructions to auditors in connection with their assurance engagement on the European Single Electronic Format (ESEF) of public issuers in regulated Greek markets", as issued by the Institute of Certified Public Accountants of Greece on February 14, 2022 (hereinafter referred to as "ESEF Guiding Instructions"), in order to obtain reasonable assurance that the separate and consolidated financial statements prepared by management in accordance with ESEF comply, in all material respects, with the ESEF Regulatory Framework.

Our work was performed in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, and we have fulfilled our other ethical independence responsibilities in accordance with Law 4449/2017 and the EU Regulation 537/2014.

The assurance engagement we performed, in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements Other Than an Audit or Review of Historical Financial Information", is limited to the objectives included in the ESEF Guiding Instructions. Reasonable assurance is a high level of assurance, but it is not a guarantee that this reasonable assurance engagement will always detect a material misstatement with respect to non-compliance with the requirements of the ESEF Regulatory Framework when it exists.

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## Conclusion

Based on the procedures performed and the evidence obtained, we express the conclusion that the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, in XHTML file format (213800V54ASIMZREDX49-2021-12-31-el_ixbrlview.xhtml), as well as the required XBRL files (213800V54ASIMZREDX49-2021-12-31-el.zip) with relevant tagging on the aforementioned consolidated financial statements, have been prepared, in all material respects, in accordance with the ESEF Regulatory Framework.

Athens, March 22, 2022

The Certified Auditor Accountant

Sofia Kalomenides
SOEL R.N. 13301

Ernst & Young (Hellas) Certified Auditors Accountants S.A.
8B Chimarras St., Maroussi
151 25, Greece
Company SOEL R.N. 107

# Statement of Financial Position (Consolidated and Separate)
# as at December 31, 2021 and at December 31,2020

(In thousands of Euro, unless otherwise stated)

| | | Group | | Company | |
|---|---|---|---|---|---|
| **Assets** | **Note** | **31/12/2021** | **31/12/2020** | **31/12/2021** | **31/12/2020** |
| **Non-current Assets** | | | | | |
| Property plant and equipment | 7 | 70,404 | 56,890 | 194 | 218 |
| Right of use assets | 8 | 121,064 | 123,317 | 1,026 | 1,250 |
| Investment Property | | 207 | 0 | 0 | 0 |
| Intangible Assets | 10 | 10,126 | 8,947 | 172 | 207 |
| Investments | 11 | 27,200 | 27,465 | 91,489 | 91,132 |
| Long Term receivables | 12 | 4,789 | 7,320 | 65 | 47 |
| Deferred Taxes | 26 | 7,214 | 8,067 | 230 | 227 |
| **Total non-current assets** | | **241,003** | **232,006** | **93,176** | **93,082** |
| | | | | | |
| **Current assets** | | | | | |
| Inventory | 13 | 79,194 | 90,982 | 0 | 0 |
| Income tax receivable | | 324 | 543 | 5 | 5 |
| Trade receivables | 14 | 3,882 | 4,034 | 694 | 1,120 |
| Other receivables | 15 | 18,435 | 12,064 | 3,719 | 10,423 |
| Cash & cash equivalent | 16 | 103,455 | 115,440 | 244 | 550 |
| Assets classified as held for sale | 9 | 228,669 | 182,285 | 0 | 0 |
| **Total current assets** | | **433,959** | **405,348** | **4,662** | **12,097** |
| **Total Assets** | | **674,962** | **637,353** | **97,838** | **105,178** |
| | | | | | |
| **SHAREHOLDERS EQUITY & LIABILITIES** | | | | | |
| **Shareholders equity** | | | | | |
| Share Capital | 17 | 52,132 | 52,092 | 52,132 | 52,092 |
| Share premium reserve | | 14,002 | 14,025 | 14,713 | 14,625 |
| Reserves | 18 | 24,311 | 27,384 | 12,039 | 14,694 |
| Retained earnings | | 86,586 | 75,261 | 14,365 | 9,967 |
| **Total shareholders equity (a)** | | **177,031** | **168,762** | **93,249** | **91,378** |
| **Total Equity** | | **177,031** | **168,762** | **93,249** | **91,378** |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Non Current Liabilities** | | | | | |
| Non - current loans | 22 | 89,751 | 136,356 | 77 | 77 |
| Lease liabilities | 23 | 104,435 | 111,628 | 781 | 1,016 |
| Employee retirement benefits | 20 | 7,405 | 7,214 | 914 | 868 |
| Deferred Taxes | 26 | 707 | 337 | 0 | 0 |
| Other non-current liabilities | 24 | 363 | 303 | 23 | 23 |
| **Total non current Liabilities** | | **202,660** | **255,839** | **1,795** | **1,984** |
| | | | | | |
| **Current Liabilities** | | | | | |
| Short term loans for working capital | 22 | 44,450 | 16,853 | 0 | 0 |
| Current portion of non-current loans and borrowings | 22 | 90,849 | 51,356 | 0 | 0 |
| Short term portion of long term lease liabilities | 23 | 25,422 | 19,075 | 303 | 280 |
| Income Tax Payable | | 1,550 | 271 | 0 | 0 |
| Accounts payable and other current liabilities | 25 | 96,453 | 104,542 | 2,491 | 11,536 |
| Liability arising from assets held for sale | 9 | 36,546 | 20,655 | 0 | 0 |
| **Total current Liabilities** | | **295,270** | **212,752** | **2,794** | **11,816** |
| **Total liabilities (d)** | | **497,931** | **468,591** | **4,589** | **13,801** |
| **Total Equity & Liabilities (c) + (d)** | | **674,962** | **637,353** | **97,838** | **105,178** |

The amounts of the previous period have been adjusted to become similar and comparable with the corresponding items of the current period regarding the advances for investments in the supply chain Company of the Group that have been transferred from the other receivables in current assets to the long-term receivables.

The accompanying notes on pages 182 to 258 are an integral part of the Financial Statements.

FOURLIS
ΟΜΙΛΟΣ ΕΤΑΙΡΙΩΝ

# Income Statement (Consolidated) for the period 1/1 to 31/12/2021 and 1/1 to 31/12/2020

(In thousands of Euro, unless otherwise stated)

| | | Group | |
|---|---|---|---|
| | **Note** | **1/1 - 31/12/2021** | **1/1 - 31/12/2020** |
| Revenue | | 439,766 | 370,577 |
| Cost of Goods Sold | 6,13 | (252,070) | (217,542) |
| **Gross Profit** | | **187,696** | **153,035** |
| Other income | 6 | 15,458 | 13,168 |
| Distribution expenses | 6 | (149,653) | (130,966) |
| Administrative expenses | 6 | (25,583) | (27,020) |
| Other operating expenses | 6 | (1,045) | (1,667) |
| **Operating Profit** | | **26,873** | **6,550** |
| Total finance cost | 6 | (15,349) | (15,432) |
| Total finance income | 6 | 957 | 662 |
| Contribution associate companies profit and loss | 6 | (402) | (2,767) |
| **(Loss)/Profit before Tax** | | **12,079** | **(10,987)** |
| Income tax | 26 | (549) | 2,327 |
| **Net (Loss) /Profit (A)** | | **11,530** | **(8,661)** |
| **Attributable to :** | | | |
| Equity holders of the parent | | 11,530 | (8,661) |
| **Net (Loss) /Profit (A)** | | **11,530** | **(8,661)** |
| Basic (Losses)/ Earnings per Share (in Euro) | 27 | 0.2212 | (0.1663) |
| Diluted (Losses) / Earnings per Share (in Euro) | 27 | 0.2177 | (0.1663) |

Revenue is defined as income from contacts with customers.

The accompanying notes on pages 182 to 258 are an integral part of the Financial Statements.

## Statement of Comprehensive Income (Consolidated) for the period 1/1 to 31/12/2021 and 1/1 to 31/12/2020

(In thousands of Euro, unless otherwise stated)

| | Note | Group | |
|---|---|---|---|
| | | **1/1 - 31/12/2021** | **1/1 - 31/12/2020** |
| **Net (Loss)/ Profit (A)** | | **11,530** | **(8,661)** |
| **Other comprehensive income/(loss)** | | | |
| **Other comprehensive income transferred to the income statement** | | | |
| Foreign currency translation from foreign operations | | (625) | (314) |
| Effective portion of changes in fair value of cash flow hedges | 21,26 | 138 | 31 |
| **Total Other comprehensive income transferred to the income statement** | | **(487)** | **(283)** |
| **Other comprehensive income not transferred to the income statement** | | | |
| Actuarial (losses) / gains on defined benefit pension plan | 20,26 | (206) | (567) |
| **Total Other comprehensive income not transferred to the income statement** | | **(206)** | **(567)** |
| **Comprehensive (Losses) / Income after Tax (B)** | | **(693)** | **(850)** |
| **Total Comprehensive (Losses) / income after tax (A) + (B)** | | **10,838** | **(9,511)** |
| Attributable to: | | | |
| Equity holders of the parent | | 10,838 | (9,511) |
| **Total Comprehensive (Losses) / Income after tax (A) + (B)** | | **10,838** | **(9,511)** |

The accompanying notes on pages 182 to 258 are an integral part of the Financial Statements.

## Income Statement (Separate) for the period 1/1 to 31/12/2021 and 1/1 to 31/12/2020

(In thousands of Euro, unless otherwise stated)

| | Note | Company | |
|---|---|---|---|
| | | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Revenue | | 4,464 | 4,229 |
| Cost of Goods Sold | 6 | (4,456) | (4,051) |
| **Gross Profit** | | **8** | **178** |
| Other income | 6 | 1,640 | 1,395 |
| Administrative expenses | 6 | (3,242) | (2,982) |
| Depreciation/Amortisation (Administration) | | (434) | (407) |
| Other operating expenses | 6 | (7) | (10) |
| **Operating Loss** | | **(2,034)** | **(1,825)** |
| Total finance cost | 6 | (54) | (59) |
| Dividends | 19 | 6,500 | 7,000 |
| **Profit before Tax** | | **4,412** | **5,116** |
| Income tax | 26 | (1) | 31 |
| **Net Profit (A)** | | **4,411** | **5,147** |

Revenue is defined as income from contacts with customers.

The accompanying notes on pages 182 to 258 are an integral part of the Financial Statements.

## Statement of Comprehensive Income (Separate) for the period 1/1 to 31/12/2021 and 1/1 to 31/12/2020

(In thousands of Euro, unless otherwise stated)

| | | Company | |
|---|---|---|---|
| | Note | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| **Net Profit (A)** | | **4,411** | **5,147** |
| **Other comprehensive (loss)/ income** | | | |
| **Other comprehensive income not transferred to the income statement** | | | |
| Actuarial (losses) / gains on defined benefit pension plan | 20,26 | (13) | (56) |
| **Total other comprehensive income not transferred to the income statement** | | **(13)** | **(56)** |
| **Comprehensive (losses)/income after Tax (B)** | | **(13)** | **(56)** |
| **Total comprehensive income/(losses) after tax (A) + (B)** | | **4,398** | **5,091** |
| Attributable to : | | | |
| Equity holders of the parent | | 4,398 | 5,091 |
| **Total comprehensive income/(losses) after Tax (A) + (B)** | | **4,398** | **5,091** |

The accompanying notes on pages 182 to 258 are an integral part of the Financial Statements.

## Statement of Changes in Equity (Consolidated)
## for the period 1/1 to 31/12/2021 and 1/1 to 31/12/2020

(In thousands of Euro, unless otherwise stated)

| | Note | Share Capital | Share premium reserves | Reserves | Revaluation Reserves | Foreign exchange diff. from Statement of Financial Position transl. reserves | Retained earnings / (Accumulated losses) | Total (a) | Non controlling interest (b) | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1.1.2020** | | **42,124** | **13,833** | **38,552** | **722** | **(10,027)** | **94,980** | **180,185** | **0** | **180,185** |
| **Total comprehensive income/(loss) for the period** | | | | | | | | | | |
| Profit /(Loss) | | 0 | 0 | 0 | 0 | 0 | (8,661) | (8,661) | 0 | (8,661) |
| Foreign currency translation from foreign operations | | 0 | 0 | 0 | 0 | (314) | 0 | (314) | 0 | (314) |
| Effective portion of changes in fair value of cash flow hedges | | 0 | 0 | 31 | 0 | 0 | 0 | 31 | 0 | 31 |
| Actuarial (losses) gains on defined benefit pension plan | | 0 | 0 | 0 | 0 | 0 | (567) | (567) | 0 | (567) |
| **Total comprehensive income/(loss)** | | **0** | **0** | **31** | **0** | **(314)** | **(567)** | **(850)** | **0** | **(850)** |
| **Total comprehensive income/(loss) after taxes** | | **0** | **0** | **31** | **0** | **(314)** | **(9,228)** | **(9,511)** | **0** | **(9,511)** |
| **Transactions with shareholders recorded directly in equity** | | | | | | | | | | |
| Share Capital Increase | | 9,968 | 193 | 0 | 0 | 0 | (10,401) | (240) | 0 | (240) |
| SOP Reserve | | 0 | 0 | 565 | 0 | 0 | 0 | 565 | 0 | 565 |
| Reserves | | 0 | 0 | (7) | 0 | 0 | 0 | (7) | 0 | (7) |
| Net Income directly booked in the statement movement in Equity | | 0 | (2) | (0) | 0 | 0 | (90) | (92) | 0 | (92) |
| Sales/(Purchases) of own shares | | 0 | 0 | (2,139) | 0 | 0 | 0 | (2,139) | 0 | (2,139) |
| **Total transactions with shareholders** | | **9,968** | **192** | **(1,581)** | **0** | **0** | **(10,491)** | **(1,913)** | **0** | **(1,913)** |
| **Balance at 31.12.2020** | | **52,092** | **14,025** | **37,003** | **722** | **(10,341)** | **75,261** | **168,762** | **0** | **168,762** |
| | | | | | | | | | | |
| **Balance at 1.1.2021** | | **52,092** | **14,025** | **37,003** | **722** | **(10,341)** | **75,261** | **168,762** | **0** | **168,762** |
| **Total comprehensive income/(loss) for the period** | | | | | | | | | | |
| Profit | | 0 | 0 | 0 | 0 | 0 | 11,530 | 11,530 | 0 | 11,530 |
| Foreign exchange differences | | 0 | 0 | 0 | 0 | (625) | 0 | (625) | 0 | (625) |
| Effective portion of changes in fair value of cash flow hedges | 21, 26 | 0 | 0 | 138 | 0 | 0 | 0 | 138 | 0 | 138 |
| Actuarial (losses) gains on defined benefit pension plan | 20, 26 | 0 | 0 | 0 | 0 | 0 | (206) | (206) | 0 | (206) |
| **Total comprehensive income/(loss)** | | **0** | **0** | **138** | **0** | **(625)** | **(206)** | **(693)** | **0** | **(693)** |
| **Total comprehensive income/(loss) after taxes** | | **0** | **0** | **138** | **0** | **(625)** | **11,325** | **10,838** | **0** | **10,838** |
| **Transactions with shareholders, recorded directly in equity** | | | | | | | | | | |
| Share Capital Increase | 17 | 40 | 89 | 0 | 0 | 0 | 0 | 129 | 0 | 129 |
| SOP Reserve | 20 | 0 | 0 | 464 | 0 | 0 | 0 | 464 | 0 | 464 |
| Reserves | | 0 | 0 | 69 | 0 | 0 | (69) | 0 | 0 | 0 |
| Net Income directly booked in the statement movement in Equity | | 0 | (111) | 0 | 0 | 0 | 69 | (42) | 0 | (42) |
| Sales/(Purchases) of own shares | 18 | 0 | 0 | (3,119) | 0 | 0 | 0 | (3,119) | 0 | (3,119) |
| **Total transactions with shareholders** | | **40** | **(22)** | **(2,586)** | **0** | **0** | **1** | **(2,568)** | **0** | **(2,568)** |
| **Balance at 31.12.2021** | | **52,132** | **14,002** | **34,554** | **722** | **(10,966)** | **86,586** | **177,031** | **0** | **177,031** |

The accompanying notes on pages 182 to 258 are an integral part of the Financial Statements

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ΟΜΙΛΟΣ ΕΤΑΙΡΙΩΝ

## Statement of Changes in Equity (Separate) for the period 1/1 to 31/12/2021 and 1/1 to 31/12/2020

(In thousands of Euro, unless otherwise stated)

| | Note | Share Capital | Share premium reserves | Reserves | Retained earnings / (Accumulated losses) | Total Equity |
|---|---|---|---|---|---|---|
| **Balance at 1.1.2020** | | **42,124** | **14,433** | **16,268** | **15,277** | **88,102** |
| **Total comprehensive income/(loss) for the period** | | | | | | |
| Profit | | 0 | 0 | 0 | 5,147 | 5,147 |
| Actuarial (losses) gains on defined benefit pension plan | | 0 | 0 | 0 | (56) | (56) |
| **Total comprehensive (loss) / income** | | **0** | **0** | **0** | **(56)** | **(56)** |
| **Total comprehensive income/(loss) after taxes** | | **0** | **0** | **0** | **5,091** | **5,091** |
| **Transactions with shareholders recorded directly in equity** | | | | | | |
| Share Capital Increase | | 9,968 | 193 | 0 | (10,401) | (240) |
| SOP Reserve | | 0 | 0 | 565 | 0 | 565 |
| Net Income directly booked in the statement movement in Equity | | 0 | (2) | 0 | 0 | (2) |
| Sales/(Purchases) of own shares | | 0 | 0 | (2,139) | 0 | (2,139) |
| **Total transactions with shareholders** | | **9,968** | **192** | **(1,574)** | **(10,401)** | **(1,815)** |
| **Balance at 31.12.2020** | | **52,092** | **14,625** | **14,694** | **9,967** | **91,378** |
| **Balance at 1.1.2021** | | **52,092** | **14,625** | **14,694** | **9,967** | **91,378** |
| **Total comprehensive income/(loss) for the period** | | | | | | |
| Profit | | 0 | 0 | 0 | 4,411 | 4,411 |
| Actuarial (losses) gains on defined benefit pension plan | 20, 26 | 0 | 0 | 0 | (13) | (13) |
| **Total comprehensive (loss) / income** | | **0** | **0** | **0** | **(13)** | **(13)** |
| **Total comprehensive income/(loss) after taxes** | | **0** | **0** | **0** | **4,398** | **4,398** |
| **Transactions with shareholders, recorded directly in equity** | | | | | | |
| Share Capital Increase | 17 | 40 | 89 | 0 | 0 | 129 |
| SOP Reserve | 20 | 0 | 0 | 465 | 0 | 465 |
| Net Income directly booked in the statement movement in Equity | | 0 | (1) | 0 | 0 | (1) |
| Sales/(Purchases) of own shares | 18 | 0 | 0 | (3,119) | 0 | (3,119) |
| **Total transactions with shareholders** | | **40** | **88** | **(2,655)** | **0** | **(2,527)** |
| **Balance at 31.12.2021** | | **52,132** | **14,713** | **12,039** | **14,365** | **93,249** |

For share capital increase refer to Note 17.

The accompanying notes on pages 182 to 258 are an integral part of Financial Statements.

## Statement of Cash Flows (Consolidated and Separate)
## for the period 1/1 to 31/12/2021 and 1/1 to 31/12/2020

(In thousands of Euro, unless otherwise stated)

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| **Operating Activities** | | | | | |
| **(Loss)/Profit before taxes** | | **12,079** | **(10,987)** | **4,412** | **5,116** |
| Adjustments for | | | | | |
| Depreciation / Amortization | 6 | 29,318 | 33,481 | 434 | 407 |
| Provisions | | 784 | 2,213 | 138 | 273 |
| Foreign exchange differences | | 554 | 1,555 | 0 | 0 |
| Results (Income, expenses, profit and loss) from investment activity | | 111 | 2,603 | (6,500) | (7,000) |
| Interest Expense | | 13,869 | 13,978 | 54 | 59 |
| **Plus/less adj for changes in working capital related to the operating activities** | | | | | |
| (Increase) / decrease in inventory | | 10,548 | (4,944) | 0 | 0 |
| (Increase) / decrease in trade and other receivables | | (7,375) | 1,480 | 160 | 542 |
| Increase / (decrease) in liabilities (excluding banks) | | (3,414) | 17,633 | 955 | (346) |
| **Less** | | | | | |
| Interest paid and interest on leases | | (13,905) | (14,300) | (54) | (59) |
| Income taxes paid | | (2,060) | (2,196) | 0 | (0) |
| **Net cash generated from operations (a)** | | **40,509** | **40,517** | **(402)** | **(1,008)** |
| **Investing Activities** | | | | | |
| Purchase or Share capital increase of subsidiaries and related companies | 9,11 | (17,395) | 0 | (10,000) | 0 |
| Purchase of tangible and intangible fixed assets | | (27,304) | (15,087) | (74) | (117) |
| Proceeds from disposal of tangible and intangible assets | | 31 | 317 | 0 | 0 |
| Addition of assets | 9 | (5,868) | (11,859) | | 0 |
| Proceeds from the sale of other investments | | 0 | 3,695 | 0 | 0 |
| Interest Received | | 24 | 110 | 0 | 0 |
| Proceeds from dividends | | 0 | 0 | 13,450 | 3,000 |
| **Total (outflow) / inflow from investing activities (b)** | | **(50,513)** | **(22,824)** | **3,376** | **2,883** |
| **Financing Activities** | | | | | |
| Payments for purchase of own shares | | (3,119) | (2,139) | (3,119) | (2,139) |
| Inflow from share capital increase | | 131 | 280 | 129 | 280 |
| Outflow from share capital increase | | (7) | 0 | 0 | 0 |
| Proceeds from issued loans | 22 | 88,907 | 176,547 | 0 | 77 |
| Repayment of loans | 22 | (70,981) | (102,475) | 0 | 0 |
| Repayment of leasing liabilities | 23 | (16,783) | (15,329) | (289) | (272) |
| **Total inflow / (outflow) from financing activities (c)** | | **(1,852)** | **56,884** | **(3,279)** | **(2,054)** |
| **Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)** | | **(11,856)** | **74,577** | **(306)** | **(179)** |
| Cash and cash equivalents at the beginning of the period | | 115,440 | 40,978 | 550 | 729 |
| Effect of exchange equivalents at the beginning of the period | | (130) | (115) | | 0 |
| **Closing balance, cash and cash equivalents** | | **103,455** | **115,440** | **244** | **550** |

The previous period amounts of credit card expenses have been adjusted to be similar and comparable to current period. The accounts that were modified are Interest expense and Interest paid and interest on leases (Notes 5 & 6).

The accompanying notes on pages 182 to 258 are an integral part of Financial Statements.

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## Notes to the annual financial statements (consolidated and separate) as of Dec 31, 2021

### 1. Corporate information

### 1.1 General Information

FOURLIS HOLDINGS S.A. with the common use title of FOURLIS S.A. (hereinafter the Company) was incorporated in 1950 as A. FOURLIS AND CO., and from 1966 operated as FOURLIS BROS S.A. (Government Gazette, AE and EPE issue 618/ 13.6.1966). It was renamed to FOURLIS HOLDING S.A. by a decision of an Extraordinary General Shareholders' Assembly on 10/3/2000, which was approved by decision K2 - 3792/ 25.04.2000 of the Ministry of Development. The Shareholders' General Assembly also approved the conversion of the Company to a holding company and thus also approved the change in its scope.

The headquarters of the Company are located at 18-20 Sorou Street, Building A Maroussi. It is registered in the Companies Registry of the Ministry of Development with registration number 13110/06/B/86/01 and general electronic commercial registry number 258101000 and web address www.fourlis.gr.

The Company is listed in the Athens Stock Exchange since April 1988.

The Company has been listed on the Main Market of the Athens Stock Exchange since April 1988.

The Company's term, in accordance with its Articles of Association, was originally set for 30 years. In accordance with a decision of the Extraordinary Assembly of the Shareholders on 19/2/1988, the term was extended for a further 30 years i.e. to 2026. Following the decision of the Extraordinary Assembly of the Shareholders on 14/6/2019, the term was extended for a further 24 years i.e. to 2050.

The composition of the Board of Directors of the Company on 31/12/2021 was as follows:

1. Vassilis St. Fourlis, Chairman, executive member
2. Dafni A. Fourlis, Vice Chairman, executive member
3. David Watson of Arthur, Independent Vice Chairman, Independent Non-Executive Member, Chairman of the Nomination and Remuneration Committee
4. Apostolos D. Petalas, CEO, executive member
5. Lyda St. Fourlis, Director, Executive Member, Director of Social Responsibility
6. Eftihios Th. Vassilakis, Independent Vice Chairman
7. Ioannis Ath. Costopoulos, Director, non-executive member, Member of the Audit Committee, Member of the Nominations and Remuneration Committee
8. Pavlos K. Triposkiadis , Director, independent non-executive member, member of the Audit Committee
9. Stylianos M. Stefanou, Director, Independent non-executive member, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee

On 10/3/2022 with its 433 Minutes, the Board of Directors of the Company was reorganized into a Body following the election of Mrs. Maria S. Georgalou of and Mr. Nikolaos Lavidas as new members to replace the resigned Mr Eftychios Vasilakis and Pavlos Tryposkiadis

The new composition of the Board of Directors of the Company is the following:

1. Vassilis St. Fourlis, Chairman, executive member
2. Dafni A. Fourlis, Vice Chairman, executive member
3. David A. Watson, Independent Vice Chairman, Independent Non-Executive Member, Chairman of the Nomination and Remuneration Committee
4. Apostolos D. Petalas, CEO, executive member
5. Lyda St. Fourlis, Director, Executive Member, Director of Social Responsibility
6. Nikolaos Lavidas, Director, non-executive member that meets the independence criteria
7. Ioannis A. Costopoulos , Director, non-executive member, Member of the Audit Committee, Member of the Nominations and Remuneration Committee
8. Maria S. Georgalou , Director, independent non-executive member, member of the Audit Committee
9. Stylianos M. Stefanou, Director, Independent non-executive member, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee

The number of employed human resources of the Group on 31/12/2021 was 4,010 people and on 31/12/2020 4,105 people. Respectively, the human resources of the Company was 106 people on 31/12/2021 and 102 people was on 31/12/2020.

## 1.2 Activities

The Company's activities are the investment in domestic and foreign companies of all types, regardless their objectives and type.

The Company FOURLIS HOLDINGS SA also provides general administration, financial management and information technology services. The centralization of Group support services for the Group Companies in Greece, mainly in the areas of financial planning and controlling, HR, IT, treasury, social responsibility, corporate governance, regulatory compliance, personal data protection and sustainable development was implemented, aiming to gain benefits from synergies and to organize central coordination of decision making and implementing. Centralized services are provided according to arm's length principle from FOURLIS HOLDINGS S.A. to the Group companies.

The direct and indirect subsidiaries and affiliates of the Group, included in the Financial Statements are the following:

| Direct subsidiaries | Parent | Location | % Holding |
|---|---|---|---|
| HOUSEMARKET SA | FOURLIS HOLDINGS SA | Greece | 100 |
| INTERSPORT ATHLETICS SA | FOURLIS HOLDINGS SA | Greece | 100 |
| GENCO TRADE SRL | FOURLIS HOLDINGS SA | Romania | 1.57 |
| **Indirect subsidiaries** | | | |
| HOUSE MARKET BULGARIA EAD | HOUSEMARKET SA | Bulgaria | 100 |
| HM HOUSEMARKET (CYPRUS) LTD | HOUSEMARKET SA | Cyprus | 100 |
| TRADE LOGISTICS SA | HOUSEMARKET SA | Greece | 100 |
| WYLDES LIMITED LTD | HOUSEMARKET SA | Cyprus | 100 |
| RENTIS SA | TRADE ESTATES R.E.I.C | Greece | 100 |
| TRADE ESTATES CYPRUS LTD | H.M. ESTATES CYPRUS LTD | Cyprus | 100 |
| TRADE ESTATES BULGARIA EAD | TRADE ESTATES R.E.I.C | Bulgaria | 100 |
| H.M. ESTATES CYPRUS LTD | TRADE ESTATES R.E.I.C | Cyprus | 100 |
| BERSENCO SA | TRADE ESTATES R.E.I.C | Greece | 100 |
| GENCO TRADE SRL | INTERSPORT ATHLETICS SA | Romania | 98.43 |
| GENCO BULGARIA EOOD | INTERSPORT ATHLETICS SA | Bulgaria | 100 |
| INTERSPORT ATHLETICS (CYPRUS) LTD | INTERSPORT ATHLETICS SA | Cyprus | 100 |
| INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş | INTERSPORT ATHLETICS SA | Turkey | 100 |
| TRADE ESTATES R.E.I.C. | HOUSEMARKET S.A. | Greece | 58.50 |
| TRADE ESTATES R.E.I.C. | HOUSE MARKET BULGARIA EAD | Greece | 17.00 |
| TRADE ESTATES R.E.I.C. | HM HOUSEMARKET (CYPRUS) LTD | Greece | 9.90 |
| TRADE ESTATES R.E.I.C. | TRADE LOGISTICS SA | Greece | 14.60 |
| **Affiliates** | | | |
| MANTENKO SA | TRADE ESTATES R.E.I.C | Greece | 50 |
| POLIKENCO SA | TRADE ESTATES R.E.I.C | Greece | 50 |
| VYNER LTD | WYLDES LIMITED LTD | Cyprus | 50 |
| SW SOFIA MALL ENTERPRISES LTD | WYLDES LIMITED LTD | Cyprus | 50 |
| SEVAS TEN SA | TRADE ESTATES R.E.I.C. | Greece | 50 |

In the period from 1/1/2021 to 31/12/2021, the following changes of share capital in the parent company took place:

**FOURLIS HOLDINGS S.A.:**

1. Following resolutions of the General Assembly of the shareholders of the company held on 21/12/2020 (relevant minutes of the G.A. with number 26/21.12.2020), the share capital of the company increased by the amount of € 9,880,942.59 by capitalizing part of the reserve of retained earnings and increasing the nominal value of each share by the amount of € 0.19, thus the nominal value of each share rising to the amount of € 1.00.

The aforementioned change was registered to the General Electronic Commercial Registry (GECR) on 13/01/2021 (Code Registration Number 2448494), with the relevant 2302656/13.01.2021 announcement issued by the Minister of Finance and Development.

2. Under the context of the Stock Option Plan which was approved and established by the resolution of the Extraordinary General Assembly of the shareholders on 27/9/2013 (Stock Option Plan – hereinafter "the Program"), within the year 2020, 87,040 options were exercised (hereinafter "the Options"). Following the resolution of the Board of Directors on 28/12/2020 (relevant minutes of the BoD with number 417/28.12.2020), the exercise of the aforementioned options from the corresponding beneficiaries of the Program was certified by payment of the exercise price of the new shares.

It is noted that the underlying price of shares to which the distributed options reflect, had been initially determined at the amount of € 3.40 per share, which was the closing stock price of the share on the date of the resolution of the General Assembly regarding the SOP (27/9/2013). Already, following the resolutions of 20/11/2017, 19/11/2018 and 18/11/2019 of the BoD (relevant minutes of the BoD 389/20.11.2017, 399/19.11.2018 and 407/18.11.2019), an adjustment has been made at the historical price of the Company's share and therefore the implemented exercise price of the options of the SOP is accounted at the amount of € 3.2226 per share.

Following the certification of the payment of the exercise price of the Stock Options by their beneficiaries, namely the amount of € 280,495.10, 87,040 new common nominal shares were issued and delivered to the corresponding beneficiaries of the Program, of nominal value € 1.00 per share, while the share capital of the Company increased by the amount of € 87,040.00 which reflects to the nominal value of the new shares. Moreover, following the exercise of the aforementioned Options by payment of the exercise value, namely € 3.2226 per share according to the aforementioned, the share premium, of total amount € 193,455.10, was transferred to "Share Premium reserve".

The aforementioned change was registered to the General Electronic Commercial Registry (GECR) on 15/01/2021 (Code Registration Number 2450940), with the relevant 4511/15.01.2021 announcement issued by the Minister of Finance and Development.

3. Under the context of the Stock Option Plan which was approved and established by the resolution of the Extraordinary General Assembly of the shareholders on 27/9/2013 (Stock Option Plan – hereinafter "the Program"), within the year 2021, 39,943 options were exercised (hereinafter "the Options"). Following the resolution of the Board of Directors on 20/12/2021 (relevant minutes of the BoD with number 430/20.12.2021), the exercise of the aforementioned options from the corresponding beneficiaries of the Program was certified by payment of the exercise price of the new shares.

It is noted that the underlying value of the shares to which the remaining stock options reflect, was initially determined at the amount of €3,40 per share, which was the stock closing price of the share on the date of the resolution of the General Assembly for the SOP (27/9/2013). Already, the resolutions 20/11/2017, 19/11/2018 and 18/11/2019 of the BoD (relevant minutes of the G.A. with number 389/20.11.2017, 399/19.11.2018 and 407/18.11.2019) resulted to the readjustment of the historical share price of the Company and therefore the implemented exercise price of stock options of the SOP is € 3,2226 per share.

Following the certification of the payment of the exercise price of the Stock Options by their beneficiaries, namely the amount of € 128,720.33 39,943 new common nominal shares were issued and delivered to the corresponding beneficiaries of the Program, of nominal value € 1,00 per share, while the share capital of the Company increased by the amount of € 39,943.00 which reflects to the nominal value of the new shares. Moreover, following the exercise of the aforementioned Options by payment of the exercise value, namely € 3,2226 per share according to the aforementioned, the share premium, of total amount € 88,777.33, was transferred to "Share Premium reserve".

The aforementioned change was registered to the General Electronic Commercial Registry (GECR) on 11/1/2022 (Code Registration Number 2773271), when the share capital increase took place, with 1043/11.01.2022 announcement issued by the Minister of Development and Investments.

Following these changes, the share capital of the Company now amounts to € 52,131,944.00 divided into 52,131,944 shares of nominal value € 1,00 per share, totally paid.

Apart from the above, no other changes were made in the share capital of FOURLIS HOLDINGS SA in the year 2021.

## 2. Basis of presentation of the Financial Statements

### 2.1. Basis of preparation

The accompanying Financial Statements consist of the separate financial statements of the parent Company and the consolidated financial statements of the Group and have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The Board of Directors approved the accompanying financial statements for the year ended on December 31 2021, on March 22, 2022. These financial statements are subject to the approval of the General Assembly of the Company's shareholders.

The accompanying separate and consolidated financial statements have been prepared on the historical cost basis, except for certain data of Assets and Liabilities (investment properties, financial hedging instruments, investments/financial assets available for sale) that have been measured at fair value, and assuming that the Company and its subsidiaries will continue as a going concern. Management examined the impact of energy crisis, COVID-19 pandemic up to the date of approval of these Consolidated and Separate Financial Statements and concluded that going concern assessment is the appropriate basis for their preparation. Reaching this conclusion, Management revised its plan taking into account the effects of the energy, health crisis and the financial results of the year 2021 (refer to Note 4). Management estimates that it will not have a significant exposure as well as possible direct or indirect negative consequences, as a result of the war in Ukraine. The Management monitors closely the developments and is ready to take all the necessary measures to deal with any consequences in its operational activities.

Regarding the developments in Ukraine, the Group declares that it has no subsidiaries, parent or affiliated companies based in Russia or Ukraine, nor significant transactions with affiliated parties from Russia or Ukraine. The Group also states that it has no significant customers or suppliers or subcontractors or partners from Russia or Ukraine, nor does it maintain warehouses with goods in Russia or Ukraine. The Group states that it does not maintain accounts or have loans with Russian Banks. The Group states that it will not have an indirect impact from potentially affected sectors nor does it expect a significant impact from energy increases, inflation, fuel and supply chain disruptions.

It is noted that the Group has utilized in all the countries where it operates the state support measures to deal with the consequences of the pandemic and the energy crisis, whether they were related to salary costs, rental costs, or tax relief, or financing, or payment facilitation.

The Management concluded that the Group is able to fulfill all its obligations on time, at least for a period of 12 months from the Balance Sheet date and that there are no significant uncertainties that may call into question its ability to operate on its principle of ongoing activity. The Financial Statements are presented in thousands of euros, unless otherwise stated and differences in amounts are due to rounding. In addition, previous year amounts have been adjusted. More specifically, advances for investments in the Group's supply chain amounting to Euro 2,3 million have been transferred from other receivables in current assets to long-term receivables. As a result, in the Cash Flow, investing and operating activities have increase respectively. Moreover, in the Cash Flow statement, interest on lease of € 5,4 million have been transferred from financing activities to operating activities.

The annual financial reports for 2021 provide for the first time the information referred to in Article 8 of Regulation (EU) 2020/852 on the establishment of a framework for the facilitation of sustainable investments (Taxonomy Regulation) covering the financial year 2021, without comparative information for 2020. This information is disclosed within the Annual Report of the Board of Directors, together with the information of articles 151 and 154 of law 4548/2018, in the section Consolidated Non-Financial Report.

### 2.2. Significant accounting judgments and estimates

The preparation of financial statements based on IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates. Estimates are based on management's previous experience including expectations of future events under normal conditions. The aforementioned judgments, estimates and assumptions are periodically re - assessed in order to be in line with current available data and reflect current risks.

When applying the Group's accounting policies, management has made the following judgments, estimates and assumptions that may have a significant impact on the items reported in the financial statements:

Estimates:

- **Deferred Tax assets:** deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward unused tax losses can be utilized. The recognition of deferred tax assets requires significant judgments and estimates to be made in relation to the future activities and prospects of the Group companies and as to the level and timing of future taxable profits. Additional details are included in Notes 3.20 and 26 of the Financial Statements.
- **Fair Values of investment properties:** the Group recognizes its investment properties at fair values as determined by independent valuation experts. The fair values of investment properties are assessed on an annual basis. The fair value of investment property is determined by real estate valuation experts using recognized valuation techniques and the principles of IFRS 13 Fair Value Measurement. Investment property is measured based on estimates prepared by independent real estate valuation experts, except where such values cannot be reliably determined The significant methods and assumptions used by valuation expert s in estimating the fair value of investment property are set out in Note 9.
- **Impairment test of investments in subsidiaries:** at each reporting date, the Parent Company examines whether there are impairment indicators in relation to its investments in subsidiaries. Such assessment requires management to make significant judgements with respect to the existence of internal or external factors and the extent to which they affect the recoverable amount of these investments. If impairment indicators exist, the Company determines the recoverable amount of these investments. The determination of the recoverable amount requires estimates to be made with respect to the expected future cash flows of the investment, the business plans of the subsidiaries, and the determination of the applicable discount and growth rates. Additional details regarding the impairment test for investments in subsidiaries are included in Note 11 of Financial Statements.
- **Impairment test of property, plant and equipment, right of use assets and assets held for sale:** property, plant and equipment is constantly tested in order to define if there are indications which show that its book value is not recoverable*. The Group considers, for impairment* test purposes, that (a) each store basically is a cash flow generating unit while, (b) per case, assets or

group of assets classified as held for sale may consist a cash flow generating unit (CGU). In cases that property, plant and equipment is part of CGU and there are impairment value indications that the recoverable amount of the CGU is determined as the higher amount between value in use and fair value. Value in use is calculated by implementing the cash flow discount method, taking into consideration Management's estimations (business plans 5-7 years) and any contingent impairment is determined by the comparison of book value and value in use. Fair value is calculated from independent valuation experts according to commonly accepted valuation principles. The loss-making operating result of stores was considered as indication of possible impairment and wherever there was existence of such indication, an impairment test was implemented. The impairment test did not show any impairment losses. Additional details regarding the impairment test for property plant & equipment are included in Note 7 of the Financial Statements.

- **Useful lives of property plant and equipment:** Management makes estimates when determining the useful lives of depreciable assets. Such estimates are periodically reviewed. The useful lives estimated and applied are discussed in Note 3.7 and 3.9.
- **Post - retirement benefits to personnel:** post - retirement obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of a discount rate, future salary increases, disability rates, mortality rates and termination rates. Due to the complexity of the valuation and the basic assumptions included therein, a defined benefit obligation is highly sensitive to changes in these assumptions. Actuarial gains and losses that result from the difference among the actuarial assumptions are recognized in Statement of Comprehensive Income. Such actuarial assumptions are periodically reviewed by Management. In May 2021, the International Accounting Standards Board (IASB) accepted IAS 19 Interpretation of Employees' Benefits by the International Financial Reporting Interpretations Committee distribution of benefits in the years of service of employees (Attributing Benefit to Periods of Service). This interpretation did not have a significant impact on our financial statements, given that the Group applies Article 8 N. 3198/1955. Additional details are included in Note 20.1.
- **Share-based Payments:** Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20.2 of the Financial Statements.
- **Provisions for slow moving inventory:** Inventory turnover ratio is tested regularly and provisions are made for unmoved, slow moving, obsolete inventory which will be written-off within the next period. Estimations are also made for seasonality of inventory and estimation for future sale price as well as for inventory count differences which are presented in Note 13 of Financial Statements.

- **Revenue from contracts with customers:** The Group estimates the fair value of non-redeemed points by using historical data and by assessing exercise possibility.

Judgments:

- **Right of use assets:** On the beginning date of the leasing period, a right of use asset and a liability are recognized by calculating present value of leases which remain unpaid, discounted with leasing interest rate (interest rate which would be accepted by the lessee in order to be loaned all necessary funds with similar terms). The Group determines the leasing duration as the contractual leasing duration, including the period which is covered by a) the right to extend leasing if it is almost sure that it will be exercised, or b) the right to terminate the contract if it is almost sure that it will not be exercised. The Group implements a single discount rate at each leasing category with similar characteristics (as leasing with similar duration, assets and economic environment). Afterwards, the asset is measured at cost less depreciation and any impairment losses while, the liability is measured by increasing book value with interest expenses on the liability and by decreasing book value with leases payments. Further details are provided in Notes 8 and 23.
- **Assets held for sale:** The Group classifies an asset or a group of assets as held for sale when the following conditions are met: the asset (or group of assets) is available and in condition for direct sale and the sale is very likely to take place within 12 months since its classification date as held for sale. Right at the moment before their classification as assets held for sale, these assets are tested for impairment based on IAS 36. Assets which have been classified as held for sale are measured at the lower price between book value and fair value minus all sale costs. Any impairment loss is recognized in statement of comprehensive income. Impairment test of assets classified as held for sale took place entirely for assets described in Note 9, as a cash generating unit, due to the fact that it was considered that the sale will only take place as a whole and not each one asset separately and the sale criteria based on IFRS 15 are met.

  On 31/12/2021 the criteria for the classification of assets held for sale under IFRS 5 continue to be met, given that:

  - the COVID 19 pandemic (unexpected event on 31/12/2019) created delays of about one and a half years in the negotiation procedures as well as in the necessary actions of transfer of the said properties to TRADE ESTATES R.E.I.C., with the result that its operation was approved by 12 July 2021
  - their net book value will be recovered primarily from the sale and not from their continued use,
  - the assets are available for immediate sale in their current condition,
  - There is a commitment of the Management and a program is underway that includes within 2022 a share capital increase through the Athens Stock Exchange as well as a private placement before the listing on the Athens Stock Exchange, with the final result that the Group's

participation drops to 50%. Management monitors and will continue to monitor the correct classification of the specific assets as held for sale in each reporting period.

- **Provisions for impaired receivables:** provisions of impaired receivables are based on the historical data of receivables and take into consideration the expected credit risk. The analysis of impaired receivables of Statement of Financial Position is included in Note 14 of Financial Statements.

## 2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group and Company as of 1 January 2021.

- **Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods. The amendments do not have any impact on the financial statements.

- **Attributing Benefit to Periods of Service (IAS 19 Employee Benefits)**

The International Financial Reporting Standards Interpretations Committee issued a final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the attribution of benefits in periods of service regarding a specific defined benefit plan analogous to that defined in Article 8 of Greek Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan"). This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the "IASB Due Process Handbook (par 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. The Group distributes the benefits as follows:

- According to the provisions of article 8 lit. b of L.3198/1955 on termination of the agreement or departure of the employee on retirement, the Company shall compensate the employee at the rate provided by law, without taking into account the salary ceiling applied for the calculation of the compensation.
- Pursuant to lit (a) of article 8 of L.3198/1955, the employees are entitled to receive the 50% of the due compensation in the event of termination of the employment agreement without previous notice, provided the following conditions apply cumulatively: a)they are employed by the company under an employment contract of indefinite duration; b)they have completed a fifteen-year service to the same employer; and c)they leave their position at the employer's consent. An "Operational Practice" for the payment of the relevant compensation to those leaving their job position having served in the Company for 15 years, is currently applicable by the Company, and it intends to continue to provide this compensation in the future as well.

This decision has no impact on the Group's and the Company's financial statements (Note 20).

Standards that have been issued but do not apply in the current accounting period and the Company and the Group has not adopted earlier.

**• Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management has assessed that the specific amendments do not have any impact on the financial statements.

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

The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.

In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU. The amendments do not have any impact on the financial statements.

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

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

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

- **IAS 16 Property, Plant and Equipment:** Amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** Amendments specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.

- **Annual Improvements 2018-2020** make minor amendments to **IFRS 1 First-time**

**Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture** and the Illustrative Examples accompanying **IFRS 16 Leases**

The amendments do not have any impact on the financial statements.

**• IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)**

The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The amendments do not have any impact on the financial statements.

**• IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)**

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The amendments do not have any impact on the financial statements.

**• IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)**

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU. The amendments do not have any impact on the financial statements.

## 3. Summary of significant accounting policies

The Financial Statements have been prepared in accordance with the following accounting principles:

### 3.1. Basis of Consolidation

Consolidated Financial Statements comprise of the financial statements of the parent Company and all subsidiaries controlled by the Company. Control exists when the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The subsidiaries' financial statements are prepared as of the same reporting date and using the same accounting policies as the parent company. Intra - group transactions (including investments in related companies), balances and unrealized gains are eliminated. Subsidiaries are fully consolidated from the date that gains control and cease to be consolidated from the date that control is transferred out of the Group. Any losses are attributed to the non - controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, is accounted for as an equity transaction. The financial results of subsidiaries, that are acquired or sold within the year, are included in the consolidated statement of comprehensive income from or up to the date of acquisition or sale, respectively.

### 3.2. Business Combinations and Goodwill

Business Combination is a transaction or another event during which an acquirer takes over control of one or more businesses. A Business is a combination of activities and assets that can be leaded and managed in order to return profits directly to its owners.

If the acquired assets do not compose a business, the transaction or any other fact are accounted as an acquisition of an asset and the acquisition cost is allocated among assets and liabilities based on the relative fair values during the acquisition date.

Business Combination is accounted for using acquisition method. The cost of acquisition of a subsidiary is the fair value of the assets contributed, the shares issued and the liabilities assumed at the transaction date, plus 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 asset. Acquisition costs are expensed when incurred.

If the cost of acquisition is less than the fair values of the net identifiable assets acquired, the difference is recorded directly to the income statement.

Goodwill arising from subsidiaries' acquisitions is recorded as an intangible asset. Goodwill is not amortized but at least annually is subject to impairment test. As a result, after initial recognition, goodwill is measured at cost, less any impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the combination. The impairment test is performed by comparing the recoverable amount of the cash generating unit to its carrying value including the allocated goodwill. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The value in use is determined via a discounted cash flow analysis. Impairment losses relating to goodwill cannot be reversed in future periods.

Gains or losses arising from the disposal of subsidiaries are determined after taking into account the goodwill allocated to the disposed unit.

### 3.3 Investments in subsidiaries

In the separate financial statements of the parent Company, investments in subsidiaries are accounted for at cost, less any impairment in value. Impairment tests are carried out when there are clear indicators of impairment, in accordance with IAS 36 "Impairment of Assets".

### 3.4 Investments in associates

Associates are those entities, in which the Group has significant influence but which are neither a subsidiary nor a joint venture of the Group. A percentage holding from 20% to 50% implies significant influence. Such percentage holding indicates that company is an associate. Investments in associates are consolidated using the equity method, according to which they are presented in the Statement of Financial Position at cost, adjusted to subsequent changes in the Group's share in the net assets of the associate and taking into account any impairments. Goodwill arising upon the acquisition of associates is included in the value of investment, while any negative goodwill is recorded in the income statement upon acquisition.

The Group's share in the gains or losses of associates after acquisition is recognized in the statement of comprehensive income, while post - acquisition movements in reserves are recognized directly in reserves.

In applying the equity method of accounting, the Group appropriately adjusts the financial statements of those associates who are not applying IFRS so as to comply with IFRS and be in line with the accounting policies of the Group. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are eliminated, unless the transaction provides evidence of impairment of the transferred asset.

When the Group's participation to the associate's losses equals or exceeds its investment in an associate, including any other bad debts, the Group does not recognize further losses, unless it has any liabilities or made payments on behalf of the associate and generally those arising from the ownership status. In the separate financial statements of the Parent Company, investments in associates are recognized at cost less any accumulated impairment losses.

### 3.5 Segment information

The Board of Directors of the Company is the chief operating decision maker and monitors internal financial reporting information in order to evaluate the performance of the Company and the Group and to take decisions about resource allocation.

Management has defined its segments based on these internal reports according to IFRS 8. The operating segments are defined as those business segments where the Group is active and on which the internal information system of the Group is based.

For the categorization by business segment, the following has been taken into account:

- the nature of products and services,
- quantitative limitations, required by IFRS 8.

According to the aforementioned, the Group presents information by operating segment as follows (Note 5):

- Retail Trading of Home Furniture and Household Goods (IKEA stores).
- Retail Trading of Sporting Goods (INTERSPORT and TAF stores).

**3.6 Foreign currency translation**

**(a) Functional currency and reporting currency**

The companies of the Group maintain their books in the currency of the financial environment in which each company operates (functional currency). The consolidated financial statements are presented in Euro's which is the functional currency of the parent Company.

**(b) Transactions and balances**

Transactions in foreign currencies are converted to the functional currency according to the foreign exchange rates ruling at the date of the transaction. Foreign exchange differences arising on translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognized in the statement of comprehensive income. Foreign exchange differences on non-monetary items carried at fair value are considered as part of the fair value of those items and are recorded together with the fair value adjustments.

**(c) Foreign Group Companies**

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. The translation of the financial statements of the Group's companies which use a different functional currency from the parent company is performed as follows:

- Assets and liabilities are translated to Euro using the foreign exchange rate ruling at the date of the Statement of Financial Position.
- Equity is translated using the foreign exchange rates valid on the date they arose.
- Income and expenses are translated using the average foreign exchange rate of the period and on an annual basis according to the average foreign exchange rate of the last twelve (12) months.
- The resulting foreign exchange differences (gains/losses) are recognized in other comprehensive income and in Foreign Exchange differences from Statement of Financial Position translation Reserve. When subsidiaries operating in foreign countries are sold, accumulated foreign exchange

differences existing in the Foreign Exchange differences from Statement of Financial Position translation Reserve are recognized in income statement as gains or losses from investments sales.

Goodwill and adjustments to fair values upon an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate of the date of the Statement of Financial Position and foreign exchange differences are recognized in equity.

### 3.7 Property, plant and equipment

Property, plant and equipment are measured, by category, as follows:

- All categories of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.
- Cost includes all directly attributable costs for the acquisition of the items of property, plant and equipment. These costs include borrowing costs of loans drawn to finance the acquisition or construction of assets which are capitalized until the date when the assets are ready for their intended use.

Significant subsequent additions and improvements are recognized as part of the cost of the asset when they increase the useful life and / or the productive capacity of investment's value. Costs for repairs and maintenance are recognized in the income statement as an expense as incurred.

Upon disposal of an item of property, plant and equipment, the difference between the consideration received and the carrying value is recorded as gain or loss in the Income Statement.

Depreciation is calculated on a straight - line basis over the estimated useful life of the assets. Useful lives are reviewed on an annual basis.

The estimated useful lives of the Group's property plant and equipment, except of the land that is not depreciated, are as follows:

| **Category** | **Useful life** |
|---|---|
| Buildings - Building installations (owned premises) | 10 - 40 years |
| Buildings on third party land | 10 – 36 years |
| Machinery and equipment | 9 - 10 years |
| Motor vehicles | 6 - 9 years |
| Miscellaneous equipment | 4 - 10 years |

Owner - occupied buildings or buildings whose use has not yet been determined and which are under construction are recorded at cost less any impairment losses. This cost includes professional compensations and borrowing costs. The depreciation of that owner - occupied buildings begins from the time the buildings are ready for use.

### 3.8 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which is evaluated annually. In case of owner occupation, the investment property is derecognized and transferred to property, plant and equipment at fair value on the transfer date. The carrying value of investment property reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property fair value are recognized in the Income Statement of the period they occur.

### 3.9 Intangible assets

The intangible assets of the Group (excluding goodwill) are depreciated over their useful life which is annually reviewed.

- **Royalties**

Trademarks and licenses are valued at cost less amortization. Amortization is charged to the income statement on a straight - line basis over the estimated useful lives, which have been determined from 5 to 20 years.

- **Software - Other intangible assets**

Software licenses are valued at cost less amortization. Amortization is charged on a straight - line basis over the estimated useful lives and the depreciation rate is 15%.

Expenditure on development and maintenance of software is expensed as incurred. Expenditure of development activities for the production of new or substantially improved software (in - house developments), is recognized as intangible assets when the following criteria are met: a) when a specific asset is created, b) when it can be demonstrated that the intangible asset will generate probable future economic benefits and c) when the expenditures of development can be measured reliably. Such expenditures include also labor costs and an appropriate proportion of overheads. In case of software replacement, while the old one is no longer in use, intangible asset is permanently deleted from the register and the net book value burdens the income statement.

Costs incurred for performing software upgrades, are capitalized and the new gross value forms the depreciable amount.

### 3.10 Impairment of non - financial assets except Goodwill

Property, plant and equipment is constantly tested in order to define if there are indications which show that its book value exceeds their recoverable value. The Group considers, for impairment test purposes, that each store is a cash generating unit (CGU). In cases where property, plant and equipment is part of CGU, such as a store and there are impairment indications which could lead to the conclusion that its book value exceeds their recoverable value, the recoverable amount of the CGU is determined by the calculation of value in use. Value in use is calculated by implementing the cash flow discount method, taking into consideration Management's estimations as presented in business plans of timeline 5-7 years. Any contingent impairment is determined as the excess amount of book value compared to value in use and is registered in income statement. The loss-making operating result of stores was considered as indication of possible impairment and wherever there was existence of such indication, an impairment test was implemented.

The carrying amounts of all Group's assets are reviewed for possible impairment when there is indication that the book value can't be recovered i.e. when the book value is higher than the recoverable amount from their use or sale.

The recoverable value is the greater of the fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre - tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable value is less than the carrying value, then the net book value is reduced to the recoverable value.

Impairment losses are expensed as incurred in the Income Statement, except if the asset has been revalued, then the impairment loss reduces the related revaluation reserve. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exists of have decreased. If such indication exists, the Group estimates the asset's recoverable amount. When in a subsequent period, the impairment loss should be reversed; the carrying value of the asset is increased to the level of the revised estimation of recoverable amount. The new net book value should not exceed the net book value that would have been determined if the impairment losses had not been accounted in previous periods.

### 3.11 Current / Non-current assets and liabilities: classification

The Group presents the assets and liabilities in statement of financial position based on the classification as current / non-current.

An asset is classified as current when:

- It is expected to take place or its sale / consumption has been predicted within the next period
- It is mainly maintained for trading purposes
- It is expected to take place within twelve months since the reference period.

Or it is cash or cash equivalent, unless they have been eliminated from the exchange or their use in order to settle a liability for at least 12 months after the reference period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within the next operation year
- It is mainly maintained for trading purposes
- It is clarified that it will be settled within 12 months after the reference period.

There is no unconditional right to postpone the solution of a liability for at least 12 months after the reference period.

The liability terms which could, upon the selection of the counter-party, lead to its settlement, by issuing financial products, do not affect its classification.

The Group classifies all its other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**3.12 Financial instruments – initial recognition and measurement**

**IFRS 9 Financial Instruments**

Classification and measurement of financial assets:

According to IFRS 9, financial assets are measured at fair value plus, in the case of financial assets not measured at fair value through profit and loss (Fair Value through Profit and Loss – FVPL), the transaction cost. Debt instruments are measured subsequently at fair value, through profit and loss, at amortized cost or fair value through other comprehensive income (Fair Value through Other Comprehensive Income – FVOCI). Classification criteria of financial assets are two: a) business model of financial assets management implemented by the Group and b) the financial asset (as a whole) give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding (SPPI test - Solely Payments for Principal and Interest).

Other financial assets are classified and subsequently measured as follows:

Group's investments in equity instruments are classified at fair value through other comprehensive income, without re-recognition of earnings or losses in profit and loss with the de-recognition. The Group's aims to maintain these equity instruments for the near future and irrevocably decided to classify them at fair value through other comprehensive income after the initial recognition or transaction. According to IFRS 9, equity instruments measured at fair value through other comprehensive income are not subject to impairment test.

**3.13 Impairment of financial assets**

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

*Assets carried at amortized cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The cash flows are discounted using the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either through deletion or through use of a provision.

The present value of the financial asset is reduced through use of a provision and loss is recognized in profit or loss statement. The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

*Trade receivables (Note 14)*

For trade receivables the Group implements simplified approach for the calculation of credit losses. Therefore the Group does not monitor changes in credit risk, but recognizes a percentage of losses at every reporting period. The Group has conducted a provisions table based on historical experience of credit losses, adjusted with future factors appropriate for debtors and economic environment.

### 3.14 Inventory

Inventory (goods) is valued at the lower of cost or net realizable value. Cost is determined by using the weighted average method. The net realizable value is the estimated sales price at the ordinary operation of the company less any costs to sell having in mind seasonality and other conditions. The cost of inventory does not include any financial expenses.

### 3.15 Trade receivables

Trade receivables are recognized initially at fair value and they are subsequently valuated at the amortized cost by using the effective interest rate method, less provision for impairment.

When there is evidence of impairment of receivables, the carrying value is reduced to its recoverable amount, which is the present value of expected future cash flows discounted at the initial effective interest rate. Then, the interest is calculated at the same rate on the impaired (new book) value.

### 3.16 Cash and cash equivalent

Cash and cash equivalents include cash at banks and on hand, as well as short term (up to 3 months) investments of high liquidation and low risk.

### 3.17 Assets held for sale and discontinued operation

Assets held for sale and discontinued operation are valued at the lower price between carrying amount and fair value less costs to sell.

Any possible fair value increase in a subsequent valuation is registered in Profit and loss but for amounts not bigger than the initially registered impairment loss. Since the date on which an asset is classified as held for sale, this asset is no longer depreciated or amortized. Before their classification, an impairment test for these specific assets took place and it was tested if they compose a single cash generating unit. Assets of Note 9, compose a CGU mainly because altogether have been contributed on 12/7/2021 in TRADE ESTATES R.E.I.C..

Assets held for sale are classified as such, provided that their carrying value will be mainly recovered through sale rather than through continuing use. This condition is considered valid only when the sale is highly probable and the asset is available for immediate sale at its current condition. In order for the sale to be very possible, the management must have a plan for the sale of the asset (or the group of assets) and must be committed to this, while an active plan has been initiated so as to find a buyer and complete the program. Moreover, active efforts must be done in order to sell the asset (or group of assets) in a reasonable price compared to its current fair value. Also, the Management must have proceeded its actions for the sale at such point so as to be expected to be completed either based on stipulated by contractual time commitment or within a year from classification date. On 31/12/2021, one year after the entry, the criteria for the classification of assets held for sale under IFRS 5 continue to be met, as explained in Note 9.

A discontinued operation is an integral part of a financial entity that either has been sold or has been classified as held for sale and:

a) represents a separate major part of business operations or a geographical area of operations,

b) is part of a single, coordinated divestment program of a great part of operations or a geographical area of operations or

c) is a subsidiary acquired exclusively with the prospect to be resold.

### 3.18 Share Capital

Direct costs incurred for increases in share capital are recorded, net of related income taxes, against the share premium reserve. The cost of treasury shares net of any related income tax, is recorded as a reduction of equity, until these shares are sold or cancelled. Any gain or loss on sale of treasury shares, net of direct transaction costs and any related income tax, is recorded as a reserve account under equity.

### 3.19 Loans

Loans are initially recorded at their fair value less any direct costs related to the transaction. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method.

Interest and related expenses on loans taken for purchase or construction of fixed assets are capitalized. Capitalization of borrowing costs ceases when the asset is ready for its intended use. In case of borrowing specifically for the purpose of constructing or acquiring an asset, the borrowing costs related to the loan agreement are directly capitalized. Otherwise, in order to determine the part of the loan related with that fixed asset, a method is implemented to determine the proportion of the capitalized interest and the proportion of the interest which will be recorded to the statement of comprehensive income as an expense. Revenues, occurred as a result of investing part of a loan taken for construction of a fixed asset, reduce the amount of borrowing costs capitalized.

Loan expenses paid upon signing of new credits are recognized as loan expenses if part or total of the new credit line is received. In that case, they are registered as future loan expenses until the loan is received. If the new loans are not used, partly or fully, then these expenses are included in prepaid expenses and are recognized in income statement during the period of the relevant credit line.

### 3.20 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to mitigate the risk arising from fluctuations in interest rates (Note 22). Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement of the current year.

The effective part of hedges that qualify for hedge accounting is recognized directly to equity if it is related to cash flow hedges while the ineffective part is charged to the consolidated income statement, while the non - effective part is recognized in the statement of comprehensive income. If the hedge is related to effective fair value hedges, the gain or loss from re-measuring the derivative hedging instrument at fair value is recognized in profit or loss and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss.

Under cash flow hedge accounting, when the hedged firm commitment results in the recognition of non - financial asset or a non - financial liability, then, at the time the asset or liability is recognized the associated gains or losses that had previously been recognized in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognized in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the Statement of Comprehensive Income.

The new requirements regarding hedge accounting have improved hedging instruments accounting through risk management measures implemented by the Group and therefore, the number of hedge relationships, which meet the criteria for the implementation of hedge accounting, is expected to increase. On the date of the initial implementation, all Group's current hedge relationships would be recognized as ongoing hedge relationships. Following the implementation of IFRS 9, the Group recognizes changes in time value of stock options as deferred amount at a new reserve "hedge accounting" within the Group's equity. Deferred amounts are recognized against relevant the hedge transaction when it occurs. However, since the amounts were insubstantial, no change occurred at the comparative basis.

**3.21 Current and Deferred Tax**

Taxes recorded in income statement include both current and deferred taxes.

Current income tax is recognized in income statement, except to the extent that it relates to items recognized directly in equity. Current income taxes include the current liabilities and/ or assets, to or from the tax authorities, relating to the taxes payable on the taxable income of the period. Current taxes are increased by any income taxes related to provisions for tax differences or additional taxes which are imposed by the tax authorities upon audit of the unaudited tax years.

Deferred tax assets and liabilities are measured at the tax rates which are expected to apply in the year where the asset or liability will be settled, taking into account the tax rates (and tax laws) that have been enacted or are virtually applicable at the reporting date.

Deferred taxes arise on temporary differences between the recognition of assets and liabilities for tax purposes and those for the purposes of preparation of the financial statements. Deferred tax is calculated using the liability method on all taxable temporary differences at the reporting date, between the tax basis and book value of assets and liabilities.

The expected tax effects of temporary tax differences are recognized either as future (deferred) tax liabilities or as deferred tax assets. In case of an inability to accurately measure temporary tax differences, the initial recognition is made based on estimation of the reversal time and such estimation is reviewed each year.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses, to the extent that it is probable that sufficient future taxable income will be available against which the unused tax losses and tax credits can be used or sufficient taxable deductible temporary differences that incur in the same company and will be recovered. Significant judgement is required by the Management in order to define the value of deferred tax assets which can be recognized having in mind the future tax incomes as well as the tax plan of the Group.

The Group sets off deferred tax assets and deferred tax liabilities only if:

- it has a legal right to set off current tax receivables against current tax payables and
- deferred tax assets and deferred tax liabilities relate to income tax imposed by the same tax authority.

As a result deferred tax assets and liabilities are presented on a net basis in the separate financial statements of the Company while such items are presented separately in the consolidated accounts of the Group.

If the deferred income tax arises from initial recognition of an asset or liability in a transaction other than business combination, then it does not affect the neither the accounting nor the taxable profit or loss and therefore it is not taken into account.

The tax rates in the countries that the Group operates for the year 2021 are presented below:

| Country | % Income Tax/ Deferred Tax |
|---|---|
| Greece | 22.0% |
| Romania | 16.0% |
| Cyprus | 12.5% |
| Bulgaria | 10.0% |
| Turkey | 25.0% |

The following applies to the subsidiary of the TRADE ESTATES Group as REIC: according to article 31 par. 3 of Law 2778/1999, as in force, TRADE ESTATES REIC is not subject to income tax but is taxed based on the fair value of its investments of its available. More specifically, TRADE ESTATES REIC is taxed at a tax rate equal to 10.0% of the current intervention rate of the European Central Bank (Reference Rate) increased by 1 percentage point (10.0% * (ECB Reference Rate + , 0%)), on average of its half-yearly investments now available at current prices. With the payment of this tax, TRADE ESTATES REIC and its shareholders have no other tax liability.

### 3.22 Employee Benefits

Employee benefits are:

**a) Short term benefits**

Short term benefits to employees in money or in kind are recorded as an expense as they accrue.

**b) Post - retirement benefits**

Companies of the Group pay retirement compensation to their employees. Such compensation varies in relation to the employees' years of service and salary payable at the time of retirement and is accounted for as a defined benefit plan. Post - retirement obligations are calculated at the present value of future employee benefits accrued as at the end of the reporting period, based on the benefits to be earned over their expected labor life. The above mentioned obligations are calculated based on actuarial valuation methods and are determined using the Projected Unit Method. Net costs of the period are included in the attached statement of comprehensive income and consist of the present value of the employee benefits that were accrued during the current year, the interest derived from the employee benefit obligation and the actuarial gains and losses which are recognised in full in the period in which they occur in the comprehensive income and they are not transferred in income statement in next periods. Full Yield Curve method is used for the definition of the discount interest rate in the calculation of the present value of the employee benefits. The Group applies article 8 par. A of Law 3198/1955.

**c) State insurance programs**

The employees of the Greek subsidiaries of the Group are covered, in terms of insurance programs, mainly through the Social Insurance Institution (EFKA) the largest Social Security Organization of the private sector, which supplies pension and medical coverage. Every employee is obliged to participate partially, through his salary, in the costs of the insurance program, while the remaining cost is covered by the Group. Upon retirement, the pension fund is responsible to cover the obligation of pensions and retirement benefits to the employees. As a consequence the Group does not have any other legal or future obligation to cover future employee benefits according to this pension program. This program is considered and accounted for as a defined contribution plan whereby the accrued social security contributions are recorded as an expense in the financial period in which they are incurred.

**d) Private insurance programs**

Every full time employee of the Group belonging to the management team, according to the internal company policy, is covered by a private insurance pension and other benefits program. The Group covers, the contract defined fees, while the financial management of the program is performed by the Insurance Firm. This program is considered and accounted for as a defined contribution plan whereby the accrued cost of the insurance fees is recorded as expense in the period in which they are incurred.

**e) Stock option plan (IFRS 2)**

The Company intends to attract, retain and incentivise the executives of the Company and the executives of its subsidiaries and affiliated companies, as through the Stock Options plan, the participants have a direct equity interest in the Company which link their performance to the Company's future performance and the increase of shareholder value. This program regards equity shares transactions.

The Company makes decisions regarding the implementation of the Stock Option Plan – to executives of the Company and its subsidiaries and affiliates in compliance with par.5 of Art.42e of Law 2190/1920.

A basic condition for participation in the Stock Options plan is the salaried working relationship of executives with the Company or its subsidiaries and affiliates. The cost of equity settled transactions is measured by reference to the fair values at the date in which they are granted and is recognized as an expense over the period from grant date to maturity date of the options with a concurrent increase in equity. In the separate financial statements of the Company it is recognized as an increase in participation in subsidiaries.

The program takes into account the following variables: Exercise price, Share price at grant date, Grant Date, Maturity date(s) of rights, Expected Stock Volatility, Dividend Yield, Risk Free Rate.

**3.23 Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is recognized as other non-current liabilities and amortized over the expected useful life of the related asset. Such amortization is presented in other income in Statement of Comprehensive Income.

### 3.24 Contingent liabilities and Provisions

Provisions are recognized when the Group has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the present value of the expense expected to be required to settle the liability.

Contingent liabilities and assets are not recognized in the financial statements but are disclosed unless there is a probability of financial outflow or inflow.

### 3.25 Revenue and expense recognition

Revenue is measured at the fair value of sales of goods and provision of services, net of Value Added Tax, discounts and returns. Inter - company revenues are eliminated.

The recognition of revenue is accounted for as follows:

- *Sales of goods and revenue from contracts with customers:* Sales of goods are recognized when the Group invoices and delivers the goods to the customers and the goods are accepted by them. Retail sales are through cash payments or through credit cards. In these cases the income recorded is the amount received by the customer. IFRS 15 establishes a 5-step model implemented for income arising from a contract with a customer (with limited exceptions), regardless the type of income transaction or segment. The standard applies also for the recognition and measurement of profit and loss from the sale of non-financial assets which are not included in the ordinary operation of the Group (e.g. sales of tangible or intangible assets). It requires that entities must allocate the transaction price from contracts to distinctive promises, namely execution liabilities, based on standalone selling prices, according to five-step model. Afterwards, the income is recognized when the entity satisfies execution liabilities, namely when it transfers goods or services which are determined in the contract at the customer.

  The standard is based on the principle that the income is recognized when control of a product or service is transferred to the customer. The Group operates in retail trading of furniture and household goods and sporting goods. According to IFRS 15, Revenue from contracts with customers, the Group recognizes revenue when control of the products is transferred, being when the products are delivered to the customer. Therefore, the adoption of IFRS 15 did not have an impact at the time of the revenue recognition. Net sales revenue is measured at fair value of the amount received. Net sales revenue exclude amounts collected by third parties such as value added taxes, as these are not included in the transaction price.

However, future discounts related to customer loyalty programs of the Group's companies create a right which must be recognized when exercised or expired, only if it is considered substantial and the customer would not acquire it if the initial transaction was not implemented. The Group provides discounts to its customers based on the points gathered from transactions made by using the customer loyalty program card. All these discounts are settled within 18 to 24 months depending on the program. According to the requirements of the standard, the Group estimates that these discounts represent substantial right for customers, create obligation for execution and therefore part of the income of each transaction which corresponds to this right will be recognized when exercised (fulfilment of obligation) or expired. IFRS 15 neither excludes nor defines a specific methodology for the estimation of the price of the point gathered as long as the estimation composes a reliable reflection of the price at which the Group would provide separately this product to the customer.

- *Provision of services:* The income from provision of services is recorded in the period in which the services are provided, based on the stage of completion of the provided service.
- *Interest income:* Interest income is recognized proportionally in time and by using the effective interest rate.
- *Dividends:* Dividends considered income when the right to receive them is established. The aforementioned right is established after the decision of the General Assembly (ordinary or extraordinary). Expenses recognized in the statement of comprehensive income as accrued
- *Advertising costs:* Advertising costs registered as incur in financial results and are included in distribution expenses.
- *Borrowing costs:* Underwriters costs, legal and other direct costs incurred during the issue of long term loans are deducted from the loan balances and are recorded to the statement of comprehensive income based on the effective interest rate method over the duration of the loan. Borrowing cost is recognized as an expense during the issue period, except of the case that Group capitalizes borrowing costs according to IAS 23.
- *Credit Card Expenses*: Credit card expenses registered at distribution expenses. The amounts of the previous year have been adjusted to become similar and comparable with the corresponding amounts of the current year in terms of credit card expenses amounting to 3,061 thousand which were transferred from 1/1/2021 from the Total Finance Cost to Distribution expenses.

**3.26 Leases**

Leases in which all the risks and benefits of the property remain with the lessor are recorded as finance leases. All the other leasing contracts are recorded as operating leases.

- *Group as a Lessor:* Income from operating leasing is recognized as income on a straight - line basis over the lease term.
- *Group as a Lessee:* The Group as a Lessee has operating and financial leasing. In more details, on

the beginning date of the leasing period, a right of use asset and a liability are recognized by calculating present value of leases which remain unpaid, discounted with leasing interest rate (interest rate which would be accepted by the lessee in order to be loaned all necessary funds with similar terms). The Group determines the leasing duration as the contractual leasing duration, including the period which is covered by a) the right to extend leasing if it is almost sure that it will be exercised, or b) the right to terminate the contract if it is almost sure that it will not be exercised. The Group implements a single discount rate at each leasing category with similar characteristics (as leasing with similar duration, assets and economic environment). Afterwards, the asset is measured at cost less depreciation and any impairment losses while, the liability is measured by increasing book value with interest expenses on the liability and by decreasing book value with leases payments.

### 3.27 Offsetting of financial assets and liabilities

Financial assets and liabilities are not offset in the financial statements unless there is a legal right of set - off and intention for settlement of the net amount or settlement of the asset and liability simultaneously.

### 3.28 Derecognition of financial assets and liabilities

*Financial Assets*

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

- the rights to receive cash flows from the asset have expired,
- the Group or the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay under a "pass - through" arrangement and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group or the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's or Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group or Company could be required to repay.

*Financial liabilities*

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

### 3.29 Earnings/Losses per share

The basic and diluted earnings per share are calculated by dividing net profits after taxes with the weighted average number of shares of each period/ year.

The weighted average number of shares arises by summing the outstanding shares into which the share capital is divided and the rights that can be contingently exercised and are owned by the company and subtracting the shares buy back.

## 4. Financial Risk Management

Risk management is handled by the Finance Department, which operates according to specific rules set by the Board of Directors.

The Group has adopted the "Enterprise Risk Management" (ERM) methodology which facilitates and enables the organization to identify, evaluate and manage risks through a structured approach. The methodology is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM, which provides guidance on how to integrate ERM practices and outlines the principles of their implementation. In this context, 100 risks were identified and evaluated which were recorded in the Risk Register of the Company.

More specifically, the risk categories are: Profitability & Liquidity, Reputation & Ethics, Society & People, Regulatory Compliance, Strategy, Customers, Health and Safety, Growth & Competition, Technology and Functions. The most important risks that have been identified for the Group are:

- Risk related to the category Society and People: The possibility of facing difficulties in attracting, developing (including training) and retaining the required skills and talents (including new skills in digital technologies) and the relative impact on the Group's performance.
- Risk related to the Strategy category: The probability of failure to clearly define the strategy and to align it with the business objectives and the relevant effects on the Group's development.
- Risk related to the Strategy category: The possibility of inefficient liquidity management, as well as the unclear liquidation strategy and the related effects on the Group's profits and liquidity.
- Risk related to the Strategy category: The possibility of misalignment of the business strategy with the ESG obligations (eg Climate & Sustainability) and the expectations of the corporate governance and the relevant effects on the financial results and the reputation of the Group.
- Risk related to the Strategy category: The possibility of failure to adopt state-of-the-art technology / align the IT strategy with the business strategy and new business models as well as the relative impact on the Group's reputation and revenue.
- Risk related to the category Development & Competition: The possibility of the emergence of new competitors (e-shop or physical stores) and the relative impact on the loss of market share.
- Risk related to the category Development & Competition: The possibility of entering international

digital markets (marketplaces) and the relative impact on the loss of market share.

- Risk related to the Technology category: The possibility of high cost of information systems platforms and the impact on the Group's profits.
- Risk related to the Technology category: The possibility of attack in cyber attack and the relative impact on the profits, performance and reputation of the Group.
- Risk related to the category Operations: The possibility of mismanagement of inventories and the relevant effects on the Group's performance and income.

The Board of Directors provides written instructions and guidelines for general risk management as well as specific instructions for the management of specific risks, such as foreign exchange risk and interest rate risk.

**a) Financial risk management**

The Group is exposed to financial risks such as foreign exchange risk, credit risk, interest rate risk and liquidity risk. The Finance Department identifies, assesses and hedges the financial risks in cooperation with the Group's subsidiaries.

**Foreign Exchange Risk:**

The Group is exposed to foreign exchange risk arising from transactions in foreign currencies (RON, USD, TRY, SEK) with suppliers which invoice the Group in currencies other than the local. The Group, in order to minimize the foreign exchange risk, according to the needs, in certain cases pre - purchases foreign currencies.

**Credit risk:**

The Group has diminuated the credit risk due to the focus in retail segments where the payment of goods is mainly achieved by cash in hand or by pre-paid credit cards.

**Interest rate risk/liquidity:**

The Group is subject to cash flow risk which in the case of possible variable interest rates fluctuation, may affect positively or negatively the cash inflows or outflows related to the Group's assets or liabilities.

Liquidity risk is minimized via the availability of adequate credit lines and cash. The Group has entered into Interest Rate Swap (IRS) contracts in order to face these risks.

**Energy and Coronavirus spread risk:**

The Group carefully monitors the events regarding the energy crisis the spread of coronavirus, in order to adjust in the special conditions arising exclusively for the treatment and restriction of spread of COVID-19. It complies with the official directives of competent authorities for the operation of physical stores and central offices in countries it operates. It is also aligned with the existing legislation and conducts its trading transactions in its physical stores according to the directives. The quantitative and qualitative consequences of energy crisis the spread of coronavirus on the Group's and Company's operation also taking into consideration the directives of capital market committee (letter sent to listed companies on 25/2/2021) are summarized in the following:

1. Increase of the Group's sales in the year 1/1 / 2021-31/ 12/2021 by an amount of euro 69.2 million compared to last year and increase by 1.4% of the gross profit margin for the same period. It should be noted that in the year 1/1/2021-31/12/2021 the Group's sales through its electronic Stores (e-commerce) increased by 29% compared to the same period last year, while investments in innovation and technology and service upgrades, following the rapid changes in consumer habits and the physiognomy of retail.
2. Decrease in Group's cash equivalents within the period 1/1-31/12/2021 amounted € 12,0 million compared to last year due to the utilization of open credit lines and financial support measures to deal with the pandemic.
3. Increase of the operating expenses of the Group in the year 1/1 / 2021-31/12/2021 by the amount of euro 17,2 million in relation to the previous year and specifically increase of the salary cost by the amount of euro 6,7 million, of third party services (rights, leases, energy, etc.) in the amount of euro 1,0 million, of other expenses (advertising, warehousing, transport, etc.) in the amount of euro 9,3 million and taxes in the amount of euro 0,3 million.
4. The Group has implemented in all the countries where it operates the state support measures to deal with the consequences of the pandemic, whether they were related to salary costs, or rent costs, or tax reliefs, or financing, or payment facilitation.
5. Within the year 2021 the availability of goods was not affected compared to the same period of last year.
6. Management of the Group has implemented telework in all the countries in which it operates.
7. The portfolio management service continues to identify, assess and hedge financial risks and provide guidance on the management of this exceptional risk, in order to provide protection to investors.
8. The Group has reinforced its infrastructures both in terms of information systems and operation of logistics centers, in order for its operational and commercial activity not only to continue smoothly but also to be further reinforced. In this context, new investments are realized by the subsidiary TRADE LOGISTICS SA for the expansion of the storage and the e-commerce orders' management and the automation of the provision of the relevant services. In addition, in order to enhance the coverage of its consumers growing expectations and creation of a complete positive experience for the customer, the Group seeks for the harmonious combination of e-commerce with the "traditional" development model, making the most of digital media and new technologies in order to offer an omnichannel experience to both offline and online level.
9. The energy cost for the operation of the Group's stores and warehouses is affected by the large increases observed internationally, but is a relatively small part of the Group's operating costs (4.7% of operating expenses for the year 2021).
10. The Group continues strictly selected investments in both retail segments in which it operates. In this context, in 2021 it opened an INTERSPORT Store in Thessaloniki and a TAF Store in Peristeri. Also, in the second half of 2021, an IKEA Small Store in Maroussi was added to the network of Stores in the home equipment and furniture sector.

11. The Group completed on 12/7/2021, the establishment of a company with the name "TRADE ESTATES R.E.I.C.", for its operation as a) Societe Anonyme Investment in Real Estate in accordance with the provisions of Law 2778/1999 and b) Alternative Investment Organization with internal management, in accordance with the provisions of law 4209/2013. TRADE ESTATES R.E.I.C. was created through a) the spin off the real estate from the branch of the company under the name HOUSEMARKET SA and the transfer of real estate from the company under the name TRADE LOGISTICS SA and b) the acquisition of 100% of the share capital of the companies HM ESTATES CYPRUS, TRADE ESTATES BULGARIA EAD and RENTIS SA. The companies TRADE LOGISTICS SA, HM ESTATES CYPRUS, TRADE ESTATES BULGARIA EAD and RENTIS SA are wholly owned subsidiaries of HOUSEMARKET SA. On 20/12/2021 the Company proceeded to the acquisition of 50% of the share capital of the companies MANTENKO SA, POLIKENCO SA and SEVAS TEN SA from HOUSEMARKET A.E. On 31/12/2021 the Company proceeded to the acquisition of 100% of the share capital of the company BERSENCO REAL ESTATE DEVELOPMENT AND PROPERTY MANAGEMENT SA. The purchase price of the company BERSENCO REAL ESTATE DEVELOPMENT AND PROPERTY MANAGEMENT SA amounts to € 18,375,104.19.

**Non-financial risks:**

In addition to the financial risks, the Group also focuses on non-financial risks related to specific issues, which have been identified as essential in the context of sustainable development. These issues concern the full compliance with the legislation and the implementation of corporate governance policies, human resources, the environmental impact of the companies' activity, the supply chain and the evolution of the companies in the market in which they operate. Risk management has as a condition the definition of objective goals based on which the most important events that can affect the Group are identified, the relevant risks are evaluated and its response to them is decided.

**b) Legal Issues**

There are no litigations or legal issues that might have a material impact on the Annual Financial Statements of the Group or Company for the period 1/1 - 31/12/2021.

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## 5. Segment Information

The Group is active on the following two operating segments:

- Retail Trading of Home Furniture and Households Goods (IKEA stores).
- Retail Trading of Sporting Goods (INTERSPORT and TAF stores).

The main financial interest is concentrated on the business classification of the Group's activities, where the various economic environments constitute different risks and rewards. The Group's activities comprise mainly one geographical area, that of the wider European region, primarily in Greece along with countries of Southeastern Europe (Romania, Bulgaria, Cyprus and Turkey).

The Group's sales revenue in 2021 arise 58% from activities in Greece (59% in 2020) with the remaining 42% arising from the other countries of Southeastern Europe (41% in 2020) which is analyzed as follows: 16% from Bulgaria (2020: 16%), 14% from Cyprus (2020: 14%), 10% from Romania (2020: 8%) and 2% from Turkey (2020: 3%). Revenue of the Company concern intrasegment transactions and are eliminated at the Consolidated Financial Statements.

Historically, the consumers' demand for the Group products increases during the last four months of the year.

Group results by operating segment for the year 2021 are analysed below:

| | Retail Home Furnishings | Retail Sporting Goods | Fourlis Holdings SA | Elim - Cons Entries | Fourlis Group |
|---|---|---|---|---|---|
| Revenue | 273,375 | 166,577 | 4,464 | (4,650) | 439,766 |
| Cost of Goods Sold | (160,885) | (91,186) | (4,456) | 4,456 | (252,070) |
| **Gross Profit** | **112,490** | **75,391** | **8** | **(194)** | **187,696** |
| Other income | 11,348 | 4,270 | 1,640 | (1,800) | 15,458 |
| Distribution expenses | (87,359) | (63,655) | 0 | 1,362 | (149,653) |
| Administrative expenses | (15,312) | (7,638) | (3,676) | 1,042 | (25,583) |
| Other operating expenses | (555) | (463) | (7) | (21) | (1,045) |
| **Operating Profit / (Loss)** | **20,612** | **7,905** | **(2,034)** | **389** | **26,873** |
| Total finance income | 5 | 953 | 0 | 0 | 957 |
| Total finance cost | (8,130) | (7,350) | (54) | 184 | (15,349) |
| Contribution associate companies profit and loss | (402) | 0 | 0 | 0 | (402) |
| Dividends | 0 | 0 | 6,500 | (6,500) | |
| **Profit / (Loss) before Tax** | **12,085** | **1,508** | **4,412** | **(5,926)** | **12,079** |
| Depreciation / Amortisation | 11,000 | 18,437 | 434 | (553) | 29,318 |

The amounts of the previous period have been adjusted to become similar and comparable with the corresponding amounts of the current period in terms of credit card expenses. The amount of euro 2,151 thousand refers to Retail Home Furnishings and amount euro 911 thousand refers to the Retail Sporting Goods segment that were transferred from Total finance cost to Distribution expenses on 1/1/2021.

Respectively, the results of the operating segments during the year ended December 31, 2020 for the Group are analyzed in the table below:

| | Retail Home Furnishings | Retail Sporting Goods | Fourlis Holdings SA | Elim - Cons Entries | Fourlis Group |
|---|---|---|---|---|---|
| Revenue | 243,626 | 126,999 | 4,229 | (4,277) | 370,577 |
| Cost of Goods Sold | (144,272) | (73,270) | (4,051) | 4,051 | (217,542) |
| **Gross Profit** | **99,354** | **53,729** | **178** | **(226)** | **153,035** |
| Other income | 10,056 | 3,312 | 1,395 | (1,595) | 13,168 |
| Distribution expenses | (78,222) | (54,242) | (0) | 1,498 | (130,966) |
| Administrative expenses | (15,423) | (9,151) | (3,389) | 942 | (27,020) |
| Other operating expenses | (1,041) | (616) | (10) | 0 | (1,667) |
| **Operating Profit / (Loss)** | **14,725** | **(6,969)** | **(1,825)** | **619** | **6,550** |
| Total finance income | 135 | 527 | 0 | 0 | 662 |
| Total finance cost | (8,228) | (7,172) | (59) | 28 | (15,432) |
| Contribution associate companies profit and loss | (2,767) | 0 | 0 | 0 | (2,767) |
| Dividends | 0 | 0 | 7,000 | (7,000) | 0 |
| **Profit / (Loss) before Tax** | **3,864** | **(13,614)** | **5,116** | **(6,353)** | **(10,987)** |
| Depreciation / Amortisation | 13,412 | 20,407 | 407 | (745) | 33,481 |

In the period 1 / 1-31 / 12/2021 and specifically in the first half of the year, the Group's retail stores in all the countries of its activity, suspended their operation by order of the governments from 2 to $3^{1/2}$ months, depending on the country due to the pandemic. Also, throughout the fiscal year 2021 there were restrictions on the number of visitors to the Stores.

Respectively, the structure of assets and liabilities as at 31 December 2021 and 31 December 2020 in the above operating segments is analyzed as follows:

| | Retail Home Furnishings | Retail Sporting Goods | Fourlis Holdings SA | Elim - Cons Entries | Fourlis Group |
|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2021 | 31/12/2021 | 31/12/2021 | 31/12/2021 |
| Property plant and equipment | 46,917 | 23,294 | 194 | 0 | 70,404 |
| Right of use assets | 62,796 | 70,730 | 1,026 | (13,488) | 121,064 |
| Other Non-current Assets | 41,869 | 7,200 | 91,956 | (91,489) | 49,535 |
| **Total non-current assets** | **151,581** | **101,224** | **93,176** | **(104,977)** | **241,003** |
| Assets classified as held for sale | 228,889 | 0 | 0 | (220) | 228,669 |
| **Total Assets** | **476,873** | **210,176** | **97,838** | **(109,924)** | **674,962** |
| Non - current loans | 89,551 | 123 | 77 | 0 | 89,751 |
| Lease liabilities | 54,110 | 63,197 | 781 | (13,653) | 104,435 |
| Other Non-current Liabilities | 6,408 | 1,130 | 937 | 0 | 8,475 |
| **Total non current Liabilities** | **150,068** | **64,450** | **1,795** | **(13,653)** | **202,660** |
| Liability arising from assets held for sale | 36,546 | 0 | 0 | 0 | 36,546 |
| **Total liabilities** | **313,787** | **197,838** | **4,589** | **(18,284)** | **497,931** |

| | Retail Home Furnishings | Retail Sporting Goods | Fourlis Holdings SA | Elim - Cons Entries | Fourlis Group |
|---|---|---|---|---|---|
| | 31/12/2020 | 31/12/2020 | 31/12/2020 | 31/12/2020 | 31/12/2020 |
| Property plant and equipment | 35,003 | 21,669 | 218 | 0 | 56,890 |
| Right of use assets | 57,716 | 64,935 | 1,250 | (584) | 123,317 |
| Other Non-current Assets | 40,955 | 8,021 | 91,614 | (91,132) | 49,457 |
| **Total non-current assets** | **133,674** | **94,625** | **93,082** | **(91,716)** | **229,664** |
| Assets classified as held for sale | 182,505 | 0 | 0 | (220) | 182,285 |
| **Total Assets** | **446,384** | **199,019** | **105,178** | **(113,228)** | **637,353** |
| Non - current loans | 71,006 | 65,273 | 77 | 0 | 136,356 |
| Lease liabilities | 53,570 | 57,651 | 1,016 | (609) | 111,628 |
| Other Non-current Liabilities | 5,568 | 1,396 | 891 | 0 | 7,855 |
| **Total non current Liabilities** | **130,144** | **124,320** | **1,984** | **(609)** | **255,839** |
| Liability arising from assets held for sale | 20,655 | 0 | 0 | 0 | 20,655 |
| **Total liabilities** | **289,818** | **186,872** | **13,801** | **(21,899)** | **468,591** |

It is noted that the consolidation entries column includes transactions between the parent company and operating segments of the Group.

## 6. Analysis of expenses and other operating income

(a) The expenses are presented in the financial statements as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Distribution expenses | 121,338 | 103,604 | 0 | 0 |
| Administrative expenses | 24,789 | 21,087 | 3,242 | 2,982 |
| Depreciation/Amortisation (Distribution) | 28,315 | 27,362 | 0 | 0 |
| Depreciation/Amortisation (Administration) | 794 | 5,933 | 434 | 407 |
| Expenses embedded on cost of sales | 4,970 | 4,282 | 4,456 | 4,051 |
| Depreciation/Amortisation on cost of sales | 209 | 186 | 0 | 0 |
| Other operating expenses | 1,045 | 1,667 | 7 | 10 |
| **Total** | **181,460** | **164,121** | **8,139** | **7,450** |

The main categories of expenses are analyzed below:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Payroll Expenses | 69,767 | 63,030 | 5,386 | 4,885 |
| Third party services | 45,633 | 37,171 | 727 | 867 |
| Taxes-duties | 2,212 | 1,886 | 2 | 16 |
| Depreciation/Amortisation | 29,318 | 33,481 | 434 | 407 |
| Other operating expenses | 31,056 | 25,493 | 1,591 | 1,276 |
| Credit Card fees | 3,474 | 3,061 | 0 | 0 |
| **Total** | **181,460** | **164,121** | **8,139** | **7,450** |

The amounts of the last period 3,061 thousand have been adjusted to become similar and comparable with the corresponding amounts of credit card expenses that were transferred from Total Finance Cost to Distribution expenses on 1/1/2020. Furthurmore rent expenses are presented separately.

The main categories of operating expenses are analyzed below:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Payroll Expenses | 66,710 | 60,030 | 1,096 | 990 |
| Third party services | 18,060 | 17,088 | 263 | 504 |
| Third party expenses | 21,177 | 18,821 | 394 | 326 |
| Taxes-duties | 2,212 | 1,886 | 2 | 16 |
| Other expenses & Depreciation | 67,077 | 60,162 | 1,921 | 1,553 |
| **Total** | **175,236** | **157,987** | **3,676** | **3,389** |

Due to the Covid-19 pandemic and the consequent restrictions imposed on the countries in which the Group operates (suspension of physical stores) during the year 2021 expense lines such as payroll expenses, third party services and other expenses were significantly affected.

For the year ended 31/12/2021, the other expenses of the Company include Auditors fees amounting to Euro 5 thousand relating to services beyond financial statements audit (excluding services of regular control and issuance of tax certificate, which amount to EUR 41 thousand). Therefore, the percentage of non-audit services in relation to the audit services provided by the statutory auditor is 12%.

Payroll expenses are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **1/1 - 31/12/2021** | **1/1 - 31/12/2020** | **1/1 - 31/12/2021** | **1/1 - 31/12/2020** |
| Salaries and wages | 56,132 | 48,500 | 4,026 | 3,371 |
| Social security contributions | 9,547 | 9,666 | 729 | 766 |
| Miscellaneous grants | 4,088 | 4,864 | 630 | 748 |
| **Total** | **69,767** | **63,030** | **5,386** | **4,885** |

(b) Other operating income is analysed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **1/1 - 31/12/2021** | **1/1 - 31/12/2020** | **1/1 - 31/12/2021** | **1/1 - 31/12/2020** |
| Revenue from prior year and non-use of provisions | 471 | 423 | 40 | 39 |
| Fixed Assets Gain | 5 | 39 | 0 | 0 |
| Other income | 14,982 | 12,706 | 1,600 | 1,356 |
| **Total** | **15,458** | **13,168** | **1,640** | **1,395** |

The other income of the year 2021 includes an amount of € 2,235 thousand (2020: 2,723 thousand) which mainly concern income from orders delivery charges, rents receivable and expenses of Group's subsidiaries, customer services € 4,454 thousand (2020: 2,449 thousand) and photovoltaic income amounting to € 332 thousand (2020: 344 thousand). Also included co-advertising revenues of € 0 million (2020: 1.5 million) of the Group's subsidiary and revenues from lease discounts and VAT refunds due to COVID-19 amounting to € 6,318 thousand (2020: 2,949 thousand).

In addition, the Company's other income of the year 2021 includes € 1,285 thousand (2020: € 1,035 thousand) due to income from invoicing software to subsidiaries, income from subleasing property and occupancy expenses to subsidiaries € 192 thousand (2020: € 191 thousand) and income from invoicing travels € 10 thousand (2020: € 19 thousand) under the context of provision of administrative services.

(c) Net Financial Results are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Interest - expenses | (6,880) | (7,296) | 0 | 0 |
| Foreign exchange differences (expense) -realized- | (1,480) | (1,445) | (0) | 0 |
| Interest of lease liabilities | (5,758) | (5,442) | (51) | (56) |
| Other financial expenses | (1,231) | (1,248) | (3) | (3) |
| **Total finance cost** | **(15,349)** | **(15,432)** | **(54)** | **(59)** |
| Interest and related income | 24 | 110 | 0 | 0 |
| Foreign exchange differences (income) -realized- | 933 | 506 | 0 | 0 |
| Other financial income | 0 | 45 | 0 | 0 |
| **Total finance income** | **957** | **662** | **0** | **0** |

The amount of year 2020 in the line Credit card expenses amounting to 3,061 thousand for the Group has been reclassified to operating expenses (paragraph a).

The amount of the year 2020 in the line credit card expenses amounting to euro 1,204 thousand for the Group has been reclassified to the Other financial expenses and related to commissions and other bank expenses.

The differentiation in the foreign exchange differences line is due to the activity of the subsidiary in Turkey.

(d) Consolidated financial statements include, through equity method, the associated companies VYNER LTD and SW SOFIA MALL ENTERPRISES LTD, MANTENKO SA, POLIKENCO SA, SEVAS TEN SA.

## 7. Property, plant and equipment

Property, plant and equipment for the Group are analyzed as follows:

**Group**

| | Buildings and installations | Machinery /Installations | Vehicles | Furniture | Assets under construction | Total |
|---|---|---|---|---|---|---|
| Net book value at 31.12.2020 | 33,793 | 4,005 | 870 | 14,613 | 3,609 | 56,890 |
| **1.1 - 31.12.2021** | | | | | | |
| Additions | 6,668 | 727 | 236 | 5,051 | 11,539 | 24,221 |
| Other changes in acquisition cost | (1,251) | (305) | (25) | (1,608) | (374) | (3,563) |
| Depreciation/ amortization | (5,035) | (904) | (190) | (3,926) | 0 | (10,056) |
| Other changes in depreciation | 1,187 | 298 | 23 | 1,404 | 0 | 2,912 |
| **Acquisition cost at 31.12.2021** | **88,631** | **12,441** | **5,712** | **63,333** | **14,775** | **184,892** |
| **Accumulated depreciation at 31.12.2021** | **(53,270)** | **(8,619)** | **(4,799)** | **(47,800)** | **0** | **(114,488)** |
| **Net book value at 31.12.2021** | **35,362** | **3,822** | **913** | **15,533** | **14,775** | **70,404** |

| | Group | | | | | | |
|---|---|---|---|---|---|---|---|
| | Land | Buildings and installations | Machinery /Installations | Vehicles | Furniture | Assets under construction | Total |
| Net book value at 31.12.2019 | 36 | 35,420 | 4,484 | 949 | 13,168 | 3,324 | 57,380 |
| **1.1 - 31.12.2020** | | | | | | | |
| Additions | 0 | 4,510 | 445 | 113 | 5,394 | 297 | 10,759 |
| Other changes in acquisition cost | (36) | (20,053) | (64) | (5) | (1,305) | (11) | (21,474) |
| Depreciation/ amortization | 0 | (5,407) | (917) | (192) | (3,729) | 0 | (10,246) |
| Other changes in depreciation | 0 | 19,324 | 58 | 5 | 1,086 | 0 | 20,471 |
| **Acquisition cost at 31.12.2020** | **0** | **83,214** | **12,019** | **5,501** | **59,890** | **3,609** | **164,233** |
| **Accumulated depreciation at 31.12.2020** | **0** | **(49,421)** | **(8,014)** | **(4,631)** | **(45,277)** | **0** | **(107,343)** |
| **Net book value at 31.12.2020** | **0** | **33,793** | **4,005** | **870** | **14,613** | **3,609** | **56,890** |

Additions in the Property, Plant and Equipment for the period refer to construction and purchase of equipment for retail stores (new and existing) regarding segments of home furniture and household goods and sporting goods. As well as the column Assets under construction refers to a subsidiary of the Group.

In home furniture and household goods segment, on 17/12/2021 one (1) new store IKEA Shop started operating in the shopping center (THE MALL) in Maroussi and on 8/9/2021 one (1) new store started operating IKEA shop in Sofia at (Mall of Sofia).

In sporting goods segment, on 16/6/2021 one (1) new INTERSPORT Store in Thessaloniki, Mega Outlet, started operating. Also, one (1) new Store was added in Cyprus, Larnaca (16/9/2021) and a new store in Bulgaria in Sofia, Sofia Mall (8/9/2021). On 12/6/2021 one (1) new TAF store started operating in Peristeri, Attica, while on 31/7/2021 the TAF store in Kifissia stopped operating. In Turkey, five (5) Ank Stores ceased to operate. Gordion (14/3/2021), Ant. Erasta (31/3/2021), Sanko Park (14/4/2021), Ist. Optimum (26/5/2021), and Ant. Terracity (31/5/2021).

Most considerable additions in property, plant and equipment in the year 2021 refer to:

a) property, plant and buildings installations of amount € 4 million for IKEA Stores and € 2,5 million for INTERSPORT & TAF Stores.

b) machinery – installations, furniture and miscellaneous equipment of amount € 3,1 million for IKEA Stores and € 2,7 million for INTERSPORT & TAF Stores.

Other changes in acquisition cost include foreign exchange differences on foreign subsidiaries assets arising from foreign exchange difference resulting from the conversion of the exchange rates of amount € 1,272 th., write-offs of amount € 1,895 th., reclassification of amounts amount € 306 th. and sales of fixed assets € 89 thousand. Moreover, the other changes in depreciation include foreign exchange differences on foreign subsidiaries assets arising from foreign exchange difference resulting from the conversion of the exchange rates of amount € 966 thousand, write-offs amounting to € 1,873 thousand and sales of fixed assets amounting to € 73 thousand.

Depreciation/Amortization of Property, Plant and Equipment for the year 2021 amounted to € 10,056 thousand (2020: € 10,246 th.). Total depreciation/amortization of property, plant and equipment and intangible assets of amount € 12,082 th. (2020: € 11,613 th.) which are registered in cost of sales by € 209 th. (2020: € 186 th.), in distribution expenses by € 9,787 th. (2020: € 9,914 th.) and in administrative expenses by € 2,087 th. (2020: € 513 th.).

On 31/12/2021, the Group examined the value of property, plant and equipment of its stores (Cash Generating Units) and an impairment test was implemented and no impairment loss occurred.

Net book value of property, plant and equipment regarding IKEA, INTERSPORT & TAF stores amounts to 55,233 thousand euros (2020 amount of 52,952 thousand euros).

For the Company property, plant and equipment for the years 2021 and 2020 are the following:

| | Company | | | |
|---|---|---|---|---|
| | **Buildings and installations** | **Furniture** | **Assets under construction** | **Total** |
| Net book value at 31.12.2020 | 90 | 128 | 0 | 218 |
| **1.1 - 31.12.2021** | | | | |
| Additions | 1 | 36 | 0 | 37 |
| Depreciation/ amortization | (20) | (41) | 0 | (62) |
| **Acquisition cost at 31.12.2021** | **314** | **413** | **0** | **727** |
| **Accumulated depreciation at 31.12.2021** | **(243)** | **(290)** | **0** | **(533)** |
| **Net book value at 31.12.2021** | **71** | **123** | **0** | **194** |

| | Company | | | |
|---|---|---|---|---|
| | **Buildings and installations** | **Furniture** | **Assets under construction** | **Total** |
| **Net book value at 31.12.2019** | **100** | **99** | **5** | **204** |
| **1.1 - 31.12.2020** | | | | |
| Additions | 10 | 67 | 0 | 77 |
| Other changes in acquisition cost | 0 | (2) | (5) | (7) |
| Depreciation/ amortization | (19) | (38) | 0 | (58) |
| Other changes in depreciation | 0 | 2 | 0 | 2 |
| **Acquisition cost at 31.12.2020** | **313** | **376** | **0** | **689** |
| **Accumulated depreciation at 31.12.2020** | **(223)** | **(249)** | **0** | **(471)** |
| **Net book value at 31.12.2020** | **90** | **128** | **0** | **218** |

## 8. Right of use assets

Right of use assets of the Group for the years 2021 and 2020 are analysed as follows:

| | | Group | | |
|---|---|---|---|---|
| | Leasing Buildings | Leasing Machinery /Installations | Leasing Vehicles | Total |
| **Net book value at 31.12.2020** | **121,960** | **40** | **1,316** | **123,317** |
| **Other changes** | | | | |
| Additions | 16,385 | 0 | 364 | 16,749 |
| Other changes in acquisition cost | (2,960) | 0 | (129) | (3,089) |
| Depreciation/ amortization | (17,624) | (19) | (453) | (18,096) |
| Other changes in depreciation | 2,058 | 0 | 125 | 2,183 |
| **Acquisition cost at 31.12.2021** | **170,818** | **58** | **2,252** | **173,128** |
| **Accumulated depreciation at 31.12.2021** | **(50,998)** | **(37)** | **(1,030)** | **(52,065)** |
| **Net book value at 31.12.2021** | **119,820** | **21** | **1,223** | **121,064** |

| | | | Group | |
|---|---|---|---|---|
| | Leasing Buildings | Leasing Machinery /Installations | Leasing Vehicles | Total |
| **Initial Recognition 1.1.2019** | **112,794** | **24** | **1,084** | **113,902** |
| **Other changes** | | | | |
| Additions | 33,609 | 29 | 701 | 34,339 |
| Other changes in acquisition cost | (5,923) | 0 | (189) | (6,111) |
| Depreciation/ amortization | (19,185) | (13) | (442) | (19,640) |
| Other changes in depreciation | 666 | 0 | 162 | 827 |
| **Acquisition cost at 31.12.2020** | **157,393** | **58** | **2,018** | **159,469** |
| **Accumulated depreciation at 31.12.2020** | **(35,433)** | **(18)** | **(702)** | **(36,152)** |
| **Net book value at 31.12.2020** | **121,960** | **40** | **1,316** | **123,317** |

Additions of right to use assets of the period relate to new lease agreements for retail stores of the home furniture and households goods and sporting goods segments.

In particular, in the home furniture and households goods segment, on 17/12/2021 opened one (1) new IKEA Shop in the mall (THE MALL) in Maroussi and on 8/9/2021 opened one (1) new IKEA shop in Sofia at (Mall of Sofia).

In the sporting goods segment, on 16/6/2021, one (1) new INTERSPORT Store in Thessaloniki, Mega Outlet, started operating. Also, one (1) new Store was added in Cyprus, Larnaca (16/9/2021) and a new store in Bulgaria in Sofia, Sofia Mall (8/9/2021). On 12/6/2021, one (1) new TAF store started operating in Peristeri, Attica.

On 31/12/2021, the Group examined the value of right to use assets of its stores (Cash Generating Units) and an impairment test was implemented. No impairment loss occurred.

Right of use assets of the Company for the years 2021 and 2020 are analysed as follows:

| | Company | | |
|---|---|---|---|
| | **Leasing Buildings** | **Leasing Vehicles** | **Total** |
| **Net book value at 31.12.2020** | **1,037** | **212** | **1,250** |
| Other changes | | | |
| Additions | 0 | 77 | 77 |
| Depreciation/ amortization | (235) | (65) | (300) |
| **Acquisition cost at 31.12.2021** | **1,507** | **347** | **1,855** |
| **Accumulated depreciation at 31.12.2021** | **(705)** | **(124)** | **(828)** |
| **Net book value at 31.12.2021** | **802** | **224** | **1,026** |

| | Company | | |
|---|---|---|---|
| | **Leasing Buildings** | **Leasing Vehicles** | **Total** |
| **Initial Recognition 1.1.2019** | **1,272** | **143** | **1,416** |
| **Other changes** | | | |
| Additions | 0 | 144 | 144 |
| Other changes in acquisition cost | 0 | (70) | (70) |
| Depreciation/ amortization | (235) | (5) | (240) |
| **Acquisition cost at 31.12.2020** | **1,507** | **271** | **1,778** |
| **Accumulated depreciation at 31.12.2020** | **(470)** | **(58)** | **(528)** |
| **Net book value at 31.12.2020** | **1,037** | **212** | **1,250** |

## 9. Assets held for sale

The Group continues to exploit new investing opportunities regarding the establishment of a company "TRADE ESTATES R.E.I.C.", for its operation as a) a Real Estate Investment Company according to the provisions of L. 2778/1999 and b) an internally managed Alternative Investments Fund Manager ("AIFM") according to the provisions of L. 4209/2013. Under the same context, the actions of the Group for the establishment of companies operating in real estate management in Cyprus and Bulgaria (TRADE ESTATES CYPRUS LTD, H.M. ESTATES CYPRUS LTD, TRADE ESTATES BULGARIA EAD) and for the strategic plan of TRADE ESTATES R.E.I.C. which includes the finding of a business partner who will make a significant investment in the established company, with percentage that will arise at least and more than 50%. Therefore, on 31/12/2019 the Group classified its assets related to TRADE ESTATES R.E.I.C. of amount € 176.1 mil. as held for sale because on this date all criteria are met regarding their classification based on IFRS 5. Before classification time, as defined by provisions of IAS 36, an impairment test was made at these specific assets before their classification as assets held for sale and no impairment loss arised. At the date of their classification as held for sale and in accordance with the requirements of IFRS 5, depreciation on the specific assets was stopped. If they were not classified as held for sale, the net depreciation of these assets would be approximately € 3.4 million for the year 2021 and € 3.4 million respectively for the year 2020, which will decrease net profits of the corresponding periods.

The assets that have been classified for sale constitute a single cash generating unit (CGU) since all of them were contributed to TRADE ESTATES R.E.I.C. and the approval received from the Hellenic Capital Market Commission for operating license was implemented. These assets were measured at the lowest value between book value and fair value minus the sale expenses occurred.

Assets held for sale include:

- IKEA Store in Thessaloniki (Group owner-occupied),
- IKEA Store in Ioannina (mostly Group owner-occupied),
- IKEA Store in Nicosia, Cyprus (Group owner-occupied),
- IKEA Store in Sofia, Bulgaria (Group owner-occupied),
- Real Estate company RENTIS owner of the shopping center in Piraeus Street, Athens,
- Logistics center in Schimatari (Group owner-occupied),
- Logistics center in Inofyta (Group owner-occupied),
- Investment in the Real Estate company MANTENKO SA owner of a property in Heraklion, Creta
- Investment in the Real Estate company POLIKENCO SA owner of a property in Patras,
- Investment in the Real Estate company SEVAS TEN SA owner of a property in Spata,
- Investment in the subsidiary BERSENCO SA in Piraeus Street in Athens,
- Advances for the acquisition of the company KTIMATODOMI SA which was completed in February 2022.

On 31/12/2021 the Management confirmed the assumptions that had been used to ensure that these assets held for sales are measured at the lower of book value and fair value.

On 31/12/2021 the criteria for the classification of assets held for sale under IFRS 5 continue to be met, given that:

- the COVID 19 pandemic (unexpected event on 31/12/2019) created delays of about one and a half years in the negotiation procedures as well as in the necessary actions of transfer of the said properties to TRADE ESTATES R.E.I.C., with the result that its operation approval was made with 12 July 2021,
- net book value will be recovered primarily from the sale and not from their continued use,
- assets are available for immediate sale in their current condition,
- there is Management's commitment in progress that includes within 2022 a share capital increase through the Athens Stock Exchange as well as a private placement before the listing on the Athens Stock

Exchange, with the final result that the Group's shareholding drops to 50%. Management monitors and will continue to monitor the correct classification of the specific assets as held for sale in each reporting period.

Assets and liabilities which are included in category held for sale on 31/12/2021 and 31/12/2020 respectively are as follows:

| | Group | Assets |
|---|---|---|
| | **31/12/2021** | **31/12/2020** |
| Assets | 218,173 | 180,344 |
| Investments | 6,896 | 5,363 |
| Other Non-Current Recievable | 3,600 | 0 |
| Deferred Taxes | 0 | (3,422) |
| **Total non-current assets** | **228,669** | **182,285** |
| | | |
| Non - current loans | (11,100) | (13,800) |
| Lease Liabilities | (14,627) | 0 |
| Other non-current liabilities | (5,262) | (4,355) |
| **Total non current Liabilities** | **(30,989)** | **(18,155)** |
| | | |
| Current portion of non-current loans and borrowings | (2,700) | (2,500) |
| Short - Term portion of non-current lease | (357) | 0 |
| Short - Accounts payable and other current liabilities | (2,500) | 0 |
| **Total current Liabilities** | **(5,557)** | **(2,500)** |
| **Net Assets** | **192,123** | **161,630** |

Changes in the value of assets held for sale within the period 1/1 - 31/12/2021 include:

a) the indirect participation in the company SEVAS TEN SA amounting to € 1.7 million which was classified as an asset held for sale within the year 2021,

b) the property of the direct shareholding in the company BERSENCO REAL ESTATE DEVELOPMENT AND PROPERTY MANAGEMENT SA amounting to € 21.1 million which was classified as an asset held for sale within the year 2021. The amount of the purchase of the company BERSENCO SA amounts to € 18,4 million.

c) the long-term obligation to pay a price for the direct participation in the company BERSENCO REAL ESTATE DEVELOPMENT AND PROPERTY MANAGEMENT SA amounting to euro 1 million and the short-term obligation related to a property amounting to € 2.5 million.

d) the recognition of right of use of the IKEA Store in Nicosia of the amount of euro 14.9 million which was classified as an asset held for sale within the year 2021 and the lease liability of amount € 14.9 million related to the investment property and

e) the advances for the acquisition of the company KTIMATODOMI SA amounting to € 3.6 million, which was classified as an asset held for sale during the year 2021.

## 10. Intangible assets

Intangible assets are analyzed as follows:

| | Group | | | |
|---|---|---|---|---|
| | **Royalties** | **Software** | **Miscellaneous** | **Total** |
| Net book value at 31.12.2020 | 3,519 | 5,193 | 235 | 8,947 |
| **1.1 - 31.12.2021** | | | | |
| Additions | 0 | 3,330 | 0 | 3,330 |
| Other changes in acquisition cost | 0 | (283) | (419) | (702) |
| Depreciation/ amortization | (278) | (1,594) | (71) | (1,942) |
| Other changes in depreciation | 0 | 116 | 378 | 494 |
| **Acquisition cost at 31.12.2021** | **8,872** | **19,869** | **1,122** | **29,863** |
| **Accumulated depreciation at 31.12.2021** | **(5,631)** | **(13,107)** | **(999)** | **(19,737)** |
| **Net book value at 31.12.2021** | **3,241** | **6,762** | **123** | **10,126** |

| | Group | | | |
|---|---|---|---|---|
| | **Royalties** | **Software** | **Miscellaneous** | **Total** |
| Net book value at 31.12.2019 | 3,796 | 4,714 | 957 | 9,468 |
| **1.1 - 31.12.2020** | | | | |
| Additions | 0 | 1,987 | 0 | 1,987 |
| Other changes in acquisition cost | 0 | (178) | (379) | (557) |
| Depreciation/ amortization | (278) | (1,402) | (565) | (2,244) |
| Other changes in depreciation | 0 | 72 | 221 | 292 |
| **Acquisition cost at 31.12.2020** | **8,872** | **16,822** | **1,541** | **27,235** |
| **Accumulated depreciation at 31.12.2020** | **(5,353)** | **(11,629)** | **(1,306)** | **(18,289)** |
| **Net book value at 31.12.2020** | **3,519** | **5,193** | **235** | **8,947** |

Royalties include the use of brand names (IKEA). Other changes in acquisition cost as well as other depreciation changes regard foreign exchange differences. Additions in intangible assets are related to software licenses.

Depreciation of intangible assets of the Group for the year 2021, amounted to € 1,942 thousand (2020: € 2,244 thousand).

On 31/12/2021, the Group examined the value of intangible assets of its stores (Cash Generating Units), an impairment test was implemented and no impairment loss occurred.

Intangible assets for the Company for the year 2021 are as follows:

| | Company | | |
|---|---|---|---|
| | **Software** | **Miscellaneous** | **Total** |
| **Net book value at 31.12.2020** | **126** | **81** | **207** |
| **1.1 - 31.12.2021** | | | |
| Additions | 37 | 0 | 37 |
| Depreciation/ amortization | (53) | (19) | (72) |
| **Acquisition cost at 31.12.2021** | **661** | **129** | **790** |
| **Accumulated depreciation at 31.12.2021** | **(551)** | **(68)** | **(619)** |
| **Net book value at 31.12.2021** | **110** | **61** | **172** |

| | Company | | |
|---|---|---|---|
| | **Software** | **Miscellaneous** | **Total** |
| Net book value at 31.12.2019 | **125** | **100** | **225** |
| **1.1 - 31.12.2020** | | | |
| Additions | 41 | 0 | 41 |
| Depreciation/ amortization | (39) | (19) | (59) |
| **Acquisition cost at 31.12.2020** | **624** | **129** | **753** |
| **Accumulated depreciation at 31.12.2020** | **(498)** | **(48)** | **(546)** |
| **Net book value at 31.12.2020** | **126** | **81** | **207** |

## 11. Investments in subsidiaries and associates

Investments of the Company are analyzed as follows:

| | | COMPANY | | | |
|---|---|---|---|---|---|
| | **COUNTRY** | **% SHAREHOLDING 2021** | **31/12/2021** | **% SHAREHOLDING 2020** | **31/12/2020** |
| **SUBSIDIARIES** | | | | | |
| GENCO TRADE SRL | Romania | 1.57% | 367 | 1.57% | 367 |
| HOUSEMARKET SA | Greece | 100% | 61,956 | 100% | 61,956 |
| INTERSPORT ATHLETICS SA | Greece | 100% | 25,664 | 100% | 25,664 |
| **STOCK OPTION** | | | 3,503 | | 3,146 |
| **TOTAL** | | | **91,489** | | **91,132** |

Operation of each aforementioned company is analysed in the Report of the Board of Directors.

On 31/12/2021 there were no indications for the conduction of impairment test for subsidiaries, as subsidiaries had operating profits.

Associated companies VYNER LTD and SW SOFIA MALL ENTERPRISES LTD are included in the consolidated financial statements of the Group through the application of equity method, the amount of which in "investment in subsidiaries and associates" of the Group on 31/12/2021 was € 27,200 th. (2020: € 27,465 th.). After applying the equity method, a loss of € 285 thousand (2020: loss € 2,767 thousand) was recognised in the consolidated income statement under "Contribution to associate companies profit and loss" with a corresponding decrease in the carrying value of investments in associates. Further differentiation of the investment value is due to an increase of the share capital of the associated company VYNER LTD by an amount of € 20 thousand.

The consolidated financial information of VYNER LTD is as follows:

| Company | Country of establishment | Total Assets | Total Liabilities | Income | Profit/ (Loss) | % Shareholding |
|---|---|---|---|---|---|---|
| 2021 | Cyprus | 150,009 | 91,117 | 9,945 | (562) | 50.00% |
| 2020 | Cyprus | 149,269 | 89,837 | 7,952 | (186) | 50.00% |

The consolidated financial information of SW SOFIA MALL ENTERPRISES LTD is as follows:

| Company | Country of establishment | Total Assets | Total Liabilities | Income | Profit/ (Loss) | % Shareholding |
|---|---|---|---|---|---|---|
| 2021 | Cyprus | 66 | 188 | 0 | (39) | 50.00% |
| 2020 | Cyprus | 2,789 | 206 | 198 | 193 | 50.00% |

In relation to the associated company SW SOFIA MALL ENTERPRISES LTD, we note that regarding IAS 28, if the investor's share in an associate's losses equals or exceeds the book value o the investment, the investor no longer recognizes his share in further losses. The proportion in equity of the company, at the end of the current year amounts to € 285 thousand and of the previous year amount of € 1,292 thousand.

Associated companies MANTENKO SA, POLIKENCO SA and SEVAS TEN SA are included in the consolidated financial statements of the Group through the application of equity method, the amount of which in "assets held for sale" of the Group on 31/12/2021 was € 6,896 th. (2020: € 5,363 th.).

The financial information of MANTENKO SA is as follows:

| Company | Country of establishment | Total Assets | Total Liabilities | Income | Profit/ (Loss) | % Shareholding |
|---|---|---|---|---|---|---|
| 2021 | Greece | 6,306 | 3 | 0 | (279) | 50.00% |
| 2020 | Greece | 6,587 | 9 | 0 | 0 | 50.00% |

The financial information of POLIKENCO SA is as follows:

| Company | Country of establishment | Total Assets | Total Liabilities | Income | Profit/ (Loss) | % Shareholding |
|---|---|---|---|---|---|---|
| 2021 | Greece | 4,052 | 0 | 0 | (63) | 50.00% |
| 2021 | Greece | 6,304 | 2,210 | 0 | 0 | 50.00% |

The financial information of SEVAS TEN SA is as follows:

| Company | Country of establishment | Total Assets | Total Liabilities | Income | Profit/ (Loss) | % Shareholding |
|---|---|---|---|---|---|---|
| 2021 | Greece | 3,510 | 72 | 0 | 156 | 50.00% |

## 12. Long Term Receivables

Long Term Receivables are analysed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Guarantees given to Property Lease Holders | 4,173 | 4,146 | 65 | 47 |
| Guarantees given to third party | 151 | 101 | 0 | 0 |
| Other Guarantees given | 31 | 27 | 0 | 0 |
| Other Long term claims | 434 | 3,047 | 0 | 0 |
| **Total** | **4,789** | **7,320** | **65** | **47** |

The amounts of the previous period have been adjusted to become similar and comparable with the corresponding amounts of the current period regarding the advances for investments in the supply chain of the Group that from the other current assets have been transferred to the long-term receivables.

Guarantees for property lease are directly related to the operation of the Group's companies as they relate to trading property. Also, guarantees have been given for public services and organizations.

## 13. Inventory

Inventory is analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Inventory | 79,611 | 91,148 | 0 | 0 |
| Advances for purchases of merchandise | (417) | (166) | 0 | 0 |
| **Total** | **79,194** | **90,982** | **0** | **0** |

From the total inventory amounting to € 79,194 thousand in 2021, the inventory in the retail trading of home furniture and households goods segment is of amount € 31,346 thousand and in the retail trading of sporting goods segment is of amount € 47,848 thousand. The inventory cost of the Group which was recorded as an expense under cost of goods sold amounts to € 246,891 thousand (2020: € 213,074 thousand). The inventory value that was written off within the financial year was € 1,670 thousand (2020: € 918 thousand). Within the current period impairment provisions of amount € 1,027 thousand (2020: € 1,437 thousand) were made for unmoved, slow moving and obsolete inventory that will be written off within the next year. The total provision for inventory on 31/12/2021 for the Group amounts to € 3,660 th. (31/12/2020: € 3,464 th.).

## 14. Trade receivables

Trade receivables are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2021** | **31/12/2020** | **31/12/2021** | **31/12/2020** |
| Trade receivables | 11,600 | 11,643 | 694 | 1,120 |
| Cheques receivables | 18 | 18 | 0 | 0 |
| Bad Debt Provisions | (7,735) | (7,627) | 0 | 0 |
| **Total** | **3,882** | **4,034** | **694** | **1,120** |

The above balance is formed by numerous customers and there is not a single customer with a significant balance in the Group.

As at December 31, 2021 and 2020 the ageing of trade receivables is analyzed as follows:

| | **Total** | **Not due trade receivables** | **Overdue trade receivables** |
|---|---|---|---|
| **31/12/2021** | **3,882** | 2,570 | 1,312 |
| **31/12/2020** | **4,034** | 2,633 | 1,401 |

Not due receivables not impaired include amounts resulting from goods sale and other receivables of amount € 1,424 th. (2020: € 1,671 th.), leasing and occupancy invoicing € 70 th. (2021: € 501 th.), from e-shop sales € 273 th. (2020: € 282 th.), electricity invoicing to Renewable Energy Sources and Guarantees of Origin (DAPEEP SA) € 12 th. (2020: € 73 th.), from provision of administrative services to associated company € 91 th. (2020: € 106 th.).

For the Company, total receivables which amount to € 694 th. (2020: 1,120 th.) is not due and is related to shared business services.

## 15. Other receivables

Other receivables are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Debited VAT | 1,874 | 145 | 0 | 0 |
| Credit Cards receivable | 6,243 | 3,043 | 0 | 0 |
| Accruals | 2,946 | 3,471 | 235 | 112 |
| Suppliers advances | 969 | 596 | 0 | 0 |
| Other debtors | 6,402 | 4,808 | 3,485 | 10,310 |
| **Total** | **18,435** | **12,064** | **3,719** | **10,423** |

The amounts of the previous period have been adjusted to become similar and comparable with the corresponding items of the current period regarding the advances for investments in the supply chain company of the Group that from the other current assets have been transferred to the long-term receivables.

On 31/12/2021, other debtors include the amount of € 204 th. for credit cards discounting program of a subsidiary through factoring (2020: € 245 th.), € 1,059 th. for municipal taxes receivables (2020: € 1,209 th.), € 8 th. for pledged deposit accounts (2020: € 22 th.) and € 250 th. for purchases in transit (2020: € 525 th.). For the Company for the year 2021, other debtors include receivables from subsidiary regarding dividend of amount € 3,200 th. (2020: 10,200 th.).

The difference in VAT receivable is due to Group's subsidiary investment program VAT.

## 16. Cash

Cash represents the Group's and the Company's cash in hand as well as bank deposits available on demand and is analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Cash in hand | 2,016 | 1,845 | 4 | 2 |
| Bank Deposits | 101,439 | 113,595 | 240 | 548 |
| **Total** | **103,455** | **115,440** | **244** | **550** |

The decrease in cash is due to the investment program. The temporary unallocated amounts of the Group's companies are invested in short-term deposits in euro. The average weighted deposit interest rate for the year 2020 is 0.10% (2020: 0.10%).

## 17. Share Capital

On 31/12/2021 the share capital amounted to € 52,131,944.00 divided into 52,131,944 shares of nominal value € 1.00 per share (Note 1). On 31/12/2020 the share capital amounted to € 52,092,001.00 divided into 52,092,001 shares of nominal value € 1.00 per share.

Evolution and coverage of share capital of the Company for the year 2021 are analyzed as follows:

| Date of General Assembly | Government Gazette No. | Amount of increase | | Amount of decrease | New shares total | Shares total | Share Capital after the increase/decrease | Nominal value per share |
|---|---|---|---|---|---|---|---|---|
| | | Cash Payments | By capitalization of reserves-goodwill assets-Difference of share premium account | By decreae of nominal value of the share and capital return with cash payment to shareholders | | | | |
| 21/12/2020 | 2448494/13.01.21 | - | 9.880.942,59 | - | - | 52.004.961 | 52.004.961,00 | 1 |
| 28/12/2020 | 2450940/15.01.21 | 87.040,00 | - | - | 87.040 | 52.092.001 | 52.092.001,00 | 1 |
| 20/12/2021 | 2773271/11.01.22 | 39.943,00 | - | - | 39.943 | 52.131.944 | 52.131.944,00 | 1 |
| | | | | | **Total** | **52.131.944** | **52.131.944,00** | **1** |

## 18. Reserves

The reserves are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2021** | **31/12/2020** | **31/12/2021** | **31/12/2020** |
| Statutory Reserves | 20,116 | 20,048 | 6,686 | 6,686 |
| Revaluation Reserves | 722 | 722 | 0 | 0 |
| Foreign exchange diff. from Statement of Financial Position transl. reserves | (10,966) | (10,341) | 0 | 0 |
| Extraordinary /Taxfree Reserves | 16,306 | 16,306 | 6,970 | 6,970 |
| Purchase of own shares | (5,259) | (2,139) | (5,259) | (2,139) |
| SOP Reserve | 3,508 | 3,044 | 3,642 | 3,177 |
| IRS Reserve | (118) | (256) | 0 | 0 |
| **Total** | **24,311** | **27,384** | **12,039** | **14,694** |

*Statutory Reserves:* In accordance with the provisions of Greek company law, the creation of a statutory reserve, through the transfer of the 5% of the annual after tax profits, is mandatory up until the reserve reaches 1/3 of the share capital. The statutory reserve is only distributable upon dissolution of the Company, it may however be used to set - off accumulated losses.

*Extraordinary / Tax-free Reserves:* The Group has Extraordinary/Tax-free Reserves of amount € 16,306 thousand (2020: € 16,306 thousand), which was mainly derived from disposal of shares listed in Athens Stock Exchange, dividends, interests and income from bad debt provision of L. 3296/04. In case of distribution or capitalisation, the reserves will be taxed with the official tax rate declared by article 71B of L.4172/2013 (Note 26).

*Foreign Exchange Differences from subsidiaries accounts conversion:* This reserve is comprised from the foreign exchange differences arising from the retranslation of the financial statements of Subsidiaries which have a different functional currency from the parent company.

*Cash Flow Hedging reserve:* The hedging reserve comprises of the effective portion of the cumulative net change in the fair value of cash flow hedging instruments (IRS) (Note 22).

*SOP Reserves:* This reserve is created with the General Assembly approval of the SOP for employees of the Company and Group. After the exercise of the options or waive of beneficiaries, the remaining amount of the reserve can be transferred to Retained Earnings.

*Revaluation Reserves:* This reserve is created from revaluation on land and buildings. According to Greek Law, revaluation reserves cannot be distributed to shareholders.

*Share Buy Back:* For Share Buy Back see see Note 28.

## 19. Dividends

The Shareholders Ordinary General Assembly held on 18/6/2021 did not propose a dividend distribution for the year 2020. The parent company registered in its income dividend from subsidiary of amount € 6.5 million during the year 2021. At the Shareholders Ordinary General Assembly of the year 2021 which is scheduled to take place on 17/6/2022, the distribution of a dividend of 0.11 euros per share will be proposed.

## 20. Employee retirement benefits

### 20.1 Liabilities due to termination of service

The obligation of employee compensation due to termination of service (Law 2112/20, 4093/12 for Greek Companies, Bulgarian Labor Law for Bulgarian Companies and Labor Law 1475 for Turkish Company) appears in the Financial Statements in compliance with IAS 19 and is based on an actuarial study elaborated by AON Hewitt on December 31st,2021. In May 2021, the International Accounting Standards Board (IASB) accepted IAS 19 Interpretation of Employees' Benefits by the International Financial Reporting Interpretations Committee (IASB) concerning the Attributing Benefit to Periods of Service. This interpretation did not have a significant impact on our financial statements given that the Group applies Article 8 para of Law 3198 / 1955. As a result, the Group is obliged to pay 50% of the legal compensation to those who voluntarily leave work after completed 15 years of working experience (see Note 2.3).

Basic assumptions of the actuarial study for Greece are the following:

| Greek Companies | 2021 | 2020 |
|---|---|---|
| Average annual payroll increase | 1.00% | 1.00% |
| Discount interest rate | 1.03% | 0.53% |
| Inflation | 1.00% | 1.00% |
| Plan duration (years) | 15.1 | 16.69 |

In case of an average annual payroll increase by 0.50% (namely 1.50%), the amount of liabilities due to termination of service of Greek companies would increase from 6.77% to 11.04%. In case of a discount rate increase by 0.50%, the amount of liabilities due to termination of service of Greek companies would decrease from 6.19% to 9.83%.

| Bulgarian Companies | 2021 | 2020 |
|---|---|---|
| Average annual payroll increase | 3.60% | 2.50% |
| Discount interest rate | 1.30% | 0.29% |
| Inflation | 2.10% | 1.00% |
| Plan duration (years) | 21-26 | 15-22 |

In case of an average annual payroll increase by 0.50% (namely 4.10%), the amount of liabilities due to termination of service of Bulgarian companies would increase from 10.32% to 13.35%. In case of a discount rate increase by 0.50% (namely 1.80%), the amount of liabilities due to termination of service of Bulgarian companies would decrease from 9.4% to 11.94%.

| Turkish Company | 2021 | 2020 |
|---|---|---|
| Average annual payroll increase | 25.50% | 11.67% |
| Discount interest rate | 23.20% | 12.43% |
| Inflation | 23.50% | 9.67% |
| Plan duration (years) | 25 | 24 |

In case of an inflation increase by 0.50% (namely 24%), the amount of liabilities due to termination of service would increase by 10% for INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. In case of a discount rate increase by 0.50% (namely 12.93%), the amount of liabilities due to termination of service would decrease by 9.5% for INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. In the analysis of sensitivity of Turkey, a reference is made to the inflation rate and not to annual payroll increase because salaries in Turkey have reached the maximum salary (plafond) and an increase/decrease of inflation will affect the maximum salary.

The expense derived from the compensation to employees due to retirement, that was recorded in the Income Statement is analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **1/1 - 31/12/2021** | **1/1 - 31/12/2020** | **1/1 - 31/12/2021** | **1/1 - 31/12/2020** |
| Service Cost | 435 | 409 | 27 | 28 |
| Interest Cost | 43 | 66 | 5 | 7 |
| Cost reduction/settlement/termination service | (14) | 433 | 15 | 115 |
| **Total amount allocated in Income statement** | **464** | **907** | **46** | **151** |
| **Balance of liability at the beginning** | **7,214** | **5,896** | **868** | **653** |
| Compensation due to retirement | 464 | 907 | 46 | 151 |
| Paid amounts | (469) | (308) | (16) | (10) |
| Actuarial gains | 231 | 735 | 16 | 74 |
| Foreign exchange difference | (35) | (16) | 0 | 0 |
| **Balance of liability in the end** | **7,405** | **7,214** | **914** | **868** |

Amounts in Actuarial gains/losses regarding employee retirement defined benefits programs appear in Statement of Comprehensive Income.

### 20.2 Share based payments

The Ordinary General Assembly of the Company of June 16, 2017, under the context of Stock Option Plan, approved the disposal of 2,566,520 stock options and the authorization to the Board of Directors regarding the settlement of procedures and details. The program will be implemented in four waves, with a maturity period of five years per wave. Options should be exercised within five years since their maturity date. In case that, after the grant some of the options remain undisposed, those options will be cancelled. The underlying price of each wave is the closing stock price on the day of General Assembly's resolution regarding the approval of the program. On 20/11/2017, 19/11/2018, 19/11/2019 and 24/11/2020 the board of Directors granted 641,630 Stock Options for each series.

On 24/11/2020 the Board of Directors granted 641,630 Options, which constitute the fourth of the four series under concession. The offering price of the shares to which the granted options correspond is determined at the amount of euros 5.5637 per share which is the closing price of the share (adjusted with the reduction of the share capital that took place after the day of the General Assembly).

The options of the wave mentioned above are granted within five years as follows:

| Vesting Date | No of Options |
|---|---|
| 31/12/2020 | 128,326 |
| 31/12/2021 | 128,326 |
| 31/12/2022 | 128,326 |
| 31/12/2023 | 128,326 |
| 31/12/2024 | 128,326 |

The fair value of options has been calculated based on the simulation of the Company's share price assuming that the price will develop to the "Binomial Pricing" model. Fair value per option and vesting date has been defined based on model 5 Bermudan option as follows:

| Vesting Date | Value per Option € |
|---|---|
| 31/12/2020 | 0.507 |
| 31/12/2021 | 0.601 |
| 31/12/2022 | 0.683 |
| 31/12/2023 | 0.755 |
| 31/12/2024 | 0.818 |

The variables upon which the data above were calculated are as follows:

| Variable | Value |
|---|---|
| Exercise Price | € 5.56 |
| Grant Date | 24/11/2020 |
| Stock Volatility | 38.8% |
| Dividend Yield | 2.111% |
| Attrition Rate | 0% |
| Risk Free Rate | 0.575% |

The Extraordinary General Assembly of the Company of July 22, 2021, in the framework of the Stock Options Program, approved the allocation of a maximum of 1,600,000 shares of one share, ie 3.07% of the number of shares on the ATHEX and the authorization to the Board of procedural issues and details. The underline price of the above shares is the nominal value of the share on the day of the Program decision of the General Meeting. The program will be implemented in one serie. The duration of the Program is until the year 2028, meaning that the options that will be granted to the beneficiaries of the Program with a grant date on 22/11/2021, can be exercised from 24/11/2024 to 15/12/2028.

| Variable | Value |
|---|---|
| Exercise Price | € 4.295 |
| Grant Date | 22/11/2021 |
| Stock Volatility | 27.11% |
| Dividend Yield | 2.101% |
| Attrition Rate | 0% |
| Risk Free Rate | 0% |

In the period 1 / 1-31 / 12/2021 beneficiaries resigned from the exercise of 5,042 rights (2020: 0) option which had been granted by the Board on 20/11/2017, beneficiaries of 8,538 rights (2020: 0) which had been granted from the Board of Directors on 19/11/2018, beneficiaries of 10,487 options (2020: 0) which had been granted by the Board of Directors of 19/11/2019 as well as beneficiaries of 12,132 options (2020: 0) which had been granted by the Board of Directors on 24/11/2020.

In the period 1/1 - 31/12/2021, an amount of euro 464,301 (2020: amount of euro 565,158) was recorded as an expense in the consolidated results.

### 20.3 Benefit contributions under the private insurance program

During the year 2021, the amount of defined benefit contributions under the private insurance program that was recorded as an expense by the parent Company totaled at € 331 thousand (2020: € 340 thousand) while the respective amount recorded as an expense by the Group amounted to € 794 thousand (2020: € 955 thousand).

## 21. Financial Instruments and Risk Management Policies

### 21.1 Credit Risk

***Exposure to Credit Risk***

The maximum exposure to credit risk at the date of the Statement of Financial Position, without taking into consideration any hedging or insurance strategies, was as follows:

| | Book Value | |
|---|---|---|
| | **31/12/2021** | **31/12/2020** |
| €000s | | |
| Trade receivables | 3,882 | 4,034 |
| Other Debtors | 10,318 | 11,217 |
| Credit Cards receivable | 6,243 | 3,043 |
| Cash & cash equivalent | 103,455 | 115,440 |
| **Total** | **123,898** | **133,734** |

The maximum exposure to credit risk on trade receivables of the Group without taking into consideration any hedging or insurance strategies at the date of the Statement of Financial Position, per geographic segment was as follows:

| | Book value | | | |
|---|---|---|---|---|
| | **Greece** | | **Southeastern Europe Countries** | |
| | **31/12/2021** | **31/12/2020** | **31/12/2021** | **31/12/2020** |
| €000s | | | | |
| Trade receivables | 3,289 | 3,646 | 593 | 388 |
| Other Debtors | 8,593 | 9,211 | 1,725 | 2,006 |
| Credit Cards receivable | 2,062 | 979 | 4,181 | 2,065 |
| Cash & cash equivalent | 72,128 | 89,096 | 31,327 | 26,344 |
| **Total** | **86,072** | **102,931** | **37,826** | **30,803** |

The maximum exposure to credit risk at the date of the Statement of Financial Position, per customer type was:

| | Book Value | |
|---|---|---|
| | **31/12/2021** | **31/12/2020** |
| €000s | | |
| Wholesale trade customers | 2,880 | 2,352 |
| Retail trade customers | 1,003 | 1,682 |

## 21.2 Liquidity Risk

Liquidity risk is retained at low levels by maintaining adequate bank credit lines and significant cash and cash equivalents which on 31/12/2021 amounted to € 103 million for the Group vs € 115 million on 31/12/2020 while during year 2021, the Group managed to maintain the improved credit terms from its main suppliers.

The contractual loan dues including interest payments, excluding the net - off agreements, are as per paragraph Borrowings, while for Accounts Payable and Other Liabilities have a contractual maturity of less than 12 months.

| | Immediate termination | 3 months | 3 to 12 months | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| **31/12/2021** | | | | | | |
| Credit lines | 10,000 | 30,500 | 3,198 | 0 | 0 | 43,698 |
| Short-term loans | 0 | 0 | 752 | 0 | 0 | 752 |
| Long-term loans | 7,422 | 4,460 | 92,764 | 80,997 | 8,958 | 194,600 |
| **Total** | **17,422** | **34,960** | **96,714** | **80,997** | **8,958** | **239,050** |
| **31/12/2020** | | | | | | |
| Credit lines | 3,300 | 0 | 6,627 | 0 | 0 | 9,927 |
| Short-term loans | 36 | 7 | 6,882 | 0 | 0 | 6,926 |
| Long-term loans | 0 | 1,851 | 52,005 | 150,156 | 0 | 204,012 |
| **Total** | **3,336** | **1,858** | **65,515** | **150,156** | **0** | **220,865** |

The table above includes the syndicated loan of the company TRADE ESTATES BULGARIA EAD of amount € 13,800 th. with issuing date 5/12/2019 and duration 5 years since the issuing date (€ 2,700 th. payable in forthcoming period) which was reclassified (Note 9).

## 21.3 Foreign Exchange Risk

***Foreign exchange risk exposure***

The Group is exposed to foreign exchange risk arising from its transactions in foreign currencies (RON, USD, TRY, SEK). The Group, in order to minimize the foreign exchange risk, in certain cases pre - purchases foreign currencies.

The Group has investments in companies overseas, the net assets of which are exposed to foreign exchange risk. This type of foreign exchange risk (translation risk) arises due to the operations in Romania (RON), Bulgaria (BGN) and Turkey (TRY). The Management has managed to reduce foreign exchange risk, given the strong capital structure of the companies and to decrease borrowings in currencies other than the local.

More particularly, approximately 90% of GENCO TRADE SRL loans, which is located in Romania, are in local currency (RON) in an effort to avoid the exchange difference charges resulting from RON devaluating vs. the Euro. In Bulgaria the local currency is pegged to the Euro (EUR/ BGN = 1.95583) a fact which can not guarantee that economic problems and consequences of the global crisis on Bulgaria, will not increase the risk that this conversion ratio will remain constant. In Turkey, the financing for commercial activity is in local currency, while for investments is in euro.

| | **(Trade creditors and other libilities) (Foreign currency in thousands euros)** | |
|---|---|---|
| | **31/12/2021** | **31/12/2020** |
| USD | (115) | 14 |
| GBP | 0 | 0 |
| CHF | 0 | 0 |
| SEK | 42 | (316) |
| RON | 3,271 | 2,771 |
| TRY | 19,248 | 22,826 |
| BGN | 0 | 0 |
| Euro | 13,923 | 33,209 |

### ***Sensitivity Analysis***

A Euro revaluation of 10% at December 31, vs the below currencies would increase (decrease) the Net Equity and the Operating Results as per the amounts indicated at the below summary. It is assumed that the other variables (Interest Rates) would remain constant. The analysis was performed in a similar manner for 2020.

| Impact in €000s | Net Equity | Operating Result |
|---|---|---|
| **Dec 31 , 2021** | | |
| USD | (11.5) | (11.5) |
| GBP | 0 | 0 |
| SEK | 4.2 | 4.2 |
| RON | 372.1 | 372.1 |
| TRY | 1,924.8 | 1,924.8 |
| **TOTAL** | **2,289.6** | **2,289.6** |
| **Dec 31 , 2020** | | |
| USD | 1.4 | 1.4 |
| GBP | 0 | 0 |
| SEK | (3.2) | (3.2) |
| TRY | 277.1 | 277.1 |
| RON | 2,282.6 | 2,282.6 |
| **TOTAL** | **2,557** | **2,557** |

A Euro devaluation of 10% at December 31 vs the aforementioned currencies would have an equal but opposite impact in comparison to the ones presented above, based on the assumption that all the other variables would remain constant.

The exchange rates of foreign currencies used for the conduction of the financial statements of the year 2021, are presented at the table below:

| **Financial Position** | **31/12/2021** |
|---|---|
| TRY - Turkish Lira | 15.2335 |
| BGN - Bulgarian Lev | 1.95583 |
| RON - Romanian New Leu | 4.949 |
| **Profit & Loss** | **1/1/2021 - 31/12/2021** |
| TRY - Turkish Lira | 10.512372093 |
| BGN - Bulgarian Lev | 1.95583 |
| RON - Romanian New Leu | 4.9214786822 |

### 21.4 Interest Rate Fluctuation Exposure

***Profile***

The Group is subject to cash flow risks which in the case of possible variable interest rates fluctuation, may affect positively or negatively the cash inflows or outflows related to the Group's assets or liabilities. Despite of the fact that we believe that in an environment of prolonged global slowdown, the risk of rising interest rates remains low, the group has entered into Interest Rate Swap (IRS) contracts effectively converting part of the loans from floating to fixed interest rate for a period of 3 to 5 years.

The profile of Group's loan liabilities at the date of the Statement of Financial Position is analysed in paragraph Borrowings.

***Sensitivity Analysis of fair value for financial instruments with a variable interest rate***

A 1% fluctuation of the Group's borrowing rate at December 31, would increase (decrease) equally the Net Equity and the Operating Results by € 2,390.34 thousand for the year 2021 and € 2,208.65 thousand for the year 2020.

***Sensitivity Analysis of fair value for financial instruments with a fixed interest rate***

No such Instruments (Assets/Liabilities) valued at fair value through income statement exist for the Company.

### 21.5 Fair value of financial instruments

There is not any difference between the fair value and the carrying amounts of the financial instruments of assets and liabilities (i.e. trade and other receivables, cash and cash equivalents, trade and other payables, derivative financial instruments, borrowings and finance leases). The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants at the valuation date. The fair values of the financial instruments as of 31 December 2021 represent management's best estimate In cases that there is not available data, or if data is limited in market activity, the fair value measurement reflects the Group's own judgments about the assumptions according to the available information.  Those judgments are developed by the Group based on the best information available in the circumstances.

The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Assets or liabilities prices that are not corroborated by market data.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents, trade and other receivables, trade and other payables accounts: the carrying amounts approximate their fair value either due to the short maturity of these instruments or because there is no foreign currency risk exposure.
- Borrowings: The carrying amount approximates their fair value mainly due to the fact that they bear interest at floating rates and are denominated in local currency.
- Derivative financial instruments: The valuation method was determined by taking into consideration all factors in order to determine precisely fair value, such as the current and the prospective interest rates trend and the duration and falls into level 2 of the fair value hierarchy.

Within the year, there were neither moving between levels 1 and 2 nor moving inside and outside level 3 during the measurement of fair value. Moreover, within the same year, there was no change in the purpose of any financial asset which would lead to a different classification of this asset.

### 21.6 Capital Management

The primary objective of the Group's capital management is to ensure and maintain strong credit ratings and healthy capital ratios in order to support the investment projects and maximizing the return of invested capital for the shareholders.

The Group monitors its capital management through the use of a gearing ratio - net debt divided by equity plus net debt - where net debt includes interest bearing loans and borrowings minus cash. The Group's strategic objective is to maintain the above ratio between 30% and 45%. On 31/12/2021 the ratio stood at 41% (2020: 35%).

## 22. Borrowings

Borrowings on 31/12/2021 and 31/12/2020 are analyzed as follows:

| | Group | |
|---|---|---|
| | **31/12/2021** | **31/12/2020** |
| **Non - current loans** | **180,600** | **187,712** |
| Current portion of non-current loans and borrowings | 90,849 | 51,356 |
| Non - current loans | 89,751 | 136,356 |
| Short term loans for working capital | 44,450 | 16,853 |
| **Total loans and borrowings** | **225,050** | **204,565** |

On 31/12/2021 the Company had non-current loan liabilities amounted € 77 th. (2020: € 77 th).

The repayment period of non - current loans varies between 1 to 7 years and the average weighted interest rate of the Group's non - current loans was 2.31 % during the period 1/1 – 31/12/2021 (1/1 – 31/12/2020: 2.76%). The average weighted interest rate of the Group's total loans was 3.61% during the period 1/1 – 31/12/2021 (1/1 – 31/12/2020: 2.83%). Repayments and proceeds of loans of the current period amounted to € 16,437 thousand (2020: € 102,475 thousand) and € 81,007 thousand (2020: € 176,547 thousand) respectively. Non - current loans, including their part which is payable within 12 months, cover mainly the Group's growth needs and are analyzed in bond, syndicated and other non - current loans as follows for 31/12/2021 and 31/12/2020 respectively:

| 31/12/2021 | | **Amount** | **Issuing Date** | **Duration** |
|---|---|---|---|---|
| FOURLIS HOLDINGS SA | Refundable down payment | 77 | 16/6/2020 | 5 years from the issuing date |
| | | **77** | | |
| H.M. HOUSEMARKET (CYPRUS) LTD | Bilateral | 7,038 | 23/4/2019 | 5.5 years from the issuing date (€2.168 th. payable forthcoming period) |
| | | **7,038** | | |
| TRADE LOGISTICS A.E.B.E. | Bond | 4,450 | 8/3/2017 | 5 years from the issuing date (€4,450 th. payable forthcoming period) |
| | Bond | 8,958 | 5/3/2021 | 7.5 years from the issuing date |
| | Refundable down payment | 113 | 16/6/2020 | 5 years from the issuing date |
| | | **13,521** | | |
| HOUSE MARKET BULGARIA EAD | Syndicated | 8,131 | 11/7/2016 | 9 years from the issuing date (€2,000 th. payable forthcoming period) |
| | | **8,131** | | |
| INTERSPORT A.E | Bond | 22,443 | 28/7/2017 | 5 years from the issuing date (€22,443th. payable forthcoming period) |
| | Bond | 14,987 | 23/7/2020 | 2 years from the issuing date (€14,987th. payable forthcoming period |
| | Bond | 20,061 | 17/7/2020 | 4 years from the issuing date (€4,134 th. payable forthcoming period) |
| | Bond | 9,932 | 21/12/2020 | 2 years from the issuing date (€9,932 th. payable forthcoming period) |
| | Refundable down payment | 123 | 31/07/2020 | 5 years from the issuing date |
| | | **67,546** | | |

| | | | | |
|---|---|---|---|---|
| HOUSEMARKET A.E. | Bond | 39,700 | 30/09/2021 | 3 years from the issuing date |
| | Bond | 20,061 | 17/7/2020 | 4 years from the issuing date (€6,135 th. payable forthcoming period) |
| | Bond | 19,592 | 31/7/2020 | 4 years from the issuing date (€3,842 th. payable forthcoming period) |
| | Bond | 4,934 | 24/9/2020 | 3 years from the issuing date |
| | | **84,287** | | |
| **Total** | | **180,600** | | |
| **31/12/2020** | | **Amount** | **Issuing Date** | **Duration** |
| FOURLIS HOLDINGS SA | Refundable down payment | 77 | 16/6/2020 | 5 years from the issuing date |
| | | **77** | | |
| H.M. HOUSEMARKET (CYPRUS) LTD | Bilateral | 9,385 | 23/4/2019 | 5.5 years from the issuing date (€2.168 th. payable forthcoming period) |
| | | **9,385** | | |
| TRADE LOGISTICS A.E.B.E. | Bond | 5,050 | 8/3/2017 | 5 years from the issuing date (€600 th. payable forthcoming period) |
| | Refundable down payment | 113 | 16/6/2020 | 5 years from the issuing date |
| | | **5,163** | | |
| HOUSE MARKET BULGARIA EAD | Syndicated | 10,084 | 11/7/2016 | 9 years from the issuing date (€1,947 th. payable forthcoming period) |
| | | **10,084** | | |
| INTERSPORT A.E | Bond | 24,380 | 28/7/2017 | 5 years from the issuing date (€1,935 th. payable forthcoming period) |
| | Bond | 14,964 | 23/7/2020 | 2 years from the issuing date |

| | | | | |
|---|---|---|---|---|
| | Bond | 19,828 | 17/7/2020 | 4 years from the issuing date (€1,951 th. payable forthcoming period) |
| | Bond | 9,864 | 21/12/2020 | 2 years from the issuing date |
| | Refundable down payment | 123 | 31/07/2020 | 5 years from the issuing date |
| | | **69,159** | | |
| HOUSEMARKET A.E. | Bond | 39,765 | 4/10/2016 | 5 years from the issuing date |
| | Bond | 9,923 | 26/2/2019 | 5 years from the issuing date (€991 th. payable forthcoming period) |
| | Bond | 19,828 | 17/7/2020 | 4 years from the issuing date (€2,000 th. payable forthcoming period) |
| | Bond | 19,432 | 31/7/2020 | 4 years from the issuing date (€0 th. payable forthcoming period) |
| | Bond | 4,896 | 24/9/2020 | 3 years from the issuing date |
| | | **93,844** | | |
| **Total** | | **187,712** | | |

Non–current loans include loans with a guarantee of 80% of their value from the Hellenic Development Bank with the financing of the Hellenic State and the European Union:

- Bond loan issued on 16/7/2020 by NATIONAL BANK for the subsidiary HOUSEMARKET SA of € 20 million with maturity on 30/6/2024.
- Bond loan issued on 30/7/2020 by EUROBANK for the subsidiary HOUSEMARKET SA of € 20 million with maturity on 31/7/2024.
- Bond loan issued on 24/9/2020 by PIRAEUS BANK for the subsidiary HOUSEMARKET SA of € 5 million with maturity on 24/9/2023.

As well as a Bond loan of euro 40 million maturing on 30/9/2024 issued by PIRAEUS on 22/9/2021 of the subsidiary HOUSEMARKET A.E.

Current portion of non-current loans and borrowings includes:

- The bond loan issued on 16/7/2020 by the NATIONAL BANK for the subsidiary INTERSPORT S.A of € 20 million with maturity on 30/6/2024.
- The bond loan issued on 16/7/2020 by the NATIONAL BANK for the subsidiary INTERSPORT S.A of € 15 million with maturity on 31/7/2022.
- The bond loan issued on 21/12/2020 by the ALPHA BANK for the subsidiary INTERSPORT S.A of € 10 million with maturity on 21/12/2022.
- Part of bond loan issued by the subsidiary HOUSEMARKET SA corresponding to an amount of € 6 million, with four-year maturity ending on 30/6/2024 with a total amount of € 20 million.
- Part of bond loan issued by the subsidiary HOUSEMARKET SA corresponding to an amount of € 4 million, with four-year maturity ending on 31/7/2024 with a total amount of € 20 million.

Short term loans of the Group include current loans and overdraft bank accounts which are used for the Group's working capital needs. During the current period, Interest Rate Swaps or IRSs continue to exist, in order to mitigate the risk of subsidiaries of a sudden increase in interest rates in the interbank market.

The terms of the swap agreements are as follows:

- 7year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for nominal amount of € 8.6 million, with a negative fair value for HOUSE MARKET BULGARIA EAD on 31/12/2021 of € 51 thousand (31/12/2020: € 111 thousand). The outcome of the valuation has been registered in the Statement of Comprehensive Income.

- 7year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for nominal amount of 12.6 million, with a negative fair value for TRADE ESTATES BULGARIA EAD on 31/12/2020 of € 81 thousand (31/12/2020: € 174 thousand). The outcome of the valuation has been registered in the Statement of Comprehensive Income.

Some of Group's loans include loan covenants. On 31/12/2021 the Group was either in compliance with its loan terms or had received waiver in their measurements. The Group as at 31/12/2021 was either in compliance with the terms of its loans or has received waiver in their measurement or has been classified as short-term loan liabilities.

The Group, having centralized its capital management, has the ability to directly identify, quantify, manage and hedge, if necessary, its financial risks created by its operational activities so as to be consistent to the changes in the economic environment. The Group continuously observes and budgets its cash flow and acts appropriately in order to ensure open credit lines for covering current capital needs. The Group has adequate open credit lines with domestic and foreign financial institutions in order to cover the needs of the companies in working capital. On 31/12/2021, the open balance of credit lines amounted to € 149 million (31/12/2020: € 136 million).

## 23. Leasing Liabilities

On 31/12/2021, leasing liabilities for the Group and Company are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Opening balance** | **(130,703)** | **(117,219)** | **(1,297)** | **(1,444)** |
| Additions | (17,225) | (34,339) | (77) | (144) |
| Other changes | 1,062 | 5,529 | 0 | 20 |
| Interest expense on lease liabilities | (5,533) | (5,445) | (51) | (56) |
| Repayment of leasing | 22,541 | 20,771 | 340 | 328 |
| **Total** | **(129,857)** | **(130,703)** | **(1,084)** | **(1,296)** |

Maturities of leasing liabilities are presented below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Up to 1 year | 25,422 | 19,075 | 303 | 280 |
| Between 1-5 years | 19,451 | 55,858 | 778 | 1,015 |
| More than 5 years | 84,983 | 55,770 | 3 | 2 |
| **Total** | **129,857** | **130,703** | **1,084** | **1,297** |

During the year 2021 the Group's subsidiaries have received a discount in leases (either by law or as a result of negotiations with lessors).

The lessors voluntarily or legally granted a reduction of the lease obligation without any other changes in the lease agreements. Taking into account the nature of the discount and that no change occurred in the lease agreements, the Group assessed that the criteria for partial write-off of the lease are met. The effect of the reduction of leases amounting to € 6 million was recognized in other operating income for the year ended 31/12/2021.

## 24. Other Non-Current Liabilities

Other Non-Current Liabilities are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Received Guarantees | 313 | 193 | 23 | 23 |
| Reserve for IRS | 51 | 111 | 0 | 0 |
| **Total** | **363** | **303** | **23** | **23** |

## 25. Trade and other payables

Trade and other payables are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2021** | **31/12/2020** | **31/12/2021** | **31/12/2020** |
| Trade payables | 62,591 | 69,672 | 338 | 203 |
| Accrued expenses | 12,749 | 7,755 | 751 | 189 |
| Dividends payable | 0 | 83 | 0 | 83 |
| Taxes liability | 10,073 | 14,884 | 383 | 779 |
| Customers advances | 3,710 | 3,867 | 803 | 0 |
| Insurance Organizations | 2,595 | 3,019 | 198 | 196 |
| Other payables | 4,736 | 5,261 | 18 | 10,087 |
| **Total** | **96,453** | **104,542** | **2,491** | **11,536** |

Increase in trade and other payables for the Group during the year 2021, is mainly due to the repayment of supplier liabilities based on agreed credit terms.

## 26. Income taxes

The nominal tax rates in the countries that the Group is operating vary between 10% and 24% for the year 2021, as follows:

| Country | Income Tax Rate (31/12/2021) | Income Tax Rate (31/12/2020) |
|---|---|---|
| Greece (*) | 22.0% | 24.0% |
| Romania | 16.0% | 16.0% |
| Bulgaria | 10.0% | 10.0% |
| Cyprus | 12.5% | 12.5% |
| Turkey | 25.0% | 22.0% |

On 1/1/2021 the tax rate for income in Greece changed from 24% to 22%.

On 1/4/2021 the tax rate for incomes in Turkey was changed from 20% to 25%.

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

| COMPANY | YEARS |
|---|---|
| FOURLIS HOLDINGS SA | 2016 – 2021 (*) |
| INTERSPORT ATHLETICS SA | 2016 – 2021(*) |
| GENCO TRADE SRL | 2007 – 2021 |
| GENCO BULGARIA EOOD | 2017 – 2021 |
| TRADE LOGISTICS SA | 2016 – 2021 (*) |
| HOUSEMARKET SA | 2016 – 2021 (*) |
| HM HOUSEMARKET (CYPRUS) LTD | 2016 – 2021 |
| HOUSE MARKET BULGARIA EAD | 2013 – 2021 |
| RENTIS SA | 2016 – 2021 (*) |
| INTERSPORT ATHLETICS (CYPRUS) LTD | 2012, 2014 – 2021 |
| WYLDES LTD | 2019 – 2021 |
| INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. | 2020-2021 |
| TRADE ESTATE R.E.I.C. | 2021 |
| TRADE ESTATE CYPRUS LTD | 2019-2021 |
| TRADE ESTATE BULGARIA EAD | 2019-2021 |
| H.M. ESTATES CYPRUS LTD | 2019-2021 |
| BERSENCO SA | 2021 |

Assosiate companies have not been audited by the tax authorities for the years noted below:

| COMPANY | YEARS |
|---|---|
| VYNER LTD | 2019-2021 |
| SW SOFIA MALL ENTERPRISES LTD | 2019-2021 |
| MANTENKO SA | 2019-2021 |
| POLIKENCO SA | 2020-2021 |
| SEVAS TEN SA | 2021 |

(*) For the fiscal years 2011, 2012 and 2013 all companies of the Group located in Greece, have been subjected to tax audit by Certified Audit Accountants in compliance with the provisions of Article 82 par. 5 of Law 2238/1994 and for the fiscal years 2014, 2015, 2016 and 2017 in compliance with the provisions of Article 65 a of Law 4174/2013. The companies received a Tax Compliance Certificate for fiscal years 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020 while tax audit for the fiscal year 2021 is in progress. Upon completion of the audit, the Management of the Company and Group does not expect any significant liabilities to occur, other than those recorded in the Financial Statements. The fiscal years until 2015 are closed in the tax authorities.

The investment tax that has come from the subsidiary TRADE ESTATES REIC and its subsidiaries in Greece is an amount of euro 93 thousand (2020: 0).

The income tax expense of the year 1/1 - 31/12/2021 compared to the period 1/1 - 31/12/2021 is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| **Income tax** | **(3,251)** | **(1,849)** | **0** | **0** |
| **Deferred Taxes:** | | | | |
| Differences of fixed assets | (699) | (857) | (0) | 0 |
| Provisions for employee benefits (IAS 19) | (18) | 132 | 7 | 34 |
| Effect of changes on tax rates | (331) | 0 | (19) | 0 |
| Differences from the application of IFRS 16 | 528 | 756 | 2 | 4 |
| Provisions | 3,491 | 242 | 9 | (7) |
| Deferred tax from tax loss recognition | (468) | 3,495 | 0 | 0 |
| **Total Deferred taxes** | **2,504** | **3,767** | **(1)** | **31** |
| **Income Tax Expense** | **(549)** | **2,327** | **(1)** | **31** |

* The amount in the line Provisions includes an amount of euro 3,498 that resulted from the contribution of assets of the subsidiaries HOUSE MARKET SA and TRADE LOGISTICS SA to TRADE ESTATE R.E.I.C..

The reconciliation between the nominal tax rate and the effective tax rate is analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| **Profit Before Taxes** | **12,079** | **(10,987)** | **4,412** | **5,116** |
| Income tax based on nominal tax rate | (2,657) | 2,637 | (971) | (1,228) |
| Tax rate differences between the group tax rate (Greek rate) and the corporate tax rate | 2,685 | 712 | 0 | 0 |
| Tax on tax free income | 119 | 0 | 1,430 | 1,680 |
| Tax on non deductible expenses | (877) | (2,116) | (459) | (452) |
| Income tax difference of previous year | (407) | (142) | 0 | 0 |
| Tax on tax losses | (94) | 1,036 | 0 | 0 |
| Tax differences for Real Estate | 883 | 0 | 0 | 0 |
| Miscellaneous timing differences | (200) | 200 | (1) | 31 |
| **Tax in statement of comprehensive income** | **(549)** | **2,327** | **(1)** | **31** |

Miscellaneous timing differences include the amount of € 331 th. (31/12/2020: € 0 th.) for the Group and € 19 th. (31/12/2020: € 0 th.) for the Company, regarding the effect of taxes due to change in tax rates.

Deferred taxes on 31/12/2021, which are presented in the Statement of Comprehensive Income and compose income due to valuation of cash flow hedging at the fair value amount to € 15 th. (31/12/2020: € 3 th.) and income due to defined benefits plans amount to € 26 th. (31/12/2020: € 168 th.) for the Group. Deferred taxes on 31/12/2021 which are presented in the Statement of Comprehensive Income due to defined benefits plans for the Company, amount to € 4 th. (31/12/2020: € 18 th.)

Deferred taxes as at 31 December 2021 and 31 December 2020 which appear in Financial Statements are analysed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| **Liabilities:** | | | | |
| Depreciation Difference | 713 | 439 | 0 | 0 |
| Employee retirement benefits (IAS 19) | 0 | (14) | 0 | 0 |
| Provision Expenses | (8) | (17) | 0 | 0 |
| Differences from the application of IFRS 16 | 0 | (70) | 0 | 0 |
| **Total** | **707** | **337** | **0** | **0** |
| | | | | |
| **Assets:** | | | | |
| Depreciation calc. difference | (1,369) | (1,568) | 7 | 8 |
| Employee retirement benefits (IAS 19) | 1,518 | 1,632 | 198 | 205 |
| Stock devaluation | 683 | 528 | 0 | 0 |
| Provisions | 322 | 92 | 13 | 4 |
| Provision for doubtful debts | 825 | 899 | 0 | 0 |
| Deferred income tax | 3,251 | 4,565 | 0 | 0 |
| Reclass of Revenue account | 207 | 588 | 0 | 0 |
| Differences from the application of IFRS 16 | 1,778 | 1,330 | 13 | 11 |
| **Total** | **7,214** | **8,067** | **230** | **227** |

Deferred income taxes result from temporary differences between assets and liabilities tax recognition and financial statements composition.

On 31/12/2021, the Group had accumulated carried forward tax losses in its subsidiaries on part of which a provision was made for deferred tax asset of amount € 3,251 thousand (31/12/2020: € 4,565 thousand) as the Management considered that the recognition criteria were met, ending in year 2026 amount of € 3,128 thousand. For the part of tax losses on which a deferred tax asset has been recognized, the Management estimates that they will be covered against taxable profits before their expiration date.

Given the fact that some of the Group companies have not been audited by the tax authorities for a few years, as mentioned above, based on the approach and interpretation of the tax authorities for the determination of the final tax, it is considered by the Group that adequate provisions for current and future tax audit differences have been made. On 31/12/2021, the cumulative Group's provision for unaudited tax years amounts to € 94 thousand (€ 114 th. on 31/12/2020) and to € 0 thousand (€ 20 th. on 31/12/2020) for the Company which is displayed in Income Tax Payable.

## 27. Earnings/Losses per share

The basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares during the period. The weighted average number of shares as at 31 December 2021 is 52,131,944 (31/12/2020: 52,092,001).

| | Group | |
|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Profit / (Loss) after tax attributable to owners of the parent | 11,530 | (8,661) |
| Number of issued shares | 52,131,944 | 52,092,001 |
| SOP Impact | 1,576,245 | 546,962 |
| Effect from purchase of own shares | (737,221) | (358,602) |
| **Weighted average number of shares** | **52,970,968** | **52,280,361** |
| Basic (Losses)/ Earnings per Share (in Euro) | 0.2212 | (0.1663) |
| Diluted (Losses) / Earnings per Share (in Euro) | 0.2177 | (0.1663) |

## 28. Treasury Shares

On 23/6/2021 it was announced the end / completion of the Own Shares Purchase Program that had been approved in accordance with the provisions of article 49 of law 4548/2018, by the Ordinary General Assembly of the Company's Shareholders on June 14, 2019. Pursuant to of Regulations EU / 596/2014 and EU / 1052/2016, the Company during the implementation of the Program (from 14/6/2019 to 14/6/2021) acquired 629,785 treasury shares, representing 1.209% of its share capital Company with an average purchase price of € 3.56 per share and a total value of € 2,243,652.

The Ordinary General Assembly of the shareholders of the Company "FOURLIS HOLDINGS SA" on 18/6/2021 in accordance with the provisions of article 49 of law 4548/2018, approved acquisition of treasury (own) shares. The maximum number of shares that can be acquired, including the shares previously acquired by the Company and held, will amount to 2,604,600 shares (5% of the paid-up share capital), with a minimum acquisition limit of one euro (€ 1.00) per share and acquisition ceiling of eight euros (€ 8.00) per share.

On 31/12/2021 the Company owns 1,391,048 treasury shares (2020: 604,051) , representing 2.6683% of the Company's share capital with an average purchase price of € 3.78 per share and a total value of € 5,258,516.21 (2020: 2,139,446.15).

## 29. Commitments and Contingencies

### 29.1 Commitments

Commitments of the Group on 31/12/2021 are:

- The parent Company has issued letters of guarantee for its subsidiaries guaranteeing liabilities amounting to € 103,236 th.
- Subsidiary companies have issued letters of guarantee for indirect subsidiaries guaranteeing liabilities amounting to € 22,112 th.
- The parent Company has contracted as a guarantor with the amount of € 2,100 th. for future leases and loan liabilities from investment of an associate company.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 45,372 th.

- A subsidiary company has provided fluctuating guarantee on assets until the amount of € 13,000 th. to secure bilateral loan.
- A pledge has been established on 14.6% of the shares of TRADE ESTATE R.E.I.C. to secure a loan obligation of its shareholder.

### 29.2 Operating Lease

**Group as Lessor**

The future leasing contracts of the Group as a lessor are as below:

| | Group | |
|---|---|---|
| | **31/12/2021** | **31/12/2020** |
| Up to 1 year | 619 | 990 |
| Between 1-5 years | 2,852 | 3,872 |
| More than 5 years | 2,139 | 2,888 |
| **Total** | **5,611** | **7,750** |

### 29.3 Litigation

There are no litigation or arbitration proceedings as well as resolutions of judicial institutions that might have a material impact on the assets of the Group's companies.

## 30. Related parties

Related parties of the Group include the Company, subsidiary and associated companies, the management and the first line managers and the companies controlled by them. The parent company provides advice and services to its subsidiaries in the areas of IT, HR, financial planning and controlling, treasury and social responsibility.

The analysis of the related party receivables and payables as at 31 December 2021 and 2020 are as follows:

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Receivables from:** | HOUSE MARKET SA | 0 | 0 | 3,250 | 10,464 |
| | H.M. HOUSE MARKET (CYPRUS) LTD | 0 | 0 | 22 | 12 |
| | INTERSPORT SA | 0 | 0 | 184 | 449 |
| | INTERSPORT (CYPRUS) LTD | 0 | 0 | 4 | 3 |
| | RENTIS SA | 0 | 0 | 1 | 1 |
| | GENCO TRADE SRL | 0 | 0 | 9 | 100 |
| | GENCO BULGARIA | 0 | 0 | 5 | 5 |
| | HOUSE MARKET BULGARIA EAD | 0 | 0 | 34 | 39 |
| | WYLDES | 0 | 0 | 15 | 0 |
| | INTERSPORT ATLETIK | 0 | 0 | 274 | 107 |
| | TRADE LOGISTICS SA | 0 | 0 | 26 | 22 |
| | TRADE ESTATES ΑΕΕΑΠ | 0 | 0 | 11 | 0 |
| | TRADE ESTATES CYPRUS LTD | 0 | 0 | 3 | 5 |
| | TRADE ESTATES BULGARIA EAD | 0 | 0 | 5 | 5 |
| | H.M. ESTATES CYPRUS LTD | 0 | 0 | 3 | 0 |
| | TRADE STATUS SA | 92 | 106 | 91 | 106 |
| | SOFIA SOUTH RING MALL AED | 0 | 62 | 0 | 0 |
| | **TOTAL** | **92** | **168** | **3,937** | **11,319** |
| | | | | | |
| **Payables to:** | HOUSE MARKET SA | 0 | 0 | 803 | 0 |
| | INTERSPORT SA | 0 | 0 | 1 | 10,000 |
| | TRADE LOGISTICS SA | 0 | 0 | 0 | 1 |
| | TRADE ESTATES ΑΕΕΑΠ | 0 | 0 | 1 | 0 |
| | TRADE STATUS SA | 2 | 0 | 0 | 0 |
| | SOFIA SOUTH RING MALL AED | 2 | 0 | 0 | 0 |
| | Διευθυντικά στελέχη και μέλη διοίκησης | 0 | 46 | 0 | 46 |
| | **TOTAL** | **4** | **46** | **805** | **10,046** |

Related party transactions as at 31 December 2021 and 2020 are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Revenue | 39 | 60 | 4,464 | 4,217 |
| Other income | 4 | 3 | 1,474 | 1,227 |
| Dividends | 0 | 0 | 6,500 | 7,000 |
| **Total** | **43** | **63** | **12,438** | **12,444** |

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Administrative expenses | 1 | 171 | 4 | 6 |
| Distribution expenses | 96 | 0 | 96 | 0 |
| **Total** | **97** | **171** | **101** | **6** |

Transactions and fees of management members for the years 2021 and 2020 are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Transactions and fees of management members | 2,649 | 2,489 | 601 | 427 |

There are no other transactions, receivables - liabilities between the Group and the Company with the management. The transactions with related parties are arm's length and include mainly sales and purchases of goods and services under the context of the ordinary operation of the Group.

## 31. Transactions with Subsidiaries

During financial years 2021 and 2020, between the parent company and its subsidiaries the following transactions occurred:

| | Group | | Company | |
|---|---|---|---|---|
| | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 | 1/1 - 31/12/2021 | 1/1 - 31/12/2020 |
| Revenue | (56,584) | 44,617 | (4,425) | 4,157 |
| Cost of sales | 32,590 | 25,583 | 0 | 0 |
| Other income | (3,030) | 2,513 | (1,470) | 1,224 |
| Administrative expenses | 6,889 | 4,891 | 4 | 6 |
| Distribution expenses | 20,052 | 16,613 | 0 | 0 |
| Other operating expenses | 63 | 43 | 0 | 0 |
| Dividends | 20,970 | 7,000 | 6,500 | 7,000 |

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Trade receivables | 26,218 | 31,616 | 3,847 | 11,214 |
| Inventory | 281 | 281 | 0 | 0 |
| Creditors | 26,218 | 31,616 | 805 | 10,001 |

The Group has issued letters of guarantee for its subsidiary and associated companies guaranteeing liabilities. The analysis of such letters of guarantee is disclosed in which appears in Note «Commitments and Contingencies».

## 32. Significant Changes in Consolidated Data

The most significant and not mentioned in notes changes recorded in the Consolidated and Separate Statement of Financial Position as of 31/12/2021 in comparison with the corresponding data as at 31/12/2020 are the following:

- The decrease in the cash account is due to the investments of the year.
- The reduction of the suppliers account and other short-term liabilities is due to the repayment of supplier liabilities based on agreed credit terms.

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## 33. Subsequent events

There are no other subsequent events as of 31/12/2021 that may significantly affect the financial position and results of the Group other than the following:

- those mentioned in Note 6 of the Annual Report and related to the exercise of stock options regarding the Stock Option Plan,
- On 12/1/2022, the Group announced the entry into the fast growing sector of health and wellness, through a strategic partnership with Holland & Barrett, one of Europe's largest retail chains in the health and wellness sector. FOURLIS Group initiating a third retail activity, aims to have a leading role within the sector and has the intention to open 120 stores over time with both physical stores and a Holland & Barrett website launching simultaneously in 2022.
- On 25/1/2022, the company TRADE ESTATES R.E.I.C. participated in a share capital increase in "BERSENCO REAL ESTATE DEVELOPMENT AND PROPERTY MANAGEMENT SA" amounting to € 5,000,000.
- On 26/1/2022, the company TRADE ESTATES R.E.I.C. participated in a share capital increase in the company SEVAS TEN SA, based on the decision of the Extraordinary General Assembly of SEVAS TEN. The investment amounts to 100,000 euros.
- On 18/2/2022, a modified and codified Memorandum of Understanding was signed between RETS CONSTRUCTION SA and TRADE ESTATES R.E.I.C., in order to jointly proceed with the acquisition of Real Estate and the development and construction of a storage and distribution center, with an area of 56,000 sq.m. in the Municipality of Elefsina in the Region of West Attica. On the same date, a decision was taken to increase the share capital of RETS CONSTRUCTION SA amounting to 132 thousand euros.
- On 21/2/2022, the Company TRADE ESTATES R.E.I.C. proceeded to the issuance of a joint bond loan - without collateral - amounting to 80 million euros with termination date on 21/2/2024. The purpose of the loan is to finance the investment activities of the company.
- On 22/12/2021 it was announced that the Company TRADE ESTATES R.E.I.C. proceeded to the signing of an agreement for the purchase of shares of the company KTIMATODOMI SA. owner and manager of the largest commercial park in Greece, under the name FLORIDA 1. The Commercial Park is located in Thessaloniki and covers an area of 132,000 sq. m. with commercial areas of 31,407 sq.m. leased 100% in twelve of the largest retail companies in Greece (Leroy Merlin, AB VASILOPOULOS, JUMBO, Kotsovolos, Moustakas, Jysk and others). FLORIDA 1 Commercial Park has achieved impressive recovery performance in the evolution of the pandemic, highlighting its unique commercial characteristics as well as its resilience, while also confirming the choice of TRADE ESTATES R.E.I.C strategy to focus on this category of commercial Real Estate. The Company, after

the specific acquisition, is expected to increase its revenues by an amount of 4.5 million euros. On 22/2/2022, the completion for the purchase of the company KTIMATODOMI SA was announced.On 22/2/2022 the Company announced its subsidiary TRADE ESTATES R.E.I.C., proceeded to the completion of the transaction for the purchase of the company KTIMATODOMI SA. The total price for the acquisition of 100% of the company's shares amounted to € 35,960,509.00.

- On 22/2/2022, a bond loan of euro 35 million was issued, maturing on 31/12/2029 of the subsidiary INTERSPORT SA.
- Regarding the developments in Ukraine, the Group declares that it has no subsidiaries, parent or affiliated companies based in Russia or Ukraine, nor significant transactions with affiliated parties from Russia or Ukraine. The Group also states that it has no significant customers or suppliers or subcontractors or partners from Russia or Ukraine, nor does it maintain warehouses with goods in Russia or Ukraine. The Group states that it does not maintain accounts or have loans with Russian Banks. The Group states that it will not have an indirect impact from potentially affected sectors nor does it expect a significant impact from energy increases, inflation, fuel and supply chain disruptions.
- The Commitments and Contingent Liabilities of the Fourlis Group as of 1 / 1-21 / 3/2022 are:
- Letters of guarantee have been given by the parent company to subsidiaries to secure liabilities amounting to 68,681 thousand euros.
- Letters of guarantee have been given by subsidiaries to indirect subsidiaries to secure liabilities, amounting to 44,850 thousand euros.
- On 16/2/2022, the Company TRADE ESTATES REIC proceeded to the issuance of a bond loan of euro 30 million, lasting until 16/02/2023.

## Web site for the publication of the Annual Financial Statements

The Annual Financial Report of the Group (Consolidated and Separate), The Independent Auditors Report and the Board of Directors Report for the year 2021 have been published by uploading on the internet at the web address http://www.fourlis.gr. At the same web address, all Annual Financial Statements, Audit Reports and Board of Directors Reports of the companies which are consolidated and they are not listed and which cumulatively represent a percentage higher than 5% of consolidated revenues or assets or operating results after the deduction of minority shares proportion, are published.