



GROUP OF COMPANIES

HOUSEMARKET S.A.

REG. NO: 46208/04/B/00/37(04)

GENERAL ELECTRONIC COMMERCIAL REGISTRY NO: 003804201000

OFFICES: BUILDING 501 – ATHENS INTERNATIONAL AIRPORT

ANNUAL FINANCIAL REPORT

For the period

1/1/2023 to 31/12/2023

(TRANSLATED FROM THE GREEK ORIGINAL)

(In accordance with Law 3556/2007)



Table of Contents

Statements of Members of the Board of Directors	3
ANNUAL REPORT OF THE BOARD OF DIRECTORS	4
Statement of Financial Position (Consolidated and Separate) as at December 31, 2023 and at December 31,2022	40
Income Statement (Separate) for the period 1/1 to 31/12/2023 and 1/1 to 31/12/2022.....	41
Statement of Comprehensive Income (Separate) for the period 1/1 to 31/12/2023 and 1/1 to 31/12/2022	42
Statement of Changes in Equity (Separate) for the period 1/1 to 31/12/2023 and 1/1 to 31/12/2022	43
Statement of Cash Flow (Consolidated and Separate) for the period 1/1 to 31/12/2023 and 1/1 to 31/12/2022	44
Notes to the Financial Statements as at 31 December 2023	45
Web site for the publication of the Annual Financial Statements.....	94



Statements of Members of the Board of Directors

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

The members of the Board of Directors

1. Dafni A. Furlis, Chairman
2. Vassilis S. Furlis, Vice Chairman and
3. Panagiotis D. Katiforis, CEO

We confirm that to the best of our knowledge:

- a) The Financial Statements of the Company HOUSEMARKET S.A. for the period 1/1/- 31/12/2023 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 Shareholders' Equity along with the income statement of the Group as well as of the companies that are included in the consolidation taken as a whole.
- b) The Annual Report of Board of Directors provides a true and fair view of the evolution, performance and financial position of HOUSEMARKET 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.

Paiania, May 31th 2024

The Chairman

The Vice Chairman

The CEO

Dafni A. Furlis

Vassilis S. Furlis

Panagiotis D. Katiforis



ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY HOUSEMARKET SA FOR THE PERIOD 1/1 – 31/12/2023

To the shareholders annual general assembly of year 2024

Dear Shareholders,

This report of the Board of Directors covers the twelve months of the financial year (1/1-31/12/2023). The report has been prepared and is in compliance with the relevant provisions of Law 4548/2018 as in force until 31/12/2023, article 4 of Law 3556/2007 and the decision 7/448/22.10.2007 of the Hellenic Capital Market Commission. The Company Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

We submit for your approval the Financial Statements for the financial year 1/1 - 31/12/2023 of the Company HOUSEMARKET S.A. (HOUSEMARKET S.A.), a trading company of household furniture and household and food service products with the distinctive title HOUSEMARKET S.A.

• THE GROUP – Business Segment

HOUSEMARKET SA (the "Company"), which is active in the retail sale of household equipment and furniture (IKEA Stores), is a subsidiary of FOURLIS SA, which holds 100% of its share capital. FOURLIS S.A. with its direct and indirect subsidiaries form the FOURLIS Group, which is active in the retailing of household equipment and furniture (IKEA Stores) and the retailing of sporting goods (INTERSPORT Stores). More information about the FOURLIS Group is available at www.fourlis.gr.

The Company directly participates in the following companies:

- HM HOUSEMARKET (CYPRUS) LTD with the distinctive title HOUSEMARKET (CYPRUS) LTD and registered office in Cyprus, in which the Company holds 100% of its share capital.
- HOUSE MARKET BULGARIA EAD with the distinctive title HOUSEMARKET BULGARIA EAD and registered office in Bulgaria, in which the Company holds 100% of the share capital.
- WYLDES LIMITED with the distinctive title WYLDES LTD and registered office in Cyprus, in which the Company holds 100% of its share capital. Through its affiliated companies WYLDES LTD, VYNER LTD and SW SOFIA MALL ENTERPRISES LTD, the Company participates in SOFIA SOUTH RING MALL EAD, which operates one of the largest shopping malls in Sofia, Bulgaria and its related business activities.



- TRADE LOGISTICS COMMERCIAL INDUSTRIAL COMPANY, with the distinctive title TRADE LOGISTICS SA, having its registered office in Greece, in which the Company holds 100% (excluding one share) of its share capital.
- TRADE ESTATES REAL ESTATE INVESTMENT COMPANY, incorporated in Greece, in which the Company directly participates with a 20.57% stake in the share capital of
- It also has indirect shareholdings in the following companies:
- TRADE ESTATES REAL ESTATE INVESTMENT COMPANY, with the distinctive title TRADE ESTATES ΑΕΕΑΠ and registered office in Greece, in which the Company indirectly participates with a 7.15% share through its subsidiary HOUSEMARKET (CYPRUS) LTD.
- TRADE ESTATES REAL ESTATE INVESTMENT COMPANY, with the distinctive title TRADE ESTATES REIC and registered office in Greece, in which the Company indirectly holds a 12.21% stake through its subsidiary HOUSEMARKET BULGARIA EAD.
- TRADE ESTATES REAL ESTATE INVESTMENT COMPANY, with the distinctive title TRADE ESTATES REIC and registered office in Greece, in which the Company indirectly participates with a 1.53% share through its subsidiary TRADE LOGISTICS SA.
- VYNER LTD with the distinctive title VYNER LTD and registered office in Cyprus, in which WYLDES LIMITED holds a 50% stake.
- SW SOFIA MALL ENTERPRISES LTD with its registered office in Cyprus, in which WYLDES LIMITED has a 50% shareholding.

- **Group Consolidated Results**

(All the amounts are in thousands of euro unless otherwise stated)

The Company's sales increased by 9.58% compared to the same period of 2022. More specifically, the Company (IKEA Stores) reported sales of EUR 197.4 million for the full year 2023 (2022: EUR 180.2 million). Total EBITDA reached EUR 17.1 million compared to EUR 10.9 million in 2022, while it reported a pre-tax profit of EUR 16.5 million compared to EUR 9.7 million in 2022. Net profit amounted to EUR 17.2 million compared to EUR 9.8 million in 2022.

In the following, we present comparative figures for the financial year 1/1 - 31/12/2023 with the corresponding financial year 1/1 - 31/12/2022, of the Company's results, in order to highlight the true picture of the course of its activities as it was formed during the reporting period (Amounts are in thousands of euros).



	31/12/2023	31/12/2022	2023/2022
Revenue	197,443	180,185	1.10
EBITDA*	17,098	10,881	1.57
EBIT	3,835	(1,665)	(2.30)
Profit / Loss before Tax	16,477	9,710	1.70
Net Profit / Loss After Tax and Minority Interests	17,218	9,775	1.76

(*) The selected alternative performance measurement indicators are listed in section 8.

We note that total equity as at 31/12/2023 amounts to EUR 84.4 million, compared to EUR 103.6 million as at 31/12/2022.

• Basic Financial Indicators (Consolidated)

In this section we present key financial ratios relating to the Company's financial structure and profitability, according to the data included in the Annual Report for both fiscal year 2023 and the previous fiscal year 2022.

Financial Structure Indicators:

	31/12/2021	31/12/2020
Total Current assets/ Total Assets	28.24%	37.53%
Total current assets without Assets classified as held for sale / Total Assets	11.78%	15.68%
Total Liabilities/ TOTAL SHAREHOLDERS EQUITY & LIABILITIES	72.01%	69.81%
Total Shareholders Equity / TOTAL SHAREHOLDERS EQUITY & LIABILITIES	27.99%	30.19%
Total Current assets / Total Current Liabilities	79.71%	181.84%
Total current assets without Assets classified as held for sale / Total current Liabilities without Liability arising from assets held for sale	33.26%	75.96%

Performance & Efficiency basic Indicators:

	2023	2022
Operating Profit / Revenue	1.94%	(0.92)%
Profit/(Loss) before Tax / Shareholders Equity	19.53%	9.37%

• Operating Performance – Important developments:

4.1 Share Capital Changes

During the period 1/1 – 31/12/2023 the following share capital changes were realised at the Company and its subsidiaries.



4.2 Company Branches

The parent company HOUSEMARKET SA has the following branches:

The Company HOUSEMARKET SA has branches. More specifically:

- IKEA store in Thessaloniki (89 Georgikis School, Pylea), which has been operating since October 2001.
- IKEA Athens - Airport (Athens International Airport "Eleftherios Venizelos", Spata) which has been operating since April 2004.
- IKEA Athens - Egaleo store (96 - 98 Kifissou Avenue, Egaleo) which has been operating since March 2008.
- IKEA Larissa store (8th km of the Old National Road of Larissa - Athens) operating since October 2009.
- IKEA Ioannina store (12th km of the National Road of Ioannina - Athens) which has been operating since December 2010.
- IKEA Pick Up & Order Point in Rhodes (5th km of Rhodes - Lindos Avenue) which has been operating since November 2012.
- IKEA Pick Up & Order Point in Patras (250 Patron - Klaous - Patron) which has been operating since August 2013.
- IKEA Pick Up & Order Point in Chania (404 Konstantinos Karamanlis Avenue, Chania), operating since September 2013.
- IKEA Pick Up & Order Point Heraklion (1 Velisariou Street & Ikarou Avenue, N. Alikarnassos) which has been operating since October 2013.
- IKEA Pick Up & Order Point in Alexandroupolis (2nd km Alexandroupolis-Fera) which will be operational from May 2023.
- IKEA Pick Up & Order Point in Kalamata (Artemis 181, Kalamata), which has been operating since April 2019.
- IKEA Small Store Piraeus (10-12 Dimitriou Gounari & Lykourgou Piraeus), which will be open from December 2020.
- IKEA Small Store in Maroussi (35 Andreas Papandreou, THE MALL shopping center) operating from December 2021.
- IKEA e-commerce store operating since August 2014.

Through its subsidiary HM HOUSEMARKET (CYPRUS) LTD, since September 2007, the company operates in Nicosia, Cyprus one (1) IKEA store, one (1) IKEA e-commerce store and one (1) Planing studio store in Limassol, Cyprus. Also, through its subsidiary HOUSE MARKET BULGARIA EAD, it operates one (1) IKEA Store in Sofia since September 2011, two (2) Pick Up & Order Points for IKEA products in Burgas



and Plovdiv, one (1) IKEA Small Store in Varna, one (1) IKEA shop in Sofia (Mall of Sofia) and on 28/11/2023 one (1) new IKEA shop was opened in Veliko Tarnovo.

5. Stock awards

Members of the Management of the Company and its subsidiaries participate in the Stock Option Plan of the parent company FOURLIS AE ΣΥΜΜΕΤΟΧΩΝ (<http://www.fourlis.gr>).

The Extraordinary General Meeting of the parent company FOURLIS AE ΣΥΜΒΕΤΟΧΩΝ of 22 July 2021, within the framework of the Stock Option Plan, approved the allocation of a maximum of 1,600,000 options of one share, i.e. 3.07% of the number of shares on the Stock Exchange and the granting of authorization to the Board of Directors to regulate the procedural issues and details. The offering price of the aforementioned shares is the nominal value of the share on the day of the resolution of the General Meeting on the plan. The plan will be implemented in one series. The term of the Plan is until the year 2028, in the sense that the rights granted to the beneficiaries of the Plan with a grant date of 22/11/2021 may be exercised from 24/11/2024 to 15/12/2028.

6. Information about Group's plan of development

Critical issues such as inflationary pressures combined with rising interest rates that have reduced demand and consumer power and the energy crisis remain at the forefront of interest and have determined the course of the global economy during 2023.

Nevertheless, the Company's management, based on its long experience of managing challenging situations and aided by its strong competitive position and balanced expansion of its business and consequently its revenues, is making every effort to limit the impact of the difficult market and consumer conditions.

With respect to developments in Ukraine and the Middle East, the Company states that it has no subsidiaries, parent or affiliated companies based in Russia, Ukraine or the Middle East, nor any significant transactions with related parties from these countries. The Company also states that it has no significant customers or suppliers or subcontractors or business partners from Russia, Ukraine or the Middle East. The Company states that it does not maintain any accounts or have any loans with Russian banks. Management is closely monitoring developments and is prepared to take all necessary measures to address any impact on its operating activities.

Furthermore, the contribution of the Recovery and Resilience Facility (RRF) is expected to be significant in the coming years, strengthening Greek banks and the Greek economy more broadly.

Estimates for the improvement of the Company's financials in the first half of 2024 are directly dependent on developments in the economic and political environment, particularly in Greece.



The Company continues to implement its investment program in the sectors in which it operates.

On 31/1/2024, FOURLIS S.A. PARTICIPANTS announced the decision of Inter IKEA Group to invest in Greece, in cooperation with FOURLIS Group, for the creation of a state-of-the-art international product distribution centre of 50,000 square metres. The new facility will be built in Aspropyrgos, will be supplied via the port of Piraeus and will serve the markets of the Eastern Mediterranean, covering in the first phase the needs of IKEA stores in Greece, Bulgaria, Jordan, Israel and Cyprus. The aim is to support other countries, such as Egypt, in the future. The Distribution Centre will be owned by the subsidiary TRADE ESTATES SA and will be designed and developed in cooperation with Ten Brinke Hellas, while the operational management will be carried out by the subsidiary TRADE ESTATES SA. The investment in Aspropyrgos has a budget of €70 million. The new international distribution centre will create around 100 permanent jobs, including highly qualified positions in the fields of IT, data analysis, logistics and artificial intelligence. As planned, work will start this year and the distribution centre is expected to be operational in mid-2025. The facility will have a zero environmental footprint as it will be equipped with photovoltaic panels.

In the home furnishings and furniture retail sector, the Group operates seven (7) IKEA stores, eight (8) Pick Up & Order Points, three (3) IKEA shops, two (2) IKEA small stores, one (1) planning studio and three (3) e-commerce stores in Greece, Bulgaria and Cyprus. Based on the growth plan in the three countries where the Company operates IKEA stores, (3) three (3) IKEA medium size stores of 5,000 - 12,000 sq.m. and three (3) small size stores of 1,000 - 2,000 sq.m. will be opened in the next five years.

Management's focus on exploiting synergies within the Group will continue into the first half of 2024. "Integrity", "Respect" and "Efficiency" continue to be the values through which the Group seeks to achieve its objectives.

7. Major Threats & Uncertainties for the Company

Risk management is handled by the portfolio management service of the parent company FOURLIS SA S.A., which operates according to specific rules set by the Board of Directors.

The Company has adopted the "Enterprise Risk Management" (ERM) methodology which facilitates and enables the organization to identify, assess and manage risks through a structured approach. The methodology is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM framework, which provides guidance on how to incorporate ERM practices and captures the principles of implementation. Within this framework, risks were identified and assessed and recorded in the Company's Risk Register.

More specifically, the categories of risks are: Profitability & Liquidity, Reputation & Ethics, Society & People, Regulatory Compliance, Strategy, Customers, Health & Safety, Growth & Competition, Technology and Operations. The most significant risks identified for the Company are:



- Risk related to the Sustainability category: The possibility of not aligning the business strategy with ESG (Environmental, Social and Corporate Governance) obligations such as Climate & Sustainability and corporate governance expectations and the associated impact on the Company's financial results and reputation.
- People, Health and Safety Risk: The likelihood of difficulties in attracting, developing (including training) and retaining the required skills and talent (including new skills in digital technologies) and the associated impact on the Company's performance.
- Risk relevant to the Strategy category: The likelihood of failure to clearly define strategy and align it with business objectives and the associated impact on the Company's growth.
- Risk related to the Strategy category: The likelihood of failure to adopt cutting-edge technology / alignment of IT strategy with business strategy and new business models and the associated impact on the Company's reputation and revenues.
- Risk relevant to the Profitability and Liquidity category: The possibility of ineffective liquidity management, as well as an unclear liquidity strategy and the related impact on the Company's earnings and liquidity.
- Risk related to the Profitability and Liquidity category: The likelihood of adverse global macroeconomic events and the related impact on the Company's earnings
- Risk related to the Growth & Competition category: the likelihood of new competitors (e-shop or physical stores) and the associated impact on loss of market share.
- Risk related to the Growth & Competition category: the possibility of entering international digital marketplaces and the related impact on the loss of market share.
- Risk related to the Information Systems Technology & Security category: the possibility of high costs of information systems platforms and the impact on the Company's profits.
- Risk related to the Information Systems Technology and Security category: the likelihood of a cyber-attack and the associated impact on the Company's earnings, performance and reputation.
- Risk related to the Operations category: The possibility of mismanagement of inventory and the related impact on the Company's performance and earnings.

The Board of Directors shall provide written instructions and guidelines for the general management of risk 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 Company is exposed to financial risks such as currency risk, interest rate risk and liquidity risk. The Financial Management identifies, assesses and hedges financial risks in cooperation with the FOURLIS Group.

**Foreign exchange risks:**

The Company is exposed to currency risks arising from commercial transactions in foreign currencies (SEK) with suppliers who invoice the Company in currencies other than the local currency. In order to minimise the exchange rate risks in accordance with its needs, the Company assesses the need to purchase foreign currency in advance.

Interest rate and liquidity risks:

The Company is exposed to cash flow risks that, due to a possible future change in floating interest rates, may positively or negatively vary the cash inflows and/or outflows associated with the Company's assets and/or liabilities.

Liquidity risk is kept at a low level by maintaining adequate bank credit limits as well as significant cash reserves. The Company also uses derivative financial products (Forward Interest Rate Swaps) to manage these risks.

Risk from the energy crisis and inflationary pressures

The Company is closely monitoring developments related to the energy crisis and inflationary pressures in order to adapt to the specific circumstances that arise. It complies with the official instructions of the competent authorities for the operation of its physical stores and headquarters. It shall comply with the legislation in force and shall continue to trade in its physical stores in accordance with the instructions.

Energy costs for the operation of the Company's stores and warehouses are affected by the large increases observed internationally, but are a relatively small part of the Company's operating costs.

With respect to developments in Ukraine and the Middle East, the Company states that it has no subsidiaries, parent or affiliated companies based in Russia, Ukraine or the Middle East, nor any significant transactions with related parties from these countries. The Company also states that it has no significant customers or suppliers or subcontractors or business partners from Russia, Ukraine or the Middle East. The Company states that it does not maintain any accounts or have any loans with Russian banks. Management is closely monitoring developments and is prepared to take all necessary measures to address any impact on its operating activities.

Non-financial risks:

In addition to financial risks, the Company focuses on non-financial risks related to specific issues that have been identified as material in the context of sustainable development. These issues relate to full compliance with legislation and the implementation of corporate governance policies, human resources, the environmental impact of the companies' activities, the supply chain and the evolution of the companies in the context of the market in which they operate. Risk management is premised on the definition of objective objectives based on which the most significant events that may affect the Company are identified, the relevant risks are assessed and a decision is made to respond to them.



b) Important Cases

There are no litigious matters whose outcome may have a material impact on the Company's Annual Financial Statements for the financial year from 1/1 - 31/12/2023.

8. Alternative Performance Measures (APMs)

Pursuant to the ESMA Guidelines (05/10/2015|ESMA/2015/1415), the Company has adopted as an Alternative Performance Measure (AIM) the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). Alternative Performance Measurement Indicators (AIMIs) are used in the context of financial, operational and strategic planning decision making as well as for performance evaluation and disclosure. The Alternative Performance Measures (APMs) are considered in conjunction with the financial results prepared in accordance with IFRS and are in no way a substitute for them.

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

The amount most directly connected to this specific APM (EBITDA) is operating profits (EBIT) and depreciation/amortization/impairment. Operating profits are presented in Income Statement and depreciation/amortization/impairment in Cash Flow Statement. More analytically, reconciliation of the selected APM and the financial statements of the Group for the corresponding period is as follows:

(amounts in thousand €)

Group Consolidated Results		
	1/1-31/12/2023	1/1-31/12/2022
Operating Profit	3,835	(1,665)
Depreciation/Amortization/Impairment	13,264	12,546
Earnings before tax, interest and depreciation & amortization & impairment (EBITDA)	17,098	10,881

9. Sustainable Development and Social Responsibility

This Non-Financial Statement of the Company has been prepared taking into account the «Non-Financial Statement» included in the consolidated Annual Report of the Board of Directors of the parent company FOURLIS HOLDINGS S.A., which was published in April 2024 and is available on the website www.fourlis.gr



This Report briefly presents information about the Company's approach to Sustainable Development, which is based on the relevant approach of its parent company FOURLIS HOLDINGS S.A., as well as information on the management and sustainable development performance of the Company for the year 2023.

Sustainable Development Policy and Strategy

The Group has a [Sustainable Development Policy](#) that applies to all its companies, and thus the Company, which is approved by the Board of Directors. The Group's Sustainable Development and Social Responsibility Division is responsible for the Policy. The FOURLIS Group Sustainable Development Strategy is based on the Sustainable Development material topics, as they arise through the Materiality Analysis, which is carried out in accordance with the GRI Standards 2021.

A) Social & Labor issues

A1. Social Issues

Ensuring the health, safety and accessibility of partners, customers and visitors

Facilities/Stores

Placing particular emphasis on prevention, the Company complies with current legislation and applies a Health and Safety Policy (included in the Internal Labor Regulations of FOURLIS Group companies), for all its subsidiaries, across all countries of operation.

The Policy includes a wide range of relevant procedures, measures and initiatives, regarding the safe stay of visitors, customers, partners and employees in the Company's facilities. Any variations of the relevant procedures, by country or region, depend on the size of the facilities as well as on the existing national legislation of the Group companies' country of activity. In this context, some of the practices applied at FOURLIS Group, and thus at the Company, 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.
- Infirmaries equipped with medical beds and automatic external defibrillators in all the IKEA stores.
- Provision of wheelchairs at IKEA stores' entrance, as well as of accessible lavatories and parking spaces, aiming to provide safe accommodation and transportation for people with disabilities.



In order to ensure the adherence to the Health and Safety Policy, regular audits are carried out by safety technicians in all the facilities of the Company. All health and safety incidents occurring within the Group's facilities and stores are reported. At the same time, in the context of the Policy, 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 were addressed. Through these reports useful information is received regarding the effectiveness of the policies, so as to proceed to the improvement of the applied practices, where needed.

Products

Impacts on the health and safety of customers during product use may mainly be caused by either defective design and inadequate operating instructions or product misuse or improper assembly of products.

FOURLIS Group manages the health and safety topic through the compliance of the products traded by its subsidiaries, and thus the Company, in all countries of its activity, ensuring cooperation with suppliers and franchisors that meet European and national quality and safety laws and regulations for the products it sells (the above include food available at restaurants in the IKEA stores).

IKEA provides a multiannual product guarantee, which in some cases reaches 25 years, while a product withdrawal policy is followed and applied. At the same time, IKEA monitors product returns and if an increased number of returns of an item is observed (due to a defect), specific procedures, that have been defined worldwide by IKEA, are followed for the information of all interested parties. In 2023, 2 product recalls were carried out by IKEA, which concerned all 3 countries of operation. More information regarding any current recalls is available on the company's website [Product Recall | IKEA Greece](#).

In addition, a Food Safety System, according to the international standard ISO 22000, is implemented in all IKEA stores' restaurants in Greece and Cyprus. For the stores in Bulgaria the re-certification process has begun and is expected to be completed within 2024.

Product compliance and labeling

IKEA products have special labeling and signs aiming to provide information and advice to consumers such as information related to product manufacturing and origin, their environmentally friendly characteristics, their dimensions, their life cycle, whether a product must be used only by adults, etc. Moreover, in compliance with the relevant legislation of the European Union and more specifically with the Regulation for energy labeling (EU) 2017/1369, the new energy labels are available on



specific appliances sold, as well as to all lamps. More information is available on the website [New energy label | IKEA Greece](#).

Responsible communication

For the advertising and promotion of 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 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. The company mainly uses electronic media, with a steady increase in the use of new forms of communication, such as digital media and social networks. The Communication Division and the Marketing Department are responsible for the Company's marketing policy.

Personal data protection

The Company 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 natural persons who transact with it, maintaining a relevant policy. Respecting privacy is a core element of both the Code of Conduct and the policies embedded in FOURLIS Group and its subsidiaries' operations.

The Company values the trust of all people involved in transactions with it and has designed and implements a personal data protection policy for all natural persons (visitors, partners, customers, suppliers and current, ex and applicant employees). It protects, with due diligence, the personal information it collects for business needs, after legal consent, and it makes sure to safeguard the rights of natural persons, in accordance with the existing legislation and the general Data Protection Regulation (GDPR), in all the countries where the Company operates. All FOURLIS Group employees, and thus the Company's employees, in all countries where it operates, are periodically trained in GDPR issues either through live seminars or through e-learning. GDPR training is also part of the induction program for new employees. Compliance with the relevant legislation and data security is examined at Group's Companies Board of Directors level.

Active/responsible social contribution and organization of voluntary actions for employees

The Company operates daily for the realization of FOURLIS Group's commitment and vision, which is the creation of the conditions for a better life for all. In this context, it seeks to be in constant contact with the citizens but also with the wider society in the countries where it operates, through established communication and engagement channels, with the aim to be informed about their needs and to



understand them. As a next step, needs are evaluated and prioritized, while programs and actions are planned and implemented, in order to satisfy not only the current and most important needs of each local community, but also those which are more in line with the FOURLIS Group's Sustainable Development and Social Responsibility strategy (support of vulnerable social groups and especially children), the number of beneficiaries and the nature of its activities.

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

The following are some of the most significant programs and actions implemented by the Company during 2023 to support society.

- Implementation of "Stations of Joy" program, through which the Company fully equips municipal kindergartens and nurseries in Greece. In 2023, the full refurbishment of 5 Municipal nursery Schools and kindergartens was implemented, in collaboration with the competent Municipal Authorities, in Neo Psychiko, Attica Nea Magnisia at the Municipality of Delta at Thessaloniki, Ioannina and at the Municipality of Palama at Karditsa, where schools were affected by the devastating floods. Since the beginning of the program in Greece, a total of 88 nurseries and kindergartens have been equipped for more than 3,795 children. The "Stations of Joy" program was implemented in 2023 in Cyprus, where 3 community nursery schools were fully equipped at Polis Chrysochous in Paphos, at Vrysoules in Famagousta and at Lympia in Nicosia. Since the beginning of the program in Cyprus, a total of 16 community kindergartens have been equipped for more than 404 children.
- Support to the work of Make-A-Wish organization, to grant the wishes of children suffering from very serious diseases. In 2023, 28 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, 60 children's rooms have been equipped.
- Support to the work of Symplefsi NPO, by offering products for the equipment of the nursery schools of Erikousa, Donousa and Fournoi, which the Organization visited as part of its autumn mission to islands.
- Offer of free meals by the restaurants of the IKEA Stores at Institutions and Organizations in Greece, to feed people in need, in cooperation with the Non-Profit Organization "BOROUME". A similar action was implemented in 2023 by the IKEA Cyprus store, offering meals to the Pancyprian Single Parents and Friends Association (www.singleparentscy.org).
- HOUSEMARKET Bulgaria EAD (IKEA Bulgaria stores):
 - continued to offer children's furniture and toys for the "Blue Dots" points established by UNICEF and UNHCR in Sofia, Ruse, Dobrich, Nurankulak, Burgas and Varna. These are places of protection and support of refugees providing families and children with useful information and



services. Through these points, families who fled their country due to the war in Ukraine were supported. In 2023, HOUSEMARKET Bulgaria EAD supported, through its offer, the point at Ruse.

- 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 it, so as to create conditions to reduce stress and withdrawal from the school routine. In this context and in collaboration with UNICEF, IKEA, on the occasion of the Pink Shirt Day, created an awareness campaign for employees, customers and the wider public on the issue of bullying at school.
- offered furniture and household equipment for the refurbishment of homes of the SOS Children's Villages in the cities of Tryavna and Veliko Tarnovo, on the occasion of the celebration of 30 years since the operation of the Organization's first structure in the country.
- Proceeded with the offer of furniture and fully equipped the Children's hospital in the city of Veliko Tarnovo with the aim of creating a pleasant environment for hospitalized children.

Emergency response

In 2023, the Company supported those affected by the floods in Thessaly by offering household equipment in collaboration with the Municipality of Palamas, to the families who live permanently in Vlochos at Karditsa. The Company also proceeded to fully equip 2 kindergartens in the Municipality of Palamas, while it offered discounts for the purchase of products related to homes or businesses that have been damaged by the floods in the wider area of Thessaly. Discounts on the purchase of home equipment were also given by the Company, for homes and businesses affected by fires in 2023.

Corporate volunteerism

A total of 11 corporate volunteering actions were implemented in areas of activity of FOURLIS Group companies, as well as at those of the Company in Greece, Cyprus and Bulgaria, to support society and protect the environment, in which the Company's employees also participated.

A2. Work related issues

Employment

The Company is its people, all those who daily support its operations. The creation and safeguarding of job positions, ensuring a healthy and safe working environment, meritocracy and personal development, respecting for human rights, as well as the provision of equal opportunities for education, evaluation, development and reward for all, are the focus of its philosophy and practices. The approach to the topics of employment and 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 FOURLIS Group, as well as the Company's staff recruitment and professional development:

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

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.

Education

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.

The first training program for every FOURLIS Group as well as for every Company employee, is an induction program, through which it is ensured that all the newly hired employees are informed about:

- The Group's history, Principles and structure.
- The General Data Protection Regulation (GDPR).
- The Group's Human Rights Policy.
- The Group's Performance Appraisal system.
- The Digital Transformation.
- Health and safety work-related issues.

This program is implemented both in classroom and via e-learning. In addition, all newly hired employees are informed about the Procedure for the Prevention, Detection and Management of Conflict of Interest and for the Code of Conduct by the internal communication tool (F2F) and receive the Internal Labor Regulation.



All Company employees are members of the Training Academy of the Group "FOURLIS Learning Academy", which has been operating since 2011, and participate in programs according to their role requirements and their needs for personal development.

In 2023, e-learning trainings on issues such as Human Rights, Diversity & Inclusion, Compliance & Conflict Management System as well as Risk Management were implemented. These trainings are mandatory for all.

Performance appraisal and development review

The Company applies a single Performance Appraisal and Development Review process for all its employees, to ensure that the employees' appraisal process is and will remain transparent. In this way it ensures a fair working environment and creates an operational succession plan for executives at high responsibility positions.

The Performance Appraisal and Development process which includes the assessment of the agreed measurable objectives, the assessment of employees' skills and behavior, as well as a questionnaire for their professional ambitions is conducted once a year for all employees in all Group's companies. Also, on the Appraisal Review all actions related to the employees' Development Plan are recorded. The overall result of this procedure ensures even more the meritocratic capture of the employees' dynamics, in relation to their growth and development plan.

Furthermore, FOURLIS Group continues to implement a 360° Evaluation Procedure for its Executives (Managers and Supervisors), in cooperation with an independent consulting company, that also took place for the Company in 2023. The 360° Evaluation is a tool that offers the opportunity to those collaborating at any job level (supervisors, subordinates, colleagues), to openly express their opinion, providing constructive comments on the behavior and the management style of the employees under evaluation. Through this process, the 360° Evaluation is a self-improvement tool that contributes to understanding the needs, identifying the strengths and the areas for improvement and thus, empowering collaboration.

Health and safety

Given that the creation of a safe and healthy working environment is a basic principle for the Company, which is also promoted through the Group Values, the Company not only follows the provisions of the labor legislation of the countries where it operates, but also assesses the potential risks it may face and takes the necessary measures to achieve the prevention of any accidents.

At the Company, an important priority is to ensure compliance with the Health and Safety Policy of FOURLIS Group. Responsible for the implementation of the policy is the Group's Human Resources Division and specifically, the Health and Safety Department.

FOURLIS Group has developed and implements an Occupational Health and Safety management system, which complies with all legal requirements, as well as the requirements of the "ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases". The system applies to all the activities, stores and facilities of the Group, as well as all employees, suppliers and partners working in



or visiting its facilities. FOURLIS Group Health and Safety Director is responsible for the system implementation.

Moreover, FOURLIS Group carries out all the actions required by law on risk management. In particular, and as required by the legislation, intensive audits are carried out by safety technicians in all Group's companies' facilities. Safety technicians perform their duties according to the degree of risk posed by each facility.

As required by law, FOURLIS Group and thus the Company, provides the services of an Occupational Physician. Visits by the Occupational Physician are conducted according to legislative requirements. Employees can visit the Occupational Physician within their working hours. Medical confidentiality is strictly observed.

Employee training on health and safety topics

The Company invests in the continuous and regular training of all its employees, so that they can respond to emergencies that affect both their own safety and that of customers/visitors and partners at its facilities.

For this purpose, the following trainings are provided:

- Performing scheduled annual exercise on store evacuation with the participation of customers.
- Performing regular fire safety exercises.
- Training of Fire Safety and Firefighting Teams.
- Performing scheduled six-month store evacuation exercise, without the participation of customers.
- Training of First Aid Groups.
- Training of all new employees on health and safety issues in the workplace.
- Regular training on health and safety at work for employees of departments, where necessary, due to the nature of their work, such as those employed in restaurants, warehouses, the team of decorators, maintenance, carpentry.

Promotion of employee health and well-being

EF ZIN (WELL-BEING) program

The EF ZIN (Well-being) program was launched by the Sustainable Development and Social Responsibility Division in 2010, with the main objective to inform employees on health and well-being issues and to encourage them to adopt a healthier lifestyle. In the context of "EF ZIN" program, actions regarding healthy diet, health and prevention, exercise, etc., are organized every year. Some of the most important EF ZIN actions that took place in 2023, and in which Company employees participated, are presented below.



- **Mediterranean diet:** The “Mediterranean Diet-live better, live longer” program continued for the Group's employees in Greece, Cyprus and Bulgaria. The program includes weekly indicative menus with recommended recipes, based on the Mediterranean diet, as well regular updates on other relevant topics.
- **Free sessions with dietitians/nutritionists:** The program of free sessions with dietitians/nutritionists for employees in Greece, Cyprus and Bulgaria continued.
- **Counselling support line:** The operation of the Counselling/Psychological Support Line for Group employees in Greece and in Cyprus continued. The Line has been operating since March 2020. This service, in the field of mental health, is offered free of charge to FOURLIS Group employees, in collaboration with specialized counsellors/psychologists. Both employees and their relatives (spouses, adult children) can call the Line anonymously, to talk to the counsellors/psychologists and to receive, with absolute confidentiality, immediate consulting support and guidance on issues that concern them and affect their personal, family and professional life. The line operates 24/7/365.
- **One-on-one online sessions with psychologists:** The service of individual online sessions with psychologists for employees in Greece and Cyprus which was launched in 2022, continued.
- **Sports tournaments:** FOURLIS Group employees in Attica participated in the Hellenic Company Sports Games 2023 hosted by the Hellenic Organization for Company Sports & Health (HOCSH) and competed in individual and team sports.
- **Online workout program:** The online workout Pilates program continued for FOURLIS Group employees in Greece. The program is implemented twice a week, in collaboration with experienced trainers.
- **Health/Prevention:** On Cancer Prevention Day and World Heart Day, FOURLIS Group in collaboration with IASO Thessalia continued to carry out mammography checks and cardiological examinations for Group employees, an action that was launched in 2022 for Group employees in Attica. In 2023, the examinations were carried out at the IKEA Ioannina and IKEA Larissa stores.

Other actions for the Company's employees

Moreover, FOURLIS Group implements the following, which also concern the Company's employees:

Institutions for employees' recognition of contribution and reward:

o **Years In Service Award:** Employees who have contributed for numerous years to the achievement of FOURLIS Group objectives are rewarded (10, 20 and 30 years)



o We say BRAVO: highlight and award those employees who, through certain behaviors, stand out for their professionalism and distinct contribution, always in alignment with FOURLIS Group Values and Mission.

o Awarding Honor Students: Employees' children are awarded, either for being honoured students, or for their successful admission to universities.

- **Group Employee's Children Acquiring Work Experience During Summer:**

FOURLIS Group implements the "Group employees' children acquiring work experience during summer" program, which aims to give employees' children the opportunity to gain work experience.

- **Scholarship Program**

o "I Study with a Scholarship" is implemented at FOURLIS Group for employees' children in Greece, Cyprus, Bulgaria and Romania, who study in public Universities and whose families face difficulties in supporting the academic expenses.

o Provision of "Ilias Furlis" scholarship to an excellent student admitted to a Higher or a Highest University Institution in Greece.

- **Lending library for FOURLIS GROUP employees:** they operate at FOURLIS Group companies' premises in Greece.

- **Conducting cultural tours for employees and their families:** Implemented in Attiki, Thessaloniki, Larissa and Ioannina, in collaboration with ELLINIKI ETAIRIA, Society for the Environment and Cultural Heritage.

- **Wedding & Birth Gift Cards for Employees:** FOURLIS Group supports all employees in the most important moments of their daily lives by providing wedding and childbirth/adoption gift cards.

In addition, FOURLIS Group proceeded in 2023 with the implementation of a series of new benefits, which also concern the Company's employees:

- **For foster care:** Extension of the gift card to foster parents, employees of FOURLIS Group.

- **For parents of children with disabilities:** Provision of 5 additional days of annual paid leave as well as coverage of part of the expenses related to the purchase of necessary equipment.

B) Respect of Human Rights

FOURLIS Group and thus the Company approaches the Human Rights respect and protection issues in a systematic way. The Group implements a Human Rights Policy, as a means of declaring compliance



with applicable laws and international standards and guidelines, making it clear that it respects Human Rights and shows no tolerance for their violation. For FOURLIS Group, and thus the Company, the protection of Human Rights is part of its culture and a strong priority, both at Management and employee level.

The Policy is required to be applied by all employees, regardless of their hierarchical level, in all FOURLIS Group companies, and thus the Company, in all countries of its activity. At the same time, all suppliers/partners of the Group and the Company and third parties working with them on behalf of FOURLIS Group and the Company, are expected to adopt the Policy principles.

Adherence to the Human Rights Policy is monitored through regular internal audit and compliance review, including the continuous assessment of potential risks from non-compliance in all Group organizational units. The Policy is reviewed and revised, whenever necessary, by the Sustainable Development and Social Responsibility Division, depending on national and international developments.

To safeguard human rights, the Group and thus the Company, also adopts:

- Code of Conduct/Code of Conduct Line-Whistleblowing System. The Group's Code of Conduct Line/Whistleblowing System is available 24 hours a day through which anyone may call in order to report, anonymously or not, any concerns related to Code of Conduct violations or non-compliance with the applicable legislation, including human rights issues.
- Supplier Code of Conduct
- Policy for Fighting Discrimination, Violence and Harassment at the Workplace
- Charter of Operations
- Open Resourcing Policy
- Health and Safety Policy
- The UN Global Compact Principles:
 - o freedom of association.
 - o elimination of child and forced labor.
 - o elimination of discrimination in the workplace and the supply chain.

Since 2021, FOURLIS Group and thus the Company, signs the Diversity Charter in Greece, further strengthening its commitment to combat discrimination and promote equal rights in the workplace. In 2022, the Company also signed the Diversity Charter in Bulgaria, Moreover, FOURLIS Group focused



even more on Diversity & Inclusion issues, implementing the following women empowerment actions, in which the Company's employees also participated:

- 1st cycle of a 6-month MENTORING program, in which 22 female employees of the Group in Greece participated, of which 8 were the Company's employees. The program was implemented in collaboration with Women On Top.
- In the context of Women's Day, FOURLIS Group invited all employees to participate in the celebration of this special day by leaving a comment, in a relevant post in an internal communication tool, about the reason why they admire and respect a special woman in their life. Participants were given a total of 100 books on the empowerment of girls and women.
- Implementation of the #I Am Remarkable workshop for employee empowerment. The workshop was implemented for the employees of the Group in Greece, Cyprus, Bulgaria and Romania.

In 2024, the Group and thus the Company, will continue to focus on Diversity & Inclusion issues in the axes: INCLUSIVE LEADERSHIP, GENDER EQUALITY and PEOPLE WITH DISABILITIES, with specific actions.

C) Anti-corruption and issues related to bribery

Aiming to fight corruption, bribery and fraud, the Company follows the codes, regulations and policies that FOURLIS Group has established and for which there is more information available, for all stakeholders, at www.fourlis.gr.

D) Environmental issues/Climate change

In the context of the global necessity to protect the environment, contribute to tackling climate change and reduce the impacts arising from it, FOURLIS Group and thus the Company, systematically monitors the effects of its activities, while it carries out a series of initiatives and interventions to reduce its environmental footprint, through the reduction of greenhouse gas emissions resulting from its operation, saving and recycling natural resources and integrating circular economy practices, responsible management of water resources, as well as raising awareness among employees and public on environmental protection issues and adopting a responsible attitude to life.

Climate stability and air pollutants

The Company systematically monitors electricity, heating oil and natural gas consumption at its facilities and proceed with the necessary interventions, where and when necessary, aiming at the reduction of its environmental footprint. Given that the Company's facilities are highly diversified and for the effectiveness of the interventions made for energy consumption reduction, the differences between the companies' facilities have been considered and relevant measures and practices for improving their energy efficiency are applied.



Specifically for 2023, indicative actions of the IKEA chain stores are presented below:

- Gradual addition of solar energy systems to produce domestic hot water. The project is completed and operating at 100%.
- Gradual installation of a compensation system in the boilers, to save natural gas. Project implementation continued during the reference year (70% completion rate).
- Gradual supply and use of peak electricity consumption management systems, with optimization/deferral of the operation of installations and devices operating with electricity. This project is at an early stage in the reference year.
- Restructuring of regular/preventive and repair maintenance of building facilities and their systems (90% completion rate in the reference year), targeting two main areas:
 - The management and assurance of the proper operational quality of all buildings' systems and facilities, in order to avoid operational failures, to maximize their performance and longevity and to ensure the economy of operations and to minimize any kind of environmental impacts. The project implementation remained at the same levels as in 2022 (80%).
 - The management and assurance of the maintenance and/or the upgrade of the quality of the building envelope to ensure the maximum economy of operations and the minimization of any kind of environmental impacts.

It is worth mentioning that the full integration and implementation of all provisions of the European legislation has already been completed (100%), e.g., full implementation of procedures to ensure the provisions of the European Regulation EU 517/2014, which replaced the previous corresponding EC 842/2006, on the control of the use and emission in the environment of fluorinated greenhouse gases.

Photovoltaic Systems

At the same time, to avoid the risk of increased energy consumption due to the aging of the basic E/M buildings' installations, the Company is in the process of progressively implementing the installation of electric power generation systems on its buildings' roofs, aiming to maximize the facilities' use that do not produce any form of burden to the environment.

In this context, since 2021 a photovoltaic system for the production of electricity with offset operates in the IKEA store in Cyprus. In 2023 the total energy production amounted to 518 MWh, while 466 CO₂e metric tons reached the amount of greenhouse gases that were not emitted during the same period.

Greenhouse gas emissions

To reduce its environmental impact and contribute to climate change mitigation, FOURLIS Group has assessed the carbon footprint of its activities based on the GHG Protocol and ISO 14064-1:2018



standards and in accordance with the guidelines of the National Climate Law (4936/27.05.2022). In this context, for the second year, the Group proceeded with the collection of activity data and calculation of direct (Scope 1) and indirect (Scope 2) emissions arising from the Group's activities in Greece, including the Company. In addition, in 2023, the Group will prepare an annual carbon footprint report in accordance with the requirements of the National Climate Law, for emissions resulting from the activities of companies, for which the Group holds operational control and are subject to the National Climate Law, including the Company.

More information on the results of greenhouse gas emission measurements for 2023, for all FOURLIS Group companies, is available in the "Report (Statement) of Non-financial Information" included in the consolidated Management Report of the Board of Directors of the parent company FOURLIS HOLDINGS S.A. for 2023 on the website www.fourlis.gr

Waste and resource intensity

Efficient material management and promotion of circular economy

FOURLIS Group, and thus the Company, implements recycling programs in cooperation with competent bodies for sorting and appropriate treatment of individual waste categories. In addition, recycling programs are implemented at the facilities of FOURLIS Group companies, as well as at those of the Company, with the participation of employees and the use of special recycling bins placed in the workplaces for this purpose. Recycling bins for plastic, paper, glass, lamps, batteries and small electrical and electronic appliances are also available to the public at IKEA stores.

Through its financial contribution to the Hellenic Recovery Recycling Corporation (HERRCO), the Company has also actively supported the effort to stimulate recycling infrastructure in our country. According to data provided by HERRCO, the total amount of their monetary contributions from 1/1/2023 to 31/12/2023 can be matched and thus assumed to have financed the purchase of 24 blue recycling bins.

Moreover:

- The Company applies an electronic archiving system for copies of invoices and credit notes at its stores in Greece, with significant benefits in saving paper. Through this practice, it is estimated that in 2023 the printing of a total of 809,820 A4 pages was avoided, while since the beginning of this practice the printing of a total of 4,722,285 A4 pages has been avoided in the stores, the e-shop, as well as the IKEA Pick Up & Order Points.
- The goal of FOURLIS Group, and consequently the Company, is to reduce ink consumption and decrease printing. In this context, in all Company stores across all countries of operation, all printers that issue customer receipts are thermal.



Reduction of food waste

The Company has invested in an electronic food waste monitoring and recording system in the restaurants' kitchens (Waste Watchers), while it has trained all stores' employees where the system "Waste Watchers" is applied (Kifissos, Airport, Thessaloniki, Cyprus, Sofia-Bulgaria), addressing the effects of food waste on the environment and the importance of proper recording and management of stocks. In 2023, the electronic system was implemented at IKEA stores in Maroussi (The Mall Athens), Ioannina, Larisa and Varna in Bulgaria. In the Piraeus store, it is scheduled to be implemented in 2024. Through this practice, for the period 1/1/2023-31/12/2023, the Company achieved savings in food waste by 37.4* tn corresponding to 160.9* t CO₂e and 93,545* meals worth €199,369*.

Moreover, based on the requirements of the new bill on recycling "Law 4819/2021 Submission of food waste data", the Company proceeded to data recording and mapping on types, quantity and methods of food waste treatment at IKEA stores in Greece.

TYPE OF FOOD WASTE	QUANTITY 2023 (t)	QUANTITY 2022 (t)	TREATMENT/DISPOSAL METHOD
Food waste in the preparation of meals*	6,802*	7,099	Disposal to the green recycling bin of the respective Municipality
Meals prepared and not consumed, but suitable for consumption*	1,675***	1,853	Donation in cooperation with the NGO "Boroume"
Raw materials and products unsuitable for human consumption (e.g., expired food, spoiled food)*	1,393*	2,207	Disposal to the green recycling bin of the respective Municipality
Leftovers of customers meals on the plate**	18,415	15,466	Disposal to the green recycling bin of the respective Municipality

*Data as recorded by the Waste Watchers system operating in the IKEA Airport, Kifissos, Thessaloniki stores in 2022 and in the IKEA Airport, Kifissos, Thessaloniki, Mall Athens, Ioannina and Larissa stores, in 2023.

** The quantity has been estimated approximately.

*** The data comes from the self-delivery of IKEA stores to the Non-Profit Organization Boroume".

Responsible water consumption

Significant amounts of water are consumed in the Company's facilities due to hygiene needs and the large number of visitors and employees. The Company monitors the consumption and explores the



implementation of additional measures, where necessary, with the aim of reducing water consumption in its facilities.

Detailed and consolidated data on energy and water consumption, as well as recycling at FOURLIS Group are presented in the "Report (Statement) of Non-financial Information" included in the consolidated Management Report of the Board of Directors of the parent company FOURLIS HOLDINGS S.A. for 2023 on the website www.fourlis.gr

Offering products/services that contribute to a more sustainable lifestyle

- On the website (<https://www.ikea.gr/en/simple-changes-for-a-more-sustainable-life/>) advice is provided for more sustainable living.
- On the website (<https://www.ikea.gr/en/simple-changes-for-a-more-sustainable-life/how-to-eat-more-sustainably/>) information is provided about the herbal products available in IKEA stores.

Consumers

- The Company continued, through advertising, encouraging its consumers in Greece, Cyprus and Bulgaria to adopt small changes and sustainable habits with 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:
 - The removal of all disposable plastics from restaurants and products.
 - The availability of exclusively LED lamps, which consume 85% less energy.
 - The availability of IKEA water batteries that lead to the reduction of water consumption by up to 50% through their special mechanism.
 - The gradual withdrawal of common batteries and the adoption of the use of rechargeable batteries.
 - The use of sustainable and recyclable raw materials in the production of IKEA products.
 - The reduction of food waste.
 - The creation, on www.ikea.gr website, of a section presenting IKEA's strategy, commitments and practices in the pillars: Health and Sustainable Living, Circular and Climate Positive, Fair and Equal.
- Once again in 2023, the Company proceeded to a joint action in cooperation with PPC, in the context of which visitors of IKEA Airport, IKEA Kifissos, IKEA Thessaloniki, IKEA Thessaly and IKEA Ioannina stores from 15/11/2023 until 16/12/2023 had the opportunity to be informed by experienced PPC executives about integrated energy saving solutions and get ideas for a more sustainable home life from IKEA. There was also a competition where 5 winners won gift cards worth €3,000 for purchases of sustainable products and 5 winners received 1 year of free electricity with Green Pass, while educational activities were also held, where children had the opportunity to learn how they can make responsible choices for the planet and win gifts. At the same time, IKEA participated in the 6th PPC



Trading Conference held at the Athens Conservatory on 29/11/2023 with the main theme of its presentation: Together for a more sustainable future.

- Electric car charging stations operate at IKEA Airport, IKEA Thessaloniki and IKEA Sofia stores in Bulgaria. IKEA Sofia, also, has electric vans that can be rented at very preferential prices by customers who do not have a car or have a small car, in order to transport their purchases to their destination.
- The Company supported once again, through the Hellenic Advertisers Association (SDE), 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.

Inter IKEA Group

The Inter IKEA Group applies the following, which also concern the Company's stores in Greece, Cyprus and Bulgaria:

- IKEA, worldwide, is committed to the use of renewable and recycled materials in all its products, by 2030.
- 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 reduction of transportation cost.
- In 2022, IKEA announced the gradual elimination 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.

E) Supply chain issues

The Group's and consequently the Company's business continuity is critical to the continuous delivery of high-quality products and services. The Company 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.

The Company 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. The cooperation proposals and offers submitted by partners/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 Company follows the following FOURLIS Group Policies and Codes, regarding its partners/suppliers:



Supplier Code of Conduct

The aim is 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 by its suppliers/partners, in their transactions with it. In particular, the Supplier Code of Conduct aims to provide guidelines on the business conduct of the Group's Suppliers. In this context, all Group suppliers are required to acknowledge and adhere to the Supplier Code of Conduct.

More information is available on the FOURLIS Group [Supplier Code of Conduct](#) website.

Due Diligence Policy on suppliers

As part of the operations of FOURLIS Group Regulatory Compliance Unit and having assessed the complexity and nature of its activities, the Group has adopted a Due Diligence Policy on suppliers. The policy describes the due diligence process implementation carried out by the Group's Regulatory Compliance Unit for the suppliers' acceptance.

The main provider of supply chain services for the Company is TRADE LOGISTICS, a FOURLIS Group subsidiary.

F) Taxonomy Report

The EU Taxonomy Regulation (2020/852/EU) is one of the tools established based on the European Green Deal, which aims to the transformation of the European Union into a modern, efficient, competitive and climate-neutral economy by 2050, in a fair manner. The Regulation establishes the technical criteria for determining whether an economic activity qualifies as environmentally sustainable. Consequently, the Regulation sets a common classification system that investors can use, when investing in economic activities that have a significant positive impact on the climate, the environment and the society.

Further information on the Taxonomy Report of FOURLIS Group and the Company is available in the 'Non-Financial Information Report' included in the consolidated Management Report of the Board of Directors of its parent company, FOURLIS HOLDINGS SA, for the year 2023 on the website www.fourlis.gr.

10. Related parties transactions

The Company's related parties are considered to be the parent company FOURLIS AE SYMBETOCHON, its subsidiaries, the affiliated companies of the FOURLIS Group, its associates and joint ventures, its management and senior executives and their related natural and legal persons (in accordance with IAS 24). The most significant commercial transactions, which have been eliminated for the purposes of the



consolidation of the financial statements between the Group companies, relate mainly to the provision of warehousing - supply services and administrative support costs.

The following table analyses the Company's receivables and payables with related parties as at 31 December 2023 and 31 December 2022. All amounts are expressed in thousands of euros.

		1/1 - 31/12/2023	1/1 - 31/12/2022
Receivables from:	FOURLIS HOLDINGS SA	42	6,369
	H.M. HOUSE MARKET (CYPRUS) LTD	6	6
	INTERSPORT SA	9	27
	HOUSE MARKET BULGARIA EAD	2,021	5
	TRADE LOGISTICS SA	1,528	2,213
	TRADE ESTATES ΑΕΕΑΠ	76	22
	KTIMATODOMI SA	8	1
	WELLNESS SA	1	0
	Total	3,691	8,643
Payables to:	FOURLIS HOLDINGS SA	0	6,000
	INTERSPORT SA	7	26
	HOUSE MARKET BULGARIA EAD	96	90
	TRADE ESTATES ΑΕΕΑΠ	886	381
	Total	989	6,497

The following table analyses the Right-of-Use Assets and Lease Obligations as of December 31, 2023 and December 31, 2022.

		31/12/2023	31/12/2022
Assets with right of use from:	FOURLIS HOLDINGS SA	0	20
	TRADE ESTATES REIC	46,003	32,123
	TOTAL	46,003	32,143
Lease Obligations to:	FOURLIS HOLDINGS SA	0	25
	TRADE ESTATES REIC	47,290	41,656
	TOTAL	47,290	41,681



In the year 2023 and 2022 the following transactions between companies of the Group took place:

	31/12/2023	31/12/2022
Administrative expenses	2,760	2,664
Distribution expenses	9,745	8,933
Other operating expenses	0	11
Total	12,505	11,608

The expenses for Right of Use assets are analysed below:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Depreciation of leases	3,364	2,379
Interest on leases	1,290	1,155
TOTAL	4,654	3,534

	31/12/2023	31/12/2022
Revenue	0	33
Cost of sales	0	29
Other income	136	140
Administrative expenses	3	14
Distribution expenses	5,014	4,968
Dividends	17,048	13,048

	31/12/2023	31/12/2022
Trade receivables	3,555	2,247
Creditors	96	90

11. Human Resources

The number of employees of the Company as at 31/12/2023 is 1,357 (1,313 as at 31/12/2022).

12. Treasury shares

The Company does not hold treasury shares.

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

a. The Company's share capital

The share capital of the Company amounts to EUR 16,863,447.00 (2022: EUR 47,450,647.00) divided into 16,863,447 shares with a nominal value of EUR 1.00 each, (2022: 47,450,647 shares).



All shares are ordinary registered shares. Each share carries the right to one vote with the exception of any treasury shares, which do not carry voting rights.

Shareholders' liability 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 the Company's shares take place as defined by the Law and there are no restrictions at the transfer from its Articles of Incorporation.

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

On 31/12/2023, all shares and voting rights of the Company belonged to FOURLIS HOLDINGS SA.

d. Preference shares

The Company does not have any preference shares.

e. Restrictions to voting rights

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

f. Shareholder agreements resulting in restrictions transfer of shares or to their voting rights

The Company is not aware of any Shareholder agreements resulting in restrictions to transfer of shares or to their 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 Incorporation which differ to 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 of the Company do not differ to those prescribed by Law 4548/2018.

h. The Board of Directors' or of several of its members, roles for the issue of new shares or the shares buy back in accordance with article 16 of Law 4548/2018

The Articles of Association of the Company is not different from the provisions of L. 4548/2018 regarding the jurisdiction of the Board of Directors to issue new shares or to purchase treasury shares. There is no jurisdiction of some members of the Board of Directors for the issuance of new shares or the purchase of treasury shares.

i. Significant agreements that the issuer has entered into, which come into force, are amended or terminate in the event that there are changes in control due to public offering and the results of these agreements

There are no significant agreements of the Company, which come into force, are amended or terminate in the event that there are changes in control of the Company due to public offering.



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 termination or redundancy without cause due to the public offering.

There are no agreements of the Company with members of the Board of Directors or its employees, which provide for indemnity in the event of termination or redundancy without cause.



14. Subsequent Events after the date of preparation of the Annual Financial Statements for the financial year from 1/1/2023 to 31/12/2023

There are no other events subsequent to 31/12/2023 that have a material impact on the financial position and results of the Company and its subsidiaries other than the following:

- On 22/3/2024 a bond of EUR 50 million with a term of (3) three years was issued by the Company.



This Report, the Annual Financial Statements of the year 2020, the Notes on the Annual Financial Statements along with the Auditors Report, they are published at the company's web site, address: <http://www.housemarket.gr> and <http://www.ikea.gr>. At the same site, 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.

Paiania, May 31th 2024

The Board of Directors



The annual Financial Statements (consolidated and separate) included in pages 40 to 93 are in accordance with the IFRS as applied in the European Union and approved by the Board of Directors on 31/5/2024 and are signed by the following:

Chairman of the Board of Directors

CEO

Dafni A. Furlis

ID No. Φ – 019071

Panagiotis D. Katiforis

ID No. AK – 129648

Finance Manager Controlling & Planning

Chief Accountant

Emmanouil D. Manousakis

ID No. AB - 669252

Christos G. Vasilopoulos

ID No. X – 067556

Ch. Acct. Lic. No. 62815 A Class



THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Housemarket S.A."

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Housemarket S.A. (the Company), which comprise the statement of financial position as of December 31, 2023, the income statement, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. In our opinion, the accompanying financial statements present fairly in all material respects the financial position of Housemarket S.A. as at December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We remained independent of the Company 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 financial statements in Greece, and we have fulfilled our 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.

Other information

Management is responsible for the other information. The other information includes the Board of Directors Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", and any other information either required by law or voluntarily adopted by the Company but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

- a) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 of Law 4548/2018 and the content of the Board of Directors' Report is consistent with the accompanying financial statements for the year ended December 31, 2023.
- b) Based on the knowledge and understanding concerning Housemarket S.A. and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

Athens, July 31, 2024

The Certified Auditor Accountant

Andreas Hadjidamianou

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, 2023 and at December 31, 2022

(In thousands of Euros, unless otherwise stated)

Assets	Note	31/12/2023	31/12/2022
Non-current Assets			
Property plant and equipment	6	26,198	22,817
Right of use assets	7	99,540	96,966
Investment Property	6	207	207
Intangible Assets	9	5,089	5,352
Investments	10	80,692	80,617
Long Term receivables	13	195	4,940
Deferred Taxes	25	4,343	3,530
Total non-current assets		216,264	214,429
Current assets			
Inventory	11	20,715	21,555
Income tax receivable		2	7
Trade receivables	12	2,931	2,163
Other receivables	14	10,269	14,211
Cash & cash equivalent	15	1,587	15,881
Assets classified as held for sale	8	49,592	75,005
Total current assets		85,097	128,821
Total Assets		301,359	343,250
SHAREHOLDERS EQUITY & LIABILITIES			
Shareholders equity			
Share Capital	16	16,863	47,451
Share premium reserve		(217)	(217)
Reserves	17	20,763	19,402
Retained earnings		46,948	36,985
Total shareholders equity (a)		84,357	103,620
LIABILITIES			
Non Current Liabilities			
Non - current loans	21	0	61,654
Lease liabilities	22	106,229	103,455
Employee retirement benefits	19	3,960	3,618
Other non-current liabilities	23	59	59
Total non current Liabilities		110,248	168,786
Current Liabilities			
Short term loans for working capital	21	0	9,989
Current portion of non-current loans and borrowings	21	61,724	12,764
Short term portion of long term lease liabilities	22	8,115	7,319
Income Tax Payable		0	3
Accounts payable and other current liabilities	24	36,915	40,768
Total current Liabilities		106,754	70,844
Total liabilities (b)		217,002	239,630
Total Equity & Liabilities (a) + (b)		301,359	343,250

The accompanying notes are an integral part of the Consolidated Financial Statements.



Income Statement (Separate) for the period 1/1 to 31/12/2023 and 1/1 to 31/12/2022

(In thousands of Euros, unless otherwise stated)

		Company	
	Note	1/1 - 31/12/2023	1/1 - 31/12/2022
Income from investment properties		197,443	180,185
Cost of Goods Sold	5,11	(110,559)	(102,860)
Gross Profit		86,884	77,325
Other income	5	6,406	5,911
Distribution expenses	5	(74,102)	(71,851)
Administrative expenses	5	(14,399)	(12,920)
Other operating expenses	5	(955)	(130)
Operating Profit /(Loss)		3,835	(1,665)
 Total finance cost	 5	 (9,598)	 (7,128)
Total finance income	5	19	42
Contribution associate companies profit and loss	8	5,174	5,413
Dividends	18	17,048	13,048
Profit / (Loss) before Tax		16,477	9,710
 Income tax	 25	 741	 65
Net Profit (A)		17,218	9,775

Revenue is meant as income from contracts with customers.

The accompanying notes are an integral part of the Consolidated Financial Statements.



Statement of Comprehensive Income (Separate) for the period 1/1 to 31/12/2023 and 1/1 to 31/12/2022

(In thousands of Euros, unless otherwise stated)

	Note	1/1 - 31/12/2023	1/1 - 31/12/2022
Net Income (A)		17,218	9,775
Other comprehensive income/(expenses)			
Other comprehensive income/(expenses) transferred to the income statement			
Effective portion of changes in fair value of cash flow hedges		0	0
Total Other comprehensive income/(expenses) transferred to the income statement		0	0
Other comprehensive income/(expenses) not transferred to the income statement			
Actuarial gain/losses on defined benefit pension plans	19,25	255	659
Total Other comprehensive income/(expenses) not transferred to the income statement		255	659
Other Comprehensive Income/(Losses) after Tax (B)		(255)	659
Total Comprehensive Income/(Losses) after Tax (A) + (B)		17,473	659
Attributable to:		17,473	10,434
Non controlling interest		0	0
Total Comprehensive Income/(Losses) after Tax (A) + (B)		17,473	10,434

The accompanying notes are an integral part of the Consolidated Financial Statements.

Statement of Changes in Equity (Separate)
for the period 1/1 to 31/12/2023 and 1/1 to 31/12/2022

(In thousands of Euros, unless otherwise stated)

Note	Share Capital	Share premium reserves	Reserves	Revaluation on Reserves	Retained earnings / (Accumulated losses)	Total Equity
Balance at 1.1.2022	47,451	(217)	17,788	722	64,551	130,295
Total comprehensive income/(loss) for the period						
Profit	0	0	0	0	9,775	9,775
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	659	659
Total comprehensive income/(loss)	0	0	0	0	659	659
Total comprehensive income/(loss) after taxes	0	0	0	0	10,434	10,434
Transactions with shareholders recorded directly in equity						
SOP Reserve	0	0	892	0	0	892
Reserves	0	0	0	0	(38,000)	(38,000)
Total transactions with shareholders	0	0	892	0	(38,000)	(37,108)
Balance at 31.12.2022	47,451	(217)	18,680	722	36,985	103,620
Balance at 1.1.2023	47,451	(217)	18,680	722	36,985	103,620
Total comprehensive income/(loss) for the period						
Profit	0	0	0	0	17,218	17,218
Actuarial gains (losses) on defined benefit pension plan	19,25	0	0	0	(255)	(255)
Total comprehensive income/(loss)	0	0	0	0	(255)	(255)
Total comprehensive income/(loss) after taxes	0	0	0	0	16,963	16,963
Transactions with shareholders, recorded directly in equity						
Share Capital Increase	(30,587)	0	0	0	0	(30,587)
SOP Reserve	19	0	1,361	0	0	1,361
Dividends to equity holders	18	0	0	0	(7,000)	(7,000)
Total transactions with shareholders	(30,587)	0	1,361	0	(7,000)	(36,226)
Balance at 31.12.2023	16,863	(217)	20,041	722	46,948	84,357

The accompanying notes on pages 100 to 162 are an integral part of the Consolidated Financial Statements.



Statement of Cash Flow (Consolidated and Separate) for the period 1/1 to 31/12/2023 and 1/1 to 31/12/2022

(In thousands of Euros, unless otherwise stated)

		Company	
	Note	1/1 - 31/12/2023	1/1 - 31/12/2022
Operating Activities			
(Loss)/Profit before taxes		16,477	9,710
Adjustments for:			
Depreciation / Amortization	5,6,7,9	13,264	12,546
Provisions		1,376	782
Foreign exchange differences		1	2
Results (Income, expenses, profit and loss) from investment activity		(22,131)	(18,496)
Interest Expense		9,597	7,124
Plus/less adj for changes in working capital related to the operating activities			
(Increase) / decrease in inventory		840	(3,949)
(Increase) / decrease in trade and other receivables		2,860	(2,517)
Increase / (decrease) in liabilities (excluding banks)		2,150	2,714
Less			
Interest paid and interest on leases		(9,281)	(6,823)
Income taxes paid		(6)	(7)
Net cash generated from operations (a)		15,146	1,086
Investing Activities			
Purchase or Share capital increase of subsidiaries and related companies		(75)	0
Purchase of tangible and intangible fixed assets	6,9	(8,012)	(3,895)
Addition of assets	6	(8,403)	0
Proceeds from disposal of tangible and intangible assets		1	3
Proceeds from the sale of other investments	6	13,450	0
Interest Received		18	40
Proceeds from dividends	18	17,048	14,548
Total (outflow) / inflow from investing activities (b)		14,028	10,696
Financing Activities			
Proceeds from issued loans	21	11,000	42,000
Repayment of loans	21	(34,000)	(49,184)
Dividends paid		(13,000)	(3,250)
Repayment of leasing		(7,467)	(6,904)
Total inflow / (outflow) from financing activities (c)		(43,467)	(17,338)
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)		(14,293)	(5,556)
Cash and cash equivalents at the beginning of the period		15,881	21,436
Closing balance, cash and cash equivalents		1,587	15,881

The accompanying notes are an integral part of the Consolidated Financial Statements.



Notes to the Financial Statements as at 31 December 2023

1. Corporate information

1.1 General Information

HOUSEMARKET S.A. (the Company) with the distinctive title HOUSEMARKET S.A. has its registered office in Greece and its offices are located at the "Eleftherios Venizelos" Airport, in building 501 of the Athens Airport Commercial Park. It is registered in the Register of Joint Stock Companies of the Ministry of Development under the registration number A.E. 46208/04/B/00/37(04). It is a subsidiary of FOURLIS S.A. HOLDINGS which holds 100% of its share capital.

The term of the Company, according to its Articles of Association, is set at 50 years and expires on 24 April 2050.

The current composition of the Board of Directors of the Company is as follows:

1. Dafni A. Furlis, Chairman, executive member
2. Vassilis St. Furlis, Vice Chairman, executive member
3. Lida St. Furlis, councillor
4. Panagiotis D. Katiforis, CEO, executive member
5. Dimitris E. Valachis, councillor
6. George K. Alevizos, councillor, non executive member
7. Stylianos M. Stefanou, councillor, independent non executive member

The number of employees of the Company as at 31/12/2023 is 1,357 (1,313 as at 31/12/2022).

1.2 Activities

The Group's Companies activities are the retail trading of home furniture and household goods, food service activities.

The direct and indirect subsidiaries of the Group as presented below:

Direct subsidiaries	Parent	Location	% Holding
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
TRADE ESTATES REIC	HOUSEMARKET SA	Cyprus	20.57
Indirect subsidiaries			
TRADE ESTATES REIC	HM HOUSEMARKET (CYPRUS) LTD	Cyprus	7.15
TRADE ESTATES REIC	HOUSE MARKET BULGARIA EAD	Bulgaria	12.21



TRADE ESTATES REIC	TRADE LOGISTICS SA	Greece	1.53
Affiliates			
VYNER LTD	WYLDES LIMITED LTD	Cyprus	50
SW SOFIA MALL ENTERPRISES LTD	WYLDES LIMITED LTD	Cyprus	50

During the period 1/1 – 31/12/2023 no share capital changes were realised at the parent company.

2. Basis of presentation of the Financial Statements

2.1. Basis of preparation

The accompanying Company Financial Statements (hereinafter referred to as the Financial Statements) have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The Company's Board of Directors approved the Financial Statements for the fiscal year 2023, on May 31, 2024. The Financial Statements are subject to approval by the Company's Annual General Meeting of Shareholders.

The Financial Statements have been prepared under the historical cost convention, except for the valuation of certain assets and liabilities (investment properties, hedging financial instruments, investments/financial assets available for sale) which were measured at fair value and under the going concern principle.

Management has considered the impact of geopolitical developments up to the date of approval of the Corporate Financial Statements and concluded that the going concern principle is the appropriate basis for their preparation. In reaching this conclusion. The Company's management is closely monitoring developments and is prepared to take all necessary measures to address any impact on its operating activities.

With respect to developments in Ukraine and the Middle East, the Company states that it has no subsidiaries, parent or affiliated companies based in Russia, Ukraine or the Middle East, nor any significant transactions with related parties from these countries. The Company also states that it has no significant customers or suppliers or subcontractors or business partners from Russia, Ukraine or the Middle East. The Company states that it does not maintain any accounts or have any loans with Russian banks. Management is closely monitoring developments and is prepared to take all necessary measures to address any impact on its operating activities.

Management has concluded that the Company is able to meet all of its obligations in a timely manner for at least 12 months from the date of the Balance Sheet and that there are no material uncertainties that may call into question its ability to continue as a going concern. The Financial Statements are presented in thousands of euros, unless otherwise indicated and differences in amounts are due to rounding.



2.2. Significant accounting judgments and estimates

The preparation of financial statements based in IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and 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 recognised 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 utilised. 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 (Note 3.21 and 25 of Financial Statements).
- **Fair Values of investment properties:** the Group recognizes its investment properties at fair values as determined by independent appraising firms. The fair values of investment properties are assessed on an annual basis. The determination of the fair values of properties requires assumptions with respect to future cash flows from rents with the use of DCF (Note 3.5 of Financial Statements).
- **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. (Note 10 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 appraisers report 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. Additional details for impairment test of tangible assets are included in Note 6 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 3.4 and 3.6.
- **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 departure 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 the interpretation of IAS 19 "Employee Benefits" by the International Financial Reporting Interpretations Committee on the attribution of benefits to periods of employee service (Attributing Benefit to Periods of Service). This interpretation did not have a material impact on our financial statements considering that the Group applies Article 8(a) of Law 3198/1955. Further details are included in Note 19 of the Financial Statements.
- **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 or appreciation right, 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 19 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 11 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 an 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 7 and 22.
- **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 12 of Financial Statements.
- For trade receivables, the Group applies the simplified approach for calculating ECL credit losses. Therefore, the Group does not monitor changes in credit risk, but recognizes a lifetime ECL-based loss rate in each reporting period. The Group has established a provisioning matrix based on historical credit loss experience, adjusted for future factors appropriate to the debtors and the economic environment.

2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those adopted in the previous financial year except for the following standards which the Company has adopted as at 1 January 2023.

- IAS 1 Presentation of Financial Statements and Statement of Practice IFRS 2: Disclosure of Accounting Policies (Amendments)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)
- IAS 12 Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction (Amendments)
- IAS 12 International Tax Reform - Pillar II Model Rules (Amendments).

The new IFRS and the amendments to IFRS adopted did not have a significant impact on the accounting policies of the Group and the Company.



- **IAS 1 Presentation of Financial Statements and Statement of Practice IFRS 2: Disclosure of Accounting Policies (Amendments)**

The amendments are effective for annual accounting periods beginning on or after 1 January 2023. The Amendments provide guidance on the application of judgement on materiality in accounting policy disclosures. In particular, the amendments replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. In addition, guidance and illustrative examples are added to the Statement of Practice to assist in applying the concept of materiality in making judgements in accounting policy disclosures. The Company has evaluated the accounting policy disclosures and they have no impact on its financial statements.

- **IAS 8 Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates (Amendments)**

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, and are effective for changes in accounting policies and changes in accounting estimates occurring on or after the beginning of that period. The amendments introduce a new definition of an accounting estimate as monetary amounts in financial statements that are subject to measurement uncertainty if they do not result from a prior period error correction. The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and error corrections. The amendments did not have an impact on the Company's financial statements.

- **IAS 12 Deferred tax relating to assets and liabilities arising from a single transaction (amendments)**

The amendments are effective for annual accounting periods beginning on or after 1 January 2023. The amendments narrow the scope and provide further clarity on the initial recognition exception in IAS 12 by specifying how entities should account for deferred tax assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify the application of judgment, including consideration of current tax law, where payments to settle a liability are tax deductible if those deductions are attributable, for tax purposes, to the liability or the related asset. 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 applies only if the recognition of a lease asset and a lease liability (or a decommissioning liability and a decommissioning asset) gives rise to temporary differences that are not equal taxable or deductible. The amendments had no impact on the Company's financial statements.

- **IAS 12 International Tax Reform - Pillar II Model Rules (amendments)**

The amendments apply on adoption, but some disclosure requirements apply later. The Organisation for Economic Co-operation and Development (OECD) published the Pillar II model rules in December 2021 to ensure that large multinational companies will be subject to a minimum 15% tax rate. On May 23, 2023, the IASB issued the amendments to IAS 12 - International Tax Reform - Pillar II Model Rules.



The amendments introduce a mandatory temporary exemption to the accounting for deferred tax arising from the application of the Pillar II model rules and additional disclosure requirements for affected entities. The amendments require, for periods in which Pillar II legislation has been (substantially) enacted but is not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements to understand an entity's exposure to Pillar II rules. To comply with those requirements, an entity is required to disclose qualitative and quantitative information at the end of the reporting period about its exposure to income taxes related to the Pillar II rules. Disclosure of current tax related to the Pillar II rules and disclosures in respect of periods before the effective date of the legislation are required for annual reporting periods beginning on or after 1 January 2023, but are not required for interim periods ending on or before 31 December 2023. The amendments did not have an impact on the Company's financial statements.

B) Standards issued but not applicable in the current accounting period the Company has not previously adopted

B.1) Standards/amendments not yet applicable but adopted by the European Union

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Long-Term (Amendments)** The amendments are effective for annual accounting periods beginning on or after 1 January 2024, with the possibility of earlier application, and should be applied retrospectively in accordance with IAS 8. The Company's management is in the process of evaluating the impact on the financial statements.
- **IFRS 16 Leases: Lease Obligation in Sale and Leaseback Agreements (Amendments).** The amendments are effective for annual accounting periods beginning on or after 1 January 2024, with earlier application permitted. The Company's management is in the process of evaluating the impact on the financial statements.
- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Long-term (amendments)**

The amendments are applied retrospectively in accordance with IAS 8 for annual accounting periods beginning on or after 1 January 2024, with earlier application permitted. The amendments provide guidance on the requirements in IAS 1 for classifying liabilities as current or non-current. The amendments clarify the meaning of a right to defer settlement of a liability, the requirement that such a right exists during the reporting period and that management's intention to exercise the right and a counterparty's right to settle the liability by transferring equity securities of the entity do not affect the current or non-current classification. The amendments also clarify that only the compliance conditions with which an entity is required to comply on or before the reporting date will affect the classification of a liability. Furthermore, additional disclosures are required for long-term liabilities arising from loan agreements that are subject to compliance conditions within twelve months of the reporting period. The Company's management is in the process of evaluating the impact on the financial statements.



- **IFRS 16 Leases: Lease Obligations in Sale and Leaseback Agreements (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2024, with earlier application permitted. The amendments are intended to improve the requirements for a seller-lessor to measure a lease liability arising from a sale and leaseback transaction under IFRS 16 and do not change the accounting treatment for leases that are not related to sale and leaseback transactions. In particular, the seller-lessor determines 'lease payments' or 'revised lease payments' so that it does not recognize a gain or loss related to the right of use it retains. The application of these requirements does not prevent a vendor-lessor from recognizing in profit or loss any gain or loss associated with the partial or total termination of a lease. The amendments are applied retrospectively in accordance with IAS 8 to sale and leaseback transactions occurring after the date of initial application, which is the beginning of the annual reporting period in which the entity first applied IFRS 16. The Company's management is in the process of assessing the impact on the financial statements.

B.2) Standards/amendments not yet applicable, and not yet adopted by the European Union

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supply Chain Finance Arrangements (Amendments).** The amendments are effective for annual accounting periods beginning on or after 1 January 2024, with earlier application permitted. The Company's management is in the process of evaluating the impact on the financial statements.
- **IAS 21 The effects of changes in foreign exchange rates: Lack of exchangeability (Amendments).** The amendments are effective for annual accounting periods beginning on or after 1 January 2025, with earlier application permitted.

The Company's management is in the process of evaluating the impact on the financial statements.

- **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Amendment: Sale or contribution of assets between an investor and its associate or joint venture.**

In December 2015, the IASB indefinitely deferred the implementation date of this amendment, pending the outcome of its work on the equity method.

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supply Chain Finance Arrangements (Amendments)**

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. The amendments supplement the requirements already in IFRSs and require an entity to disclose the terms and conditions of supply chain financing arrangements. In addition, entities are required to disclose at the beginning and end of the reporting period the carrying amount of financial liabilities of financing arrangements and the line items in which those liabilities are presented, as well as the carrying amount of financial liabilities and their presentation line items for which the financing providers have already settled the corresponding commercial obligations. Entities shall also disclose the nature and effect of non-cash changes in the carrying



amount of financial liabilities of financing arrangements that prevent comparability of the carrying amount of financial liabilities. In addition, the amendments require an entity to disclose at the beginning and end of the reporting period the range of maturity dates of financial liabilities of financing arrangements and of comparable commercial obligations that are not part of those arrangements. The amendments have not yet been adopted by the European Union.

The Company's management is in the process of evaluating the impact on the financial statements.

- **IAS 21 The effects of changes in foreign exchange rates: Lack of exchangeability (Amendments).**

The amendments are effective for annual accounting periods beginning on or after 1 January 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a current exchange rate when there is no exchangeability. A currency is regarded as exchangeable for another currency when the entity can obtain the other currency within a time frame that permits a normal administrative delay and through a market or swap mechanism where an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable for another currency, an entity is required to estimate the current exchange rate at the measurement date. The entity's objective in estimating the current exchange rate is to reflect, at the measurement date, the rate at which an orderly exchange transaction between market participants would occur under prevailing economic conditions. The amendments note that an entity may use an observable exchange rate without adjustment or other estimation technique. The Company's management is in the process of assessing the impact on the financial statements.

- **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Amendment: Sale or contribution of assets between an investor and its associate or joint venture**

The amendments address a recognised 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 recognised when the transaction involves an entity (whether or not it is housed in a subsidiary). A partial gain or loss is recognised when the transaction involves assets that do not constitute an enterprise, even if those assets are housed in a subsidiary. In December 2015, the IASB indefinitely deferred the implementation date of this amendment, pending the outcome of its work on the equity method. The amendments have not yet been adopted by the European Union. The Company's management is in the process of evaluating the impact on the financial statements.

3. Basic accounting policies

The Financial Statements have been prepared in accordance with the following accounting policies:



3.1 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".

3.2 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 accounted for using the equity method based on which the investment is carried at cost plus post-acquisition changes in the Group's share of net assets of the associate, less provisions for any impairment in value. 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 uniform 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 interest 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 accounted for at cost less any accumulated impairment losses.

3.3 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 Euros.

(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.

3.4 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.

3.5 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.

3.6 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.

3.7 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 Statement of Income, 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 or 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.

3.8 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 twelve months after the reference period.

There is no unconditional right to postpone the solution of a liability for at least twelve 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.

3.9 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.

3.10 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 12)

For trade receivables the Group implements simplified approach for the calculation of credit losses ECL. Therefore the Group does not monitor changes in credit risk, but recognizes a percentage of losses which is based on ECL 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.

3.11 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.

3.12 Trade receivables

Trade receivables are initially recognized at fair value and then measured at amortized cost less provision for impairment, using the effective interest rate method and taking into account expected credit losses. Specifically, the Company applies the simplified approach of the standard by calculating expected credit losses based on expected credit losses over their lifetime. The Company uses past experience to determine the risk of default as well as forward-looking information at the end of each reporting period regarding debtors and the economic environment.

Therefore, the Company does not monitor changes in credit risk, but recognizes a loss rate based on expected lifetime credit losses in each reporting period. The Company has established a provision table based on historical credit loss experience, adjusted for future factors appropriate to the debtors and the economic environment.

In addition, in the opinion of the Company's management, while the risk may increase in the case of a



small number of tenants, geographical concentration of properties or limited types of investment properties, the particular characteristics of the Company's properties (large surface area properties, which house the largest retailers and items aimed at the average household), tenants and the implementation of policies to check the creditworthiness and trading behavior of new tenants, by strictly applying terms to secure receivables through lease agreements (such as financial guarantees and letters of guarantee) as well as the implementation of policies for monitoring the remaining customers and communication for the recovery of any claims, shield the company against bad trade receivables.

When there is an indication of impairment, the carrying amount of receivables is reduced to their recoverable amount, which is the present value of expected future cash flows discounted at the original effective interest rate. Interest is then accrued at the same rate on the impaired (new carrying amount).

With regard to loans to related parties, it is noted that there is no credit risk for the Company.

3.13 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.

3.14 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.

3.15 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.



3.16 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 rate used by the Company is 22%.



3.17 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.

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.

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 (Volatility), Dividend Yield, Risk Free Rate.

3.18 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 recognised in the financial statements but are disclosed unless there is a probability of financial outflow or inflow.

3.19 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 excludes amounts collected by third parties such as value added taxes (VAT), 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 are recorded as income when the right to collect vests which is upon the decision of the General Assembly (ordinary or extraordinary). Expenses are recognized in the statement of comprehensive income as accrued.
- *Advertising costs:* Advertising costs are expensed as incurred 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 shall be accounted for under distribution operating expenses.

3.20 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 Lessor has only operating leasing. In more details, on the beginning date of the leasing period, a right of use asset and an 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.

3.21 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.

3.22 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 de-recognition 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.

4. Financial Risk Management

Risk management is handled by the portfolio management service of the parent company FOURLIS SA S.A., which operates according to specific rules set by the Board of Directors.

The Company has adopted the "Enterprise Risk Management" (ERM) methodology which facilitates and enables the organization to identify, assess and manage risks through a structured approach. The methodology is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM framework, which provides guidance on how to incorporate ERM practices and captures the principles of implementation. Within this framework, risks were identified and assessed and recorded in the Company's Risk Register.

More specifically, the categories of risks are: Profitability & Liquidity, Reputation & Ethics, Society & People, Regulatory Compliance, Strategy, Customers, Health & Safety, Growth & Competition, Technology and Operations. The most significant risks identified for the Company are:

- Risk related to the Sustainability category: The possibility of not aligning the business strategy with ESG (Environmental, Social and Corporate Governance) obligations such as Climate & Sustainability and corporate governance expectations and the associated impact on the Company's financial results and reputation.
- People, Health and Safety Risk: The likelihood of difficulties in attracting, developing (including training) and retaining the required skills and talent (including new skills in digital technologies) and the associated impact on the Company's performance.
- Risk relevant to the Strategy category: The likelihood of failure to clearly define strategy and align it with business objectives and the associated impact on the Company's growth.



- Risk related to the Strategy category: The likelihood of failure to adopt cutting-edge technology / alignment of IT strategy with business strategy and new business models and the associated impact on the Company's reputation and revenues.
- Risk relevant to the Profitability and Liquidity category: The possibility of ineffective liquidity management, as well as an unclear liquidity strategy and the related impact on the Company's earnings and liquidity.
- Risk related to the Profitability and Liquidity category: The likelihood of adverse global macroeconomic events and the related impact on the Company's earnings.
- Risk related to the Growth & Competition category: the likelihood of new competitors (e-shop or physical stores) and the associated impact on loss of market share.
- Risk related to the Development & Competition category: the possibility of entry of international digital marketplaces and the related impact on loss of market share.
- Risk related to the Information Systems Technology & Security category: the likelihood of high cost of information systems platforms and the impact on the Company's profits.
- Risk related to the Information Systems Technology and Security category: the likelihood of a cyber-attack and the related impact on the Company's earnings, performance and reputation.
- Risk related to the Operations category: The possibility of mismanagement of inventory and the related impact on the Company's performance and earnings.

The Board of Directors provides written guidance and direction on the general management of risk as well as specific guidance on the management of specific risks, such as foreign exchange risk and interest rate risk.

a) Financial Risk Management

The Company is exposed to financial risks such as currency risk, interest rate risk and liquidity risk. The financial management identifies, assesses and hedges financial risks in cooperation with the FOURLIS Group.

Foreign Exchange Risk:

The Company is exposed to foreign exchange risk arising from transactions in foreign currencies (SEK) with suppliers which invoice the Company in currencies other than the local. The Company, in order to minimize the foreign exchange risk, according to the needs, in certain cases pre - purchases foreign currencies.

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. Cash flow risk is minimized via the availability of adequate credit lines and cash. Also, the Group has entered into Interest Rate Swap (IRS) contracts in order to face these risks.

Risk from the energy crisis and inflationary pressures:

The Company is closely monitoring developments related to the energy crisis and inflationary pressures in order to adapt to the specific circumstances that arise. It complies with the official instructions of the competent authorities for the operation of its physical stores and headquarters. It shall comply with the legislation in force and shall continue to trade in its physical stores in accordance with the instructions. Energy costs for the operation of the Company's stores and warehouses are affected by the large increases observed internationally, but are a relatively small part of the Company's operating costs. With respect to developments in Ukraine and the Middle East, the Company states that it has no subsidiaries, parent or affiliated companies based in Russia, Ukraine or the Middle East, nor any significant transactions with related parties from these countries. The Company also states that it has no significant customers or suppliers or subcontractors or business partners from Russia, Ukraine or the Middle East. The Company states that it does not maintain any accounts or have any loans with Russian banks. Management is closely monitoring developments and is prepared to take all necessary measures to address any impact on its operating activities.

Non-financial risks:

In addition to financial risks, the Company focuses on non-financial risks related to specific issues that have been identified as material in the context of sustainable development. These issues relate to full compliance with legislation and the implementation of corporate governance policies, human resources, the environmental impact of the companies' activities, the supply chain and the evolution of the companies in the context of the market in which they operate. Risk management is premised on the definition of objective objectives based on which the most significant events that may affect the Company are identified, the relevant risks are assessed and a decision is made to respond to them.

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 - 31/12/2023.



5. Analysis of expenses and other operating income

The expenses are presented in the Consolidated Income Statement as follows:

	Company	
	1/1 - 31/12/2023	1/1 - 31/12/2022
Payroll Expenses	31,199	28,251
Third party services	25,519	25,597
Taxes-duties	796	1,044
Depreciation/Amortisation	13,264	12,546
Other operating expenses	16,609	15,479
Credit Card fees	2,068	1,983
Total	89,455	84,901

The main categories of expenses are analyzed below:

	Company	
	1/1 - 31/12/2023	1/1 - 31/12/2022
Salaries and wages	23,615	21,501
Social security contributions	4,940	4,657
Miscellaneous grants	2,629	2,204
Personnel retirement benefits	15	(110)
Total	31,199	28,251

Other operating income is analysed as follows:

	Company	
	1/1 - 31/12/2023	1/1 - 31/12/2022
Revenue from prior year and non-use of provisions	407	543
Fixed Assets Gain	556	2
Other income	5,442	5,366
Total	6,406	5,911

The Company's other income for the year 2023 includes rental income and administrative support income of EUR 142 thousand (2022: 143 thousand), and rent and utilities and other income received of EUR 541 thousand (2022: 345 thousand), income from services to customers and order dispatch income of EUR 4,760 thousand (2022: 3,696 thousand).



Net Financial Results are analyzed as follows:

	Company	
	1/1 - 31/12/2023	1/1 - 31/12/2022
Interest - expenses	(4,456)	(2,567)
Factoring expenses	(404)	(193)
Foreign exchange differences (expense) -realized-	(1)	(4)
Other bank expenses	(346)	(283)
Interest of lease liabilities	(4,390)	(4,082)
Total finance cost	(9,598)	(7,128)
Interest and related income	18	40
Foreign exchange differences (income) -realized-	0	1
Total finance income	19	42
Financial expenses / income	(9,579)	(7,086)

6. Property, plant and equipment and Investment property

Changes in property, plant and equipment for the periods 1/1-31/12/2023 and 1/1-31/12/2022 are analyzed as follows:

	Company					
	Building s and installati ons	Machinery /Installati ons	Vehicles	Furniture	Assets under construc tion	Total
Net book value at 31.12.2022	17,742	1,356	220	3,499	0	22,817
1.1 - 31.12.2023						
Additions	1,467	214	43	1,143	4,274	7,142
Other changes in acquisition cost	(104)	(107)	(32)	(187)	(89)	(519)
Depreciation/ amortization	(2,244)	(257)	(54)	(1,113)	0	(3,667)
Other changes in depreciation	79	106	32	209	0	426
Acquisition cost at 31.12.2023	47,014	4,850	1,693	23,853	4,185	81,594
Accumulated depreciation at 31.12.2023	(30,073)	(3,538)	(1,484)	(20,301)	0	(55,396)
Net book value at 31.12.2023	16,941	1,312	209	3,552	4,185	26,198



	Company					
	Building s and installati ons	Machinery /Installati ons	Vehicles	Furniture	Assets under construc tion	Total
Net book value at 31.12.2021	18,495	1,299	245	3,283	0	23,323
1.1 - 31.12.2022						
Additions	1,456	309	29	1,276	0	3,070
Other changes in acquisition cost	(1)	(132)	(5)	(1,053)	0	(1,191)
Depreciation/ amortization	(2,207)	(250)	(55)	(1,056)	0	(3,568)
Other changes in depreciation	1	130	5	1,048	0	1,183
Acquisition cost at 31.12.2022	45,650	4,742	1,681	22,898	0	74,972
Accumulated depreciation at 31.12.2022	27,908	3,387	1,462	19,398	0	52,155
Net book value at 31.12.2022	17,742	1,356	220	3,499	0	22,817

Additions to tangible fixed assets for the year relate to the costs of fitting out and purchase of equipment for retail household equipment and furniture for existing stores.

On 17 May 2023, a new store was opened in Alexandroupolis and the store in Komotini was closed during the same period.

The most significant additions in fiscal year 2023 to property, plant and equipment relate to:

- a) buildings and technical works amounting to EUR 1.5 million of the IKEA stores.
- b) machinery - plant and equipment, furniture and other equipment amounting to EUR 1.4 million for IKEA stores.
- c) fixed assets under construction amounting to EUR 4.3 million relating to the remodelling of the store premises,

Other changes in acquisition value include destruction of EUR 419 thousand, sales of assets of EUR 13.6 million and revaluations of EUR 5.1 million.

Also included in other changes in depreciation and amortisation are catastrophes of EUR 416 thousand and from sales of fixed assets of EUR 10 thousand.

Total depreciation of tangible and intangible fixed assets of EUR 4,801 thousand was recorded in the amount of EUR 3,686 thousand under selling expenses and EUR 1,115 thousand under administrative expenses.

As at 31/12/2023, the Company reviewed the value of the tangible assets and no indication of impairment was found.



Investment in real estate

The changes in investments in real estate for the financial year 1/1 - 31/12/2023 and for the financial year 1/1 - 31/12/2022 are as follows:

	Company	
	31/12/2023	31/12/2022
Opening balance	207	207
Addition of investment properties	13,467	0
Sale of investment properties	(13,467)	0
Closing balance	207	207

In the cash flow statement, the line item Additions to investment properties is reduced by an amount of EUR 5.064 thousand, which relates to the settlement of advances given in previous years for the acquisition of property. It is also noted that the sale of the properties resulted in a loss of EUR 17 thousand.

7. Right of use assets

Right of use assets of the Group and the Company for the years 2023 and 2022 are analysed as follows:

	Leasing Buildings	Company Leasing Vehicles	Total
Acquisition cost at 31.12.2022	120,296	771	121,068
Accumulated depreciation/amortisation at 31.12.2022	(23,682)	(420)	(24,102)
Net book value at 31.12.2022	96,615	351	96,966
Additions	10,936	101	11,036
Other changes in acquisition cost	(87)	0	(87)
Depreciation/ amortization	(8,338)	(124)	(8,462)
Changes in depreciation value due to contract termination	87	0	87
Acquisition cost at 31.12.2023	131,146	872	132,018
Accumulated depreciation at 31.12.2023	(31,933)	(544)	(32,478)
Net book value at 31.12.2023	99,212	328	99,540



	Company		
	Leasing Buildings	Leasing Vehicles	Total
Acquisition cost at 31.12.2021	101,095	587	101,681
Accumulated depreciation at 31.12.2021	(15,897)	(300)	(16,196)
Net book value at 31.12.2021	85,198	287	85,485
Other changes			
Additions	19,202	184	19,386
Depreciation/ amortization	(7,785)	(120)	(7,905)
Acquisition cost at 31.12.2022	120,296	771	121,068
Accumulated depreciation at 31.12.2022	(23,682)	(420)	(24,102)
Net book value at 31.12.2022	96,615	351	96,966

The additions to the period's right-of-use assets relate to new contracts and changes to existing contracts due to an increase in the price and duration of the lease of shops.

As at 31/12/2023, the Company reviewed the value of the property, plant and equipment and found no indication of impairment.

8. Assets held for sale

As at 31/12/2023, the Company reports its investment in Trade Estates under assets held for sale, assessing that the criteria of IFRS 5 are met. These assets were measured at the lower of their carrying amount and fair value less costs to complete the sale.

The FOURLIS Group continues to take advantage of the investment opportunities related to the establishment of the company named "TRADE ESTATES Real Estate Investment Company Limited Liability Company", to operate as a Real Estate Investment Company Limited Liability Company in accordance with the provisions of Law no. 2778/1999 and b Alternative Investment Agency with internal management, in accordance with the provisions of Law 4209/2013. In the same context, the actions that the Group had carried out for the strategic planning of TRADE ESTATES SA, which includes an increase in the share capital of TRADE ESTATES SA through the Athens Exchange as well as private placements prior to the listing on the Athens Exchange, with the final result that the Group's participation will reach 50% after the end of the period of mandatory maintenance of the participation due to the listing on the Athens Exchange and in any case within 2024.

A valuation of 12,706,247 shares of twelve million seven hundred and six thousand seven hundred and forty-seven shares of the company "TRADE ESTATES S.A. REAL ESTATE INVESTMENT COMPANY" was



carried out based on article 17 of Law 4548/2018 as a result of articles 31 and 161 par. 4 of Law 4548/2018, in the context of a share capital reduction through the distribution of shares of the company named "TRADE ESTATES REAL ESTATE INVESTMENT COMPANY S.A.", where the share price of 2.4072 was determined. The acquisition cost of the distribution of the above 12,706,247 shares amounted to EUR 25,413 thousand, the corresponding valuation amounted to EUR 30,587 thousand; see note 16.

The proceeds from the valuation of assets held for sale amounting to EUR 5,174 thousand (2022: EUR 5,413 thousand).

9. Intangible assets

Intangible assets are analyzed as follows:

	Royalties	Company Software	Miscellaneous	Total
Net book value at 31.12.2022	2,278	3,080	(6)	5,352
1.1 - 31.12.2023				
Additions	0	870	0	870
Depreciation/ amortization	(272)	(860)	(2)	(1,134)
Other changes in depreciation	(9)	0	9	0
Acquisition cost at 31.12.2023	7,321	11,282	12	18,615
Accumulated depreciation at 31.12.2023	(5,325)	(8,191)	(42)	(13,527)
Net book value at 31.12.2023	1,996	3,090	(30)	5,089

	Royalties	Company Software	Miscellaneous	Total
Net book value at 31.12.2021	2,417	3,178	5	5,600
1.1 - 31.12.2022				
Additions	111	713	0	825
Other changes in acquisition cost	0	0	0	0
Depreciation/ amortization	(250)	(812)	(11)	(1,073)
Acquisition cost at 31.12.2022	7,321	10,412	12	17,745
Accumulated depreciation at 31.12.2022	(5,043)	(7,332)	(18)	(12,393)
Net book value at 31.12.2022	2,278	3,080	(6)	5,352

The rights include the right to use IKEA trademarks.

On 17 May 2023, a new store was opened in Alexandroupolis, while the store in Komotini was closed at the same time.

Additions to intangible assets relate to software licenses.

Amortization of the Company's intangible assets for the year 2023 amounted to EUR 1,134 thousand.



As at 31/12/2023, the Company reviewed the value of the intangible assets and no indication of impairment was found.

10. Investments in affiliates and associates

Investments in the Company's subsidiaries are analysed as follows:

	COUNTRY	COMPANY			
		% SHAREHOLDING 2023	31/12/2023	% SHAREHOLDING 2022	31/12/2022
SUBSIDIARIES					
HM HOUSEMARKET (CYPRUS) LTD	Cyprus	100%	11,041	100%	11,041
HM HOUSEMARKET BULGARUA EAD	Bulgaria	100%	9,999	100%	9,999
TRADE LOGISTICS SA	Greece	100%	18,520	100%	18,520
WYLDES LTD	Cyprus	100%	41,132	100%	41,057
TOTAL			80,692		80,617

11. Inventory

Inventory is analyzed as follows:

	Company	
	31/12/2023	31/12/2022
Inventory	20,714	21,542
Advances for purchases of merchandise	1	13
Total	20,715	21,555

The cost of the Company's inventories was recorded as an expense in cost of sales, amounting to EUR 110,559 thousand in the current period and EUR 102,860 thousand in 2022.

The value of inventories written off during the year for the Company amounts to EUR 1,168 thousand and EUR 1,553 thousand in 2022.

The total provision for inventories as at 31/12/2023 amounts to EUR 3,643 thousand EUR 2,622 thousand in 2022.

12. Trade receivables

Trade receivables are analyzed as follows:



	Company	
	31/12/2023	31/12/2022
Trade receivables	10,564	9,795
Cheques receivables	18	18
Bad Debt Provisions	(7,650)	(7,650)
Total	2,931	2,163

As at 31/12/2023 and 31/12/2022, the breakdown of loans and advances from customers into neither past due nor impaired and between past due and impaired is as follows:

		Company	
	Total	Not due trade receivables	Overdue trade receivables
31/12/2023	2,931	1,617	1,315
31/12/2022	2,163	846	1,317

Unmatured and unimpaired receivables mainly include amounts arising from the sale of goods.

13. Long-term receivables

	Company	
	31/12/2023	31/12/2022
Assets:		
Guarantees given to Property Lease Holders	109	2,440
Other Long term claims	85	2,500
Total	195	4,940

Guarantees for property lease are directly related to the operation of the Group's companies as they regard trading property. Also, guarantees have been given for public services and organizations.

14. Other receivables

Other receivables are analyzed as follows:

	Company	
	31/12/2023	31/12/2022
Suppliers advances	1,920	8,682
Credit Cards receivable	2,708	1,925
Accruals	1,245	682
Other debtors	4,395	2,921
Total	10,269	14,211

For the year 2023, other debtors include EUR 368 thousand relating to the credit card discounting program (2022: EUR 389 thousand) and EUR 139 thousand in advance receivables (2022: EUR 194 thousand), EUR 1,179 thousand in other debtors. receivables from the government (2022: EUR 1,091 thousand), EUR 710 thousand (2022: EUR 1,247 thousand) for other trade receivables and a dividend receivable of EUR 2,000 thousand (2022: EUR 0 thousand).



15. Cash and cash equivalent

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:

	Company	
	31/12/2023	31/12/2022
Cash in hand	1,134	1,013
Bank Deposits	454	14,867
Total	1,587	15,881

The decrease in cash is due to the acquisition of new investments. The Company's temporarily uncommitted funds are invested in very short-term time deposits in euros. The weighted average interest rate on deposits for the year 2023 was 1.4% 2022: 0.1%.

16. Share capital

On 31 December 2023 the share capital amounted to EUR 16,863,447 (2022: EUR 47,450,647), divided into 16,863,447 shares (2022: 47,450,647) with a nominal value of EUR 1.00 each.

By resolution of the Extraordinary General Meeting of the Company's shareholders held on 31 December 2022, the relevant General Meeting minutes number 60/31.12.2022 were adopted, the share capital of the Company was reduced by the total amount of thirty million five hundred eighty seven thousand two hundred euros 30,587,200.00, by cancelling thirty million five hundred eighty seven thousand two hundred 30,587,200 nominal shares, with a nominal value of one euro 1.00 each, and the aforementioned reduction was partly carried out in kind, in the amount of thirty million five hundred and eighty-seven thousand one hundred and ninety-nine euros and ninety-four cents 30,587,199.94, with distribution to the sole shareholder "FOURLIS S.A. HOLDING COMPANY", twelve million seven hundred and six thousand five hundred and forty-seven 12,706,547 shares of the company "TRADE ESTATES REAL ESTATE INVESTMENT COMPANY", of equal total assessed value, and partly in the amount of six euro 0.06 cents with cash return to the sole shareholder, for rounding purposes.

Following the above, the Company's share capital now amounts to sixteen million eight hundred and sixty-three thousand four hundred and forty-seven euros 16,863,447, divided into sixteen million eight hundred and sixty-three thousand four hundred and forty-seven 16,863,447 registered shares, with a nominal value of one euro 1.00 each.

It is noted that the reduction of its share capital was approved by the General Register of Companies on 23/3/2023.

The above change was registered in the General Commercial Register on 23/3/2023 under the number 3522240, in accordance with the notice issued by the General Commercial Register of the Athens Chamber of Commerce and Industry under number 2920427/23.03.2023.



17. Reserves

The movement of the reserves is analyzed as follows:

	Company	
	31/12/2023	31/12/2022
Statutory Reserves	8,268	8,268
Revaluation Reserves	722	722
Tax free reserves	7,725	7,725
SOP Reserve	4,048	2,687
Total	20,763	19,402

Statutory Reserve: 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.

Tax-free reserves: The Group has tax-free reserves of amount € 7.725 th. (2022: 7.725 th.) which arised mainly from dividends and income from doubtful debt provision of L. 3296/04. In case of disposal or capitalization they will be taxed with the tax rate provided by article 71B of L. 4172/2013.

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.

Asset revaluation reserve: the asset revaluation reserve includes differences in the valuation of land and buildings. The revaluation reserve cannot be distributed to shareholders..

18. Dividends

The Board of Directors of the Company will propose to the 2024 Annual General Meeting of Shareholders that no dividend be distributed. At the 2023 Annual General Meeting of Shareholders, the Company's Board of Directors' proposal to not distribute a dividend was approved by the 2023 Annual General Meeting of Shareholders.

By resolution of the Extraordinary General Meeting of the Company's shareholders held on 7/12/2023, the relevant General Meeting Minutes No. 62/7.12.2023 resolved to distribute a dividend in the amount of EUR seven million (7,000,000.00)

The Company has included in its income dividend from subsidiaries in the amount of EUR 17.0 million (2022: 13.0 million).

19. Employee retirement benefits

19.1 Liabilities due to termination of service

The liability for severance payments under Law 2112/20, 4093/12 for the Company is reflected in the



Financial Statements in accordance with IAS 19 and is based on an actuarial study prepared by AON Hewitt as of 31 December 2023. In May 2021, an interpretation of IAS 19 "Employee Benefits" was issued by the International Financial Reporting Interpretations Committee of the International Financial Reporting Standards Interpretations Committee on Attributing Benefit to Periods of Service of Employees. This interpretation did not have a significant impact on our financial statements considering that the Group applies article 8 (a) of Law 3198/1955 as a rule and as a result, the Company is committed to pay 50% of the statutory compensation to those who voluntarily leave employment with 15 years of experience..

Basic assumptions of the actuarial study for Greece are the following:

Company	2023	2022
Average annual payroll increase	1.50%	1.00%
Discount interest rate	3.30%	3.80%
Inflation	2.5%	2.5%
Plan duration (years)	11.87	12.14

If the average annual employee payroll increase were to increase by 0.50% i.e. 2.00%, then the Company's total employee benefits would increase by 5.99%. In case of an increase in the discount rate by 0.50%, then the total employee benefits of the Company would decrease by 5.46%.

The expense derived from the compensation to employees due to retirement, that was recorded in the Income Statement is analysed as follows:

	Company	
	1/1 - 31/12/2023	1/1 - 31/12/2022
Service Cost	134	184
Interest Cost	133	45
Cost reduction/settlement/termination service	(252)	123
Total amount allocated in Income statement	15	352
Balance of liability at the beginning	3,618	4,573
Compensation due to retirement	15	352
Paid amounts	0	(462)
Actuarial gains/losses	327	(845)
Balance of liability in the end	3,960	3,618

The amounts of Actuarial losses/gains, appear in Statement of Comprehensive Income and regard employee retirement defined benefits programs.

19.2 Share based payments

Members of the Management of the Company and its subsidiaries participate in the Stock Option Plan of the parent company FOURLIS AE ΣΥΜΜΕΤΟΧΩΝ.



The Extraordinary General Meeting of the parent company FOURLIS AE SYMBETOCHON of 22 July 2021, in the context of the Stock Option Plan, approved the allocation of a maximum of 1,597,000 options of one share, i.e. 3.07% of the number of shares in the SA and the granting of authorization to the Board of Directors to regulate the procedural issues and details. The offering price of the aforementioned shares is the nominal value of the share on the day of the resolution of the General Meeting on the plan. The plan will be implemented in one series. The term of the Plan is until the year 2028, in the sense that the rights granted to the beneficiaries of the Plan with a grant date of 22/11/2021 may be exercised from 24/11/2024 to 15/12/2028.

<u>Variable</u>	<u>Price</u>
Exercise price	1.00
Grant date	22/11/2021
Stock Volatility	27.11%
Dividend Yield	2.101%
Attrition Rate	0%
Risk Free Rate	0%

The fair value of each of the 844,000 options is estimated at EUR 2.71 per option. Their cost for 2023 is approximately EUR 0.7 million (as is the unrecognized cost as of 12/31/2023), none of the above options had matured as of 12/31/2023 (or 12/31/2022).

The Annual General Meeting of the shareholders of the parent company "FOURLIS ANONYMIH ETAIROE HOLDING COMPANY" on 16/6/2023 approved a Share Allocation Plan (hereinafter: "the Plan 2"), to executives of the Company and its affiliated companies, in the forms of a) granting of stock options (article 113 of Law no. 4548/2018) and b) free allocation of shares (stock grants) (article 114 of Law 4548/2018), and authorized the Board of Directors to regulate the procedural issues and details. The said Program 2 is a revision of the stock option program approved by the Annual General Meeting of the shareholders on 16/6/2017, which was established in accordance with the provisions of paragraph 13 of article 13 and paragraphs 3 and 4 of article 29 and paragraph 2 of article 31 of the Law 2190/1920.

Scheme 2 is divided into two sub-schemes:

A) Plan for the orderly succession of senior executives of the Company and its affiliated companies (hereinafter also referred to as "Plan A"):

Plan A provides the selected senior executives of the Company and its affiliated subsidiaries with the right to purchase shares (stock options) at a fixed price and to exercise this right within a certain period of time in the future. The beneficiary exercising this right gains if, at the time of exercising the right, the stock market price of the share is higher than the purchase price. Schedule A will be implemented through a single series for all of the rights granted (up to a maximum of 850,000 rights of one (1) share).

The beneficiaries are senior executives of the parent company FOURLIS AE HOLDINGS and its affiliated



companies, in particular the CEOs of these companies with fifteen (15) years of service in the FOURLIS Group, who were selected by the Board of Directors' decision of 4/9/2023, as a reward and recognition of their long-term contribution and contribution to the development of the FOURLIS Group. The duration of Plan A is until the year 2029, in the sense that the rights granted to the beneficiaries of Plan A may be exercised until December 2029 in accordance with the terms and conditions of the Plan. During the term of the Plan A and in accordance with its terms, the Board of Directors shall issue to the beneficiaries who have exercised their right certificates of right to acquire shares and shall issue and deliver the shares to the aforementioned beneficiaries, increasing the share capital of the Company and certifying the increase in capital.

These increases in the share capital do not constitute amendments to the Articles of Association. The Board of Directors is obliged, during the last month of the financial year in which the capital increases took place, to adjust, by resolution, the article of the Articles of Association concerning the capital, so as to provide for the amount of the capital, as it emerged after the above-mentioned increases, in compliance with the publicity formalities of article 13 of Law 4548/2018.

B) Program for attracting, retaining and motivating senior executives of the Company and its affiliated companies (hereinafter referred to as "Program B"):

Plan B provides the selected senior executives of the Company and its affiliated subsidiaries with free common registered shares with voting rights (stock grants) through the capitalization of the Company's reserves, in accordance with the provisions of article 114 of Law 4548/2018 as currently in force, for the achievement of specific objectives. Plan B will be implemented in three (3) annual series, with a maximum number of 1,300,000 shares granted in total. Each series matures 2 years after March 2024, March 2025 and March 2026. The beneficiaries are senior executives of the Company and its affiliated companies, selected at the reasonable discretion of the Board of Directors, after taking into account their contribution to the achievement of the strategic plans of the FOURLIS Group for the period 2025 - 2027. The duration is forty-eight (48 months), starting in March 2024.

During the course of Plan B and in accordance with its terms, the Board of Directors will increase the share capital by capitalizing reserves and issuing new shares, which will be delivered to the beneficiaries. These increases in share capital do not constitute amendments to the Articles of Association. The Board of Directors is obliged, during the last month of the financial year in which capital increases have taken place, to adjust, by resolution, the article of the Articles of Association on capital, so as to provide for the amount of capital as it has arisen after the aforementioned increases, in compliance with the publicity formalities of article 13 of Law 4548/2018.

None of the above options (443,271) or stock grants (677,944) have matured as of 31/12/2023. The fair value of the options (amount of EUR 3.1 per option) was determined using key criteria Exercise price of EUR 1, grant date 16/6/2023, grant price of EUR 4,375 volatility 24.4% , dividend yield 3.4%, Risk Free Rate 3%. The fair value of the stock grants (EUR 4.05 amount, EUR 3.98 amount and EUR 3.88 amount per series) has been calculated with the following parameters :



Grant date 16/6/2023, share price 4.375 volatility 29.4%, dividend yield 3.4%, Risk Free Rate 3.2%, 3.09% or 3.02%.

The total value of plans A and B of EUR 3.5 million is charged to the Company's results until March 2028. The charge for 2023 for the Company is EUR 571 thousand, the remaining EUR 2.9 million will be charged in later years.

The charge in 2023 from the 2017 plan amounted to approximately EUR 47 thousand.

In the period 1/1 - 31/12/2023 an amount of EUR 1.4 million was recorded as an expense in the Company's results. 2022: EUR 892 thousand.

19.3 Contributions for employee retirement benefits

In fiscal year 2023, a contribution for employee retirement benefits was recorded in expenses by the Company in the amount of EUR 274 thousand; 2022: EUR 282 thousand under the current private defined contribution pension plan.

20. Financial Instruments and Risk Management Policies

20.1 Credit Risk

Exposure to Credit Risk

The Group has significantly reduced its exposure to credit risk due to the focus in the retail segments where the payment of goods is mainly made by cash or credit cards discounts. The maximum exposure at 31/12/2020, without taking into consideration any hedging or insurance strategies, was as follows:

	Book Value	
	31/12/2023	31/12/2022
€000s		
Trade receivables	2,931	2,163
Other Debtors	7,560	12,286
Credit Cards receivable	2,708	1,925
Cash & cash equivalent	1,587	15,881
Total	14,788	32,254

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:

The maximum exposure at the date of the Statement of Financial Position, per customer type was:

	Book Value	
	31/12/2023	31/12/2022
€000s		
Wholesale trade customers	2,210	1,790
Retail trade customers	721	373



20.2 Liquidity Risk

Liquidity risk is kept low by maintaining adequate bank credit limits and cash reserves.

The contractual maturities of financial liabilities, including interest payments and excluding netting agreements, are set out in the table below in respect of loans, while trade and other payables have contractual maturities of less than 12 months.

	Company					
<u>31/12/2023</u>	Immediate termination	3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Long-term loans	0	1,931	59,793	0	0	61,724
Total	0	1,931	59,793	0	0	61,724

<u>31/12/2022</u>						
Short-term loans	0	0	9,989	0	0	9,989
Long-term loans	0	1,921	10,843	61,654	0	74,418
Total	0	1,921	20,832	61,654	0	84,407

20.3 Foreign Exchange Risk

Exposure to currency risk

The Company is exposed to currency risks arising from trading transactions in different currencies compared to the local SEK currency. In order to minimise currency risks in accordance with the needs at any given time, the Company in some cases carries out currency pre-purchases.

	Trade creditors and other liabilities	
	Foreign currency in thousands of euros	
	<u>31/12/2023</u>	<u>31/12/2022</u>
USD	2	3
SEK	0	174

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 all other variables (Interest Rates) would remain constant. The analysis was performed in a similar manner for 2022.

Impact in €000s	<u>Net Equity</u>	<u>Operating Result</u>
Dec 31 , 2023		
USD	0.2	0.2
Dec 31 , 2022		
USD	0.3	0.3
SEK	(71.4)	(71.4)



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.

20.4 Interest Rate Fluctuation Exposure

Profile

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. 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% change in the Company's borrowing rate at 31 December would increase the net position and results by EUR 617.24 thousand in the financial year 2023 and EUR 844.07 thousand in the financial year 2022.

Sensitivity Analysis of fair value for financial instruments with a fixed interest rate

The Company has no such Instruments (Assets/Liabilities) valued at fair value through income statement.

20.5 Fair value of financial instruments

There is no difference between the fair values and the corresponding carrying amounts of financial assets and liabilities, i.e. trade and other receivables, cash and cash equivalents, trade and other payables, derivative financial instruments, loans and finance leases. The fair value of a financial asset is the amount received to sell an asset or paid to settle a liability in an arm's length transaction between two parties in an arm's length transaction at the measurement date. The fair value of the financial assets in the Financial Statements as at 31 December 2022 was determined using management's best estimate. In cases where data is not available or is limited by active financial markets, fair value measurements have been derived from management's assessment in accordance with the information available.

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.

20.6 Capital Management

The Company's primary objective with respect to capital management is to ensure and maintain strong creditworthiness and healthy capital ratios in order to support investment projects and maximize the return on invested capital for the benefit of shareholders.

The Company monitors capital management through the use of the leverage ratio - net debt to equity plus net debt. Net borrowings include interest-bearing loans less cash and cash equivalents. The Company's strategic objective is for the above ratio to be between 30% and 45%. As at 31/12/2023 the ratio was 42% 2022: 40%.

21. Borrowings

Borrowings for the years 2023 and 2022 are analyzed as follows:

	Company	
	31/12/2023	31/12/2022
Non - current loans	61,724	74,418
Current portion of non-current loans and borrowings	61,724	12,764
Non - current loans	0	61,654
Short term loans for working capital	0	9,989
Total loans and borrowings	61,724	84,407

The repayment period of long-term loans varies from 1 to 5 years. The bonds due for repayment in the next fiscal year 2024 were issued in fiscal years 2020 and 2021. The weighted average interest rate of the Company's short-term borrowings was 6.24% in the period from 1/1/2023 to 12/31/2023 (3.94% in the corresponding period of 2022) while the weighted average interest rate of the Company's long-term borrowings was 5.25% in the period from 1/1/2023 to 12/31/2023 (2.54% in the corresponding period of 2022).

Loan repayments and recoveries in the current period amounted to EUR 34,000 thousand (2022: 49,184 thousand) and EUR 11,000 thousand (2022: 42,000 thousand) respectively. Long-term loans, including the portion payable within 12 months, mainly cover the Company's development needs and are broken down into bond, syndicated and other long-term loans as follows for 31/12/2023 and 31/12/2022 respectively:



31/12/2023		<u>Amount</u>	<u>Issuing Date</u>	<u>Duration</u>
HOUSEMARKET SA	Bond	39,840	30/09/2021	3 years from the issuing date payable forthcoming period
	Bond	9,975	17/7/2020	4 years from the issuing date (€9,975th. payable forthcoming period)
	Bond	11,908	31/7/2020	4 years from the issuing date (€11,908 th. payable forthcoming period)
Total		61,724		

31/12/2022		<u>Amount</u>	<u>Issuing Date</u>	<u>Duration</u>
HOUSEMARKET SA	Bond	39,770	30/9/2021	3 years from the issuing date payable forthcoming period
	Bond	13,926	17/7/2020	4 years from the issuing date (€3,951 th. payable forthcoming period)
	Bond	15,750	31/7/2020	4 years from the issuing date (€3,842 th. payable forthcoming period)
	Bond	4,972	24/9/2020	3 years from the issuing date (€4,972 th. payable forthcoming period)
Total		74,418		

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:

- Company's bond loan of € 10 million issued by NATIONAL BANK on 16/7/2020 with maturity on 30/6/2024.
- Company's bond loan of € 12 million issued by EURO BANK on 29/7/2020 with maturity on 31/7/2024.
- Company's bond loan of € 40 million issued by PIRAEUS BANK on 22/09/2021 with maturity on



30/9/2024.

Current portion of non-current loans and borrowings includes:

- Part of a bond loan corresponding to an amount of EUR 10 million issued by NATIONAL BANK for a four-year term expiring on 30/6/2024 for a total amount of EUR 10 million.
- Part of a bond loan corresponding to an amount of EUR 12 million issued by EURO BANK, with a four-year maturity of EUR 12 million maturing on 31/7/2024.
- Part of a EUR 40 million bond loan corresponding to an amount of EUR 40 million maturing on 30/9/2024 issued by PIRAEUS on 22/9/2021.

The Company's short-term borrowings include short-term loans and mutual accounts that are used as working capital for its operations to cover mainly trade payables.

Certain of the Company's loans contain restrictive covenants. As of 12/31/2023, the Company obtained a measurement exemption for the terms of the loans.

The Company, having centralized capital management, has the ability to directly identify, quantify, address and hedge, if necessary, the financial risks created by its principal operating activities to align with changes in the economic environment.

The Company budgets and continuously monitors its cash flows and acts appropriately to ensure the existence of open lines of credit to cover temporary capital needs. The Company has sufficient open lines of credit with domestic and foreign financial institutions to meet the working capital needs of local companies. As of 31/12/2023, the balance of open credit lines was EUR 24.3 million.

22. Leasing liabilities

On 31/12/2023 and 31/12/2022, leasing liabilities for the Group and Company are analyzed as follows:

	Lease liabilities	
	Company	
	31/12/2023	31/12/2022
Opening balance	110,774	98,292
Additions	11,036	19,386
Changes (Increases or decreases) of lease value	0	0
Repayment of leasing	(7,467)	(6,904)
Total	114,344	110,774

The additions to lease liabilities in the period relate to changes to existing contracts due to an increase in the price and duration of the lease in the stores and amounted to EUR 11 million.

Maturities of leasing liabilities are presented below:



	Company	
	31/12/2023	31/12/2022
Up to 1 year	8,115	7,319
Between 1-5 years	34,728	31,362
More than 5 years	71,501	72,093
Total	114,344	110,774

23. Long-term liabilities

Other Non-Current Liabilities are analyzed as follows:

	Company	
	31/12/2023	31/12/2022
Liabilities:		
Received Guarantees	59	59
Total	59	59

24. Trade and other payables

Trade and other payables are analyzed as follows:

	Company	
	31/12/2023	31/12/2022
Trade payables	22,607	21,380
Accrued expenses	5,352	5,740
Other payables	2,195	2,021
Taxes liability	3,580	3,567
Customers advances	1,924	874
Insurance Organizations	1,257	1,187
Dividends payable	0	6,000
Total	36,915	40,768

25. Income taxes

The tax rate for the Company's income is 22%.

The Company has not been audited by the tax authorities for the following years:

COMPANY	YEARS
HOUSEMARKET SA	2018-2023*

(*) The Company, for the financial years 2011, 2012 and 2013, has been subject to the tax audit of the regular Certified Public Accountants based on the provisions of article 82 par. 5 of Law 2238/1994 and for the financial years 2014 -2022 under the provisions of Article 65 A of Law 4174/2013. It received a Tax Compliance Certificate without any issue of emphasis or reservation for the financial years 2011-2022 and,



the audit for the financial year 2023 is in progress. Upon completion of the audit, the Company's management does not expect any significant tax liabilities to arise beyond those recorded and reflected in the Financial Statements. The fiscal years through 2018 are integrated.

The income tax expense for the year 2023 and the relative year 2022 is as follows:

	Company	
	1/1 - 31/12/2023	1/1 - 31/12/2022
Income tax	0	0
Deferred Taxes:		
Differences of fixed assets	13	20
Provisions for employee benefits (IAS 19)	3	(24)
Differences from the application of IFRS 16	232	208
Provisions	245	(44)
Deferred tax from tax loss recognition	248	(94)
Total Deferred taxes	741	65
Income Tax Expense	741	65

The reconciliation between the nominal tax rate and the effective tax rate for the year 2023 and the relative year 2022 is analyzed as follows:

	Company	
	1/1 - 31/12/2023	1/1 - 31/12/2022
Profit Before Taxes	16,477	9,710
Income tax based on nominal tax rate	(3,625)	(2,136)
Tax on tax free income	4,889	2,871
Tax on non deductible expenses	(132)	(139)
Income tax difference of previous year	(91)	(94)
Miscellaneous timing differences	(300)	(436)
Tax in statement of comprehensive income	741	(65)

Deferred taxes as at 31/12/2023 shown in the Statement of Comprehensive Income relating to income from defined benefit plans for the Company amount to EUR 72 thousand (31/12/2022: 186 thousand).

Deferred taxes as at 31 December 2023 and 31 December 2022 which appear in accompanying Financial Statements are analysed as follows:



	Company	
	1/1 - 31/12/2023	1/1 - 31/12/2022
Assets :		
Depreciation calc. difference	(757)	(770)
Employee retirement benefits (IAS 19)	871	796
Stock devaluation	801	577
Provisions	285	259
Provision for doubtful debts	825	825
Deferred income tax	1,179	931
Reclass of Revenue account	24	30
Differences from the application of IFRS 16	1,114	883
Total	4,343	3,530

Deferred income taxes arise from temporary differences between the tax recognition of assets and liabilities and their recognition in the financial statements.

As at 31/12/2023 the Company had accumulated tax losses carried forward and made a total provision for deferred tax assets of EUR 1,179 thousand (EUR 931 thousand as at 31/12/2022) from tax losses for the year, as management considered that the recognition criteria were met. For the part of the tax losses on which a deferred tax asset has been recognised, management estimates that these will be covered by taxable profits before the expiry date.

26. Commitments and Contingencies

26.1 Commitments

Its commitments as at 31/12/2023 are:

Letters of guarantee from the Company, amounting to EUR 2,437 thousand for the good performance of the contract between the Company and Athens International Airport, amounting to EUR 9,600 thousand for the good performance of the contract between the Company and NOVAL PROPERTIES SA, amounting to EUR 275 thousand. for the good performance of the contract between the Company and LAMDA OLYMPIA VILLAGE MAE and for the good performance of the contract between the Company and Trade Estates SA and other letters of guarantee of EUR 1,835 thousand and EUR 26 thousand respectively.

Corporate guarantees have been given by the parent company to a subsidiary company to secure liabilities of EUR 5,000 thousand.

26.2 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.



27. Related parties

The Company's related parties are considered to be the parent company FOURLIS AE SYMBETOCHON, its subsidiaries, the affiliated companies of the FOURLIS Group, its affiliated companies and joint ventures, its management and senior executives and the related natural and legal persons according to IAS 24. The Company provides advice and services to its subsidiaries in the areas of product data processing, purchasing and general organisation of the divisions and other services at the request of the subsidiaries.

The following table provides a breakdown of receivables and payables as of December 31, 2023 and December 31, 2022:

		1/1 - 31/12/2023	1/1 - 31/12/2022
Receivables from:			
	FOURLIS HOLDINGS SA	42	6,369
	H.M. HOUSE MARKET (CYPRUS) LTD	6	6
	INTERSPORT SA	9	27
	HOUSE MARKET BULGARIA EAD	2,021	5
	TRADE LOGISTICS SA	1,528	2,213
	TRADE ESTATES ΑΕΕΑΠ	76	22
	KTIMATODOMI SA	8	1
	WELLNESS SA	1	0
	Total	3,691	8,643
Payables to:			
	FOURLIS HOLDINGS SA	0	6,000
	INTERSPORT SA	7	26
	HOUSE MARKET BULGARIA EAD	96	90
	TRADE ESTATES ΑΕΕΑΠ	886	381
	Total	989	6,497

The following table analyses the Right-of-Use Assets and Lease Obligations as of December 31, 2023 and December 31, 2022.

		31/12/2023	31/12/2022
Right of Use Assets from:			
	FOURLIS AE ΣΥΜΜΕΤΟΧΩΝ	0	20
	TRADE ESTATES ΑΕΕΑΠ	46,003	32,123
	Total	46,003	32,143
Lease Liabilities to:			
	FOURLIS HOLDINGS SA	0	25
	TRADE ESTATES ΑΕΕΑΠ	47,290	41,656
	Total	47,290	41,681



Related party transactions as at 31 December 2023 and 2022 are as follows:

	Company	
	31/12/2023	31/12/2022
Revenue	4	33
Other income	267	243
Dividends	17,048	13,048
Total	17,318	13,324

	Company	
	1/1 - 31/12/2023	1/1 - 31/12/2022
Administrative expenses	2,760	2,664
Distribution expenses	9,745	8,933
Other distribution expenses	0	11
Total	12,505	11,608

The expenses for Right of Use assets are analysed below:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Depreciation of leases	3,364	2,379
Interest of leases	1,290	1,155
Total	4,654	3,534

Transactions and fees of management members for the years 2023 and 2022 are as follow:

	Company	
	1/1 - 31/12/2023	1/1 - 31/12/2022
Transactions and fees of management members	1,660	1,615

There are no other receivables-payables transactions between the Company and its directors and officers. Transactions with related parties are on commercial terms and mainly involve sales and purchases of goods and services in the ordinary course of the Company's business.

28. Transactions with Subsidiaries

During financial years 2023 and 2022, between the parent company and its subsidiaries the following transactions occurred:



	Company	
	31/12/2023	31/12/2022
Revenue	0	33
Cost of sales	0	29
Other income	136	140
Administrative expenses	3	14
Distribution expenses	5,014	4,968
Dividends	17,048	13,048

	Company	
	31/12/2023	31/12/2022
Trade receivables	3,555	2,247
Creditors	96	90

29. Subsequent events

There are no other subsequent events as of 31/12/2023 that may significantly affect the financial position and results of the Group other than the following:

- On 22/3/2024 the Company issued a bond of EUR 50 million with a maturity of 3 three years.



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 2020 has been published by posting on the internet at the web address of the Company <http://www.ikea.gr> and www.housemarket.gr. At the same web addresses, 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.