INTERSPORT ATHLETICS S.A.

REG. NO: 46209/01AT/B/00/424(2013)

GENERAL ELECTRONIC COMMERCIAL REGISTRY NO: 121753801000

OFFICES: 25, ERMOU STR. – 14564

KIFISSIA, ATTICA

ANNUAL FINANCIAL REPORT

For the period

1/1/2023 to 31/12/2023

(TRANSLATED FROM THE GREEK ORIGINAL)

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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 of INTERSPORT ATHLETICS SA

1. Vassilis S. Fourlis, Chairman
2. Dafni A. Fourlis, Vice Chairman and
3. Evaggelos D. Batris, CEO

We confirm that to the best of our knowledge:

a. The Annual Financial Statements of the Company 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 INTERSPORT ATHLETICS S.A.

b. The Annual Report of Board of Directors provides a true and fair view of the evolution, performance and financial position of INTERSPORT ATHLETICS S.A. including the description of the main risks and uncertainties the company faces.

Maroussi, May 24 2024

The Chairman	The Vice Chairman	The CEO
Vassilis S. Fourlis	Dafni A. Fourlis	Evaggelos D. Batris

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY INTERSPORT ATHLETICS S.A. ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2023

(In accordance with L. 3556/ 2007)

TO THE SHAREHOLDERS ANNUAL GENERAL ASSEMBLY OF YEAR 2024

Dear Shareholders,

This report of the Board of Directors concerns the period of twelve months of the closing year (1/1 - 31 / 12/2023). The report was prepared and is harmonized with the relevant provisions of Law 4548/2018 as it was valid until 31/12/2023. We submit to you for approval the financial statements for the year 1/1 - 31/12/2023 of the Company INTERSPORT ATHLETICS SA SA SA (hereinafter the Company).

1. THE COMPANY – Business Segment

The Company's business is (wholesale and retail) trading, import and export, manufacturing and processing clothing and footwear of every type and kind, as well as sports equipment. The Company is a direct subsidiary of the company FOURLIS HOLDINGS S.A. which has a shareholding of 100%.

The Company has a direct shareholding at the following companies:

- INTERSPORT ATHLETICS (CYPRUS) LTD which operates in Cyprus and the Company has a shareholding of 100%.
- GENCO BULGARIA EOOD which operates in Bulgaria and the Company has a shareholding of 100%.
- GENCO TRADE SRL which operates in Romania and the Company has a shareholding of 98,43% and the parent company FOURLIS HOLDINGS S.A. has the remaining shareholding of 1,57%.

The aforementioned companies are included in the consolidated financial statements of the parent company FOURLIS HOLDINGS SA with the full consolidation method and are published at the site (http://www.fourlis.gr).

2. FINANCIAL DATA

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

The Company's retail sales of sporting goods (INTERSPORT Stores) in Greece for the year 2023 amounted to EUR 141.1 million (2022: EUR 136.9 million) and EBITDA reached EUR 13.2 million (2022: EUR 14.8 million). Profit before taxes amounted to EUR 0.4 million compared to a loss of EUR 4.8 million in 2022.

During the financial year 2023 the Company proceeded with the implementation of its investment plans by adding to its network three (3) new stores in Greece, in Serres (17/3/2023), in Katerini (8/4/2023) and in Pagrati Athens (14/7/2023).

Also, on 26/1/2023, the agreement to sell the "Intersport" business in Turkey was announced. The agreement provides for the sale of all shares of the subsidiary Intersport Atletik Mağazacılık ve Dış Ticaret Anonim Şirketi, the franchisor of the "Intersport" brand and "The Athlete's Foot" in Turkey, which operated a network of 12 stores. The purchaser is the Eren Perakende ve Tekstil Anonim Şirketi Group.

Below are comparative figures of the Company's results for the financial year 1/1-31/12/2023 with the corresponding financial year 2022.

	2023	2022	2023/2022
Revenue	141,056	136,937	1.03
EBITDA (*)	13,241	14,844	0.89
EBIT (*)	3,547	5,264	0.67
Profit/(Loss) before Tax	373	(4,765)	-

3. Basic Financial Indicators

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

Financial Structure Indicators:

	31/12/2023	31/12/2022
Total Current assets/Total Assets	35.12%	38.80%
Total Liabilities/TOTAL SHAREHOLDERS EQUITY & LIABILITIES	84.54%	87.07%
Total Shareholders Equity/TOTAL SHAREHOLDERS EQUITY & LIABILITIES	15.46%	12.93%
Total Current assets/Total Current Liabilities	92.54%	112.24%

Performance & Efficiency basic Indicators:

	2023	2022
Operating Profit/Revenue	2.51%	3.84%
Profit/(Loss) before Tax/Total Shareholders Equity	1.68%	(23.98)%

We note that the Company’s Total Equity attributed to the shareholders of the Company on 31/12/2023 amounts to € 22,2 million versus amount of € 19,9 million on 31/12/2012.

4. Operating Performance – Important developments:

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

GENCO BULGARIA EOOD:

Pursuant to the decision of the General Meeting of the shareholders of the company on 10/10/2023, the share capital of the company was increased by the amount of one million seventy five thousand seven hundred leva (BGN 1,075,700.00) by issuing 107,570 new common nominal shares with voting rights, with a nominal value of ten leva (BGN 10.00) each. The share capital increase was fully covered by the shareholder INTERSPORT ATHLETICS S.A. (in execution of the decision of the Board of Directors of INTERSPORT ATHLETICS S.A. dated 2/10/2023). After the above-mentioned share capital increase, the share capital amounts to twenty million one hundred and twenty-two thousand nine hundred and seventy leva (BGN 20,122,970.00), divided into 2,012,297 shares with a nominal value of ten leva (BGN 10.00) each.

5. Information about Company'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.

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

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.

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 does it have 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.

One hundred and eight (108) INTERSPORT Stores operate in the sports retail sector, fifty-nine (59) in Greece, while e-commerce stores operate in Greece, Romania, Cyprus and Bulgaria.

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

6. Major Risks & Uncertainties faced by 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 Risk Register.

More specifically, the categories of risks are: Profitability & Liquidity, Reputation & Ethics, Regulatory Compliance, Strategy, Customers, Sustainability, People, Health & Safety, Growth & Competition, Technology & Information Security 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. Financial management identifies, assesses and hedges financial risks in cooperation with the Company's subsidiaries.

Foreign Exchange Risk:

The Company is exposed to foreign exchange risks arising from commercial transactions in foreign currencies (RON, USD) with suppliers that invoice the Company in currencies other than the local currency. The Company, in order to minimize foreign exchange risks according to its needs, evaluates the need to pre-purchase foreign currency.

Interest rate risk:

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 low levels by maintaining adequate bank credit limits and significant cash and cash equivalents. The Group 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 in the countries where it operates. 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 represent a relatively small portion of the Company's operating costs.

The Company continues its strictly selected investments in both retail sectors in which it operates.

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.

b) Important Controversial Cases

There are no disputed cases whose outcome may have significant effects on the Company's Annual Financial Statements for the year from 1/1 - 31/12/2023.

7. Selected alternative performance measurement indicators

Pursuant to the ESMA Guidelines (05/10/2015|ESMA/2015/1415), the FOURLIS Group has adopted as an Alternative Performance Measurement Indicator (AIMI) the Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA). The 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 of **EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization & Impairment)**/ Operating profit before tax, financial result, investment result and total depreciation/impairment = Profit before tax +/- Financial and investment result (Total financial expenses + Total financial income + Share of losses of associates) + Total depreciation/impairment (tangible and intangible assets).

The most directly correlated item with this EBITDA is the operating profit (EBIT) and depreciation/amortisation/impairment. Operating profit is presented in the line item of the Income Statement and depreciation/amortisation/impairment is presented in total in the line item of the Cash Flow Statement. In more detail, the reconciliation of the selected EMA to the Company's financial statements for the corresponding period is as follows:

	1/1-31/12/2023	1/1-31/12/2022
Profit /(Loss) before tax	**373**	**(4,765)**
Interest on lease liabilities	1,936	1,976
Other financial results, gains from results of associates, losses on sale of subsidiaries	1,238	8,054
Total depreciation/amortisation - Net gain/loss on revaluation of investments Real estate at fair value	9,695	9,579
Earnings before interest, taxes /impairment EBITDA	**13,241**	**14,844**
Depreciation of right-of-use assets (IFRS 16 depreciation)	(5,780)	(5,890)
Operating profit before interest, taxes, depreciation/amortization/impairment EBITDA (OPR)	**7,461**	**8,954**

8. Social Responsibility

Sustainable Development

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

FOURLIS Group has a Sustainable Development Policy which concerns all its companies, as well as the Company, and is approved by the Board of Directors. The Sustainable Development Strategy of FOURLIS

Group, which also concerns the Company, is based on Sustainable Development material topics, as they arise through the materiality analysis, which is carried out according to 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 (is included in the Internal Labor Regulations of FOURLIS Group companies). The Policy includes a wide range of relevant procedures, measures and initiatives, regarding the safe stay of visitors, customers and partners in the Company's facilities. To ensure compliance with the Health and Safety Policy, regular inspections are carried out by safety technicians in all activities of the Company.

Moreover, the Company invests in the continuous and regular training of its employees (First Aid, Fire Safety and Fire Fighting trainings), to be able to respond to emergency incidents that can affect both their own and customers', visitors' and partners' safety at the Company's facilities and stores.

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 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 Company's policy focuses on including terms within contracts with suppliers that ensure compliance with all rules and laws applicable to the products they supply. In cases of defective products, the Company promptly proceeds with their withdrawal and replacement, as well as all necessary actions to inform relevant authorities, such as the Ministry of Development and Investments, consumer associations, and the general public, through a special press release. In 2023 there were no product withdrawals in all countries where the Company operates.

Product compliance and labeling

The Commercial Management of the Company, which is also responsible for the compliance of INTERSPORT store products, ensures that they adhere to purchasing regulations, as well as the CE marking of the European Union. The products have special labeling and indications aimed at providing information and advice to consumers regarding their use, construction details, etc.

Responsible communication

The marketing and communication strategy of INTERSPORT is based on its vision, which aims to bring Sports closer to people. The Company's marketing policy focuses on two areas: corporate communication and product promotion. The communication and promotion methods chosen by the Company include various media, such as television and radio advertising, as well as digital marketing. Moreover, the Company adheres to all ethical, marketing, and communication codes, as well as the purchasing regulations required to be followed in all countries where it operates.

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 parties who transact with it, maintaining a relevant policy. Respecting privacy is a core element of both the Code of Conduct, the General Personal Data Privacy Policy and the policies and procedures that are embedded in FOURLIS Group and its subsidiaries' operations.

The Company values the trust of all those who enter into a transaction with it and implements the FOURLIS Group personal data and sensitive personal data protection policy for all natural persons (visitors, partners, customers, suppliers, current, former and candidate employees). The Company makes sure to protect, with due diligence, all personal information collected for business needs, after obtaining legal consent, and to safeguard the rights of natural persons, in accordance with the existing legislation and Data Protection Authority guidelines (GDPR), in all countries where it operates. It is worth mentioning that all FOURLIS Group employees, and thus all the Companie's employees, in all counties of operation, have received training in GDPR issues, either via classroom seminars or via e-learning. GDPR training is also part of the induction program for all new employees. Compliance with the relevant legislation and data security is examined at Group'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 commitment and vision: the establishment of the preconditions for a better life for all. In this context, it seeks to be in constant connection with the citizens and the wider society in the countries where it operates, aiming to be informed about their needs and to understand them. Then, it proceeds with the evaluation and prioritization of the needs, and designs programs and actions with criteria to meet the real and important needs of each local community, but also those that are more in line with FOURLIS Group's social responsibility strategy, (supporting vulnerable social groups and mostly children), the number of beneficiaries, as the well as the nature of its activities.

In addition, in cases where there are special circumstances (e.g., pandemic, natural disasters), it either adjusts its programs or includes 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:

- cooperation with the "Medecins sans Frontieres" Organization to cover clothing needs for children of families affected by the fires in the Municipality of Fyli in Attica.
- collaboration with the organization 'Human Mission' and donation of sporting goods and specifically 247 pairs of shoes, 522 pieces of clothing and 293 accessories to the collaborating entities of the organization, "NGO Apostoli", "Zefxis" in Attica, " Iliahtida" in Mytilene and the Cultural Educational Association of Women in Drosia Xanthi "Elpida", to cover the needs of vulnerable populations.

Corporate volunteerism

The employees of the Company participated in corporate volunteerism actions organized by FOURLIS Group Sustainable Development and Corporate Social Responsibility Department, such as a food and essential items donation drive by employees in Greece, Cyprus, Bulgaria and Romania to support vulnerable social groups, a voluntary blood donation and the preparation of meals for people in need, organized in cooperation with "Organization Earth" and "Boroume".

A2. Employee related matters

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 the staff recruitment and their 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 to all Company employees.
- The compensation and benefits policy, which is based on the 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 employee, and thus for the Company's employees, 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 FOURLIS Group employees are members of the Training Academy of the Group "FOURLIS Learning Academy", which operates 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 implements an annual Performance Appraisal and Development Review System for all its employees, to ensure that the evaluation process is and will remain transparent. In this way it ensures a fair working environment and creates an operational succession plan for executives at positions of high responsibility.

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, the Group continues to implement a 360° Evaluation Procedure for its Executives (Managers and Supervisors), in cooperation with an independent consulting company, that 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 work environment is a fundamental Principle for FOURLIS Group, as it is also depicted through its Values, not only the clauses of the relevant labor legislation are followed in all the countries where the Group operates, but also potential risks that may face are assessed so as to take the necessary measures in order to prevent potential accidents.

An important priority is to safeguard compliance with the Health and Safety Policy. Responsible for the implementation of the Policy is the FOURLIS 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 (100%), suppliers and partners working in or visiting its facilities. The 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, 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, the 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.

Promotion of employee health and well-being

Ef Zin (Wellbeing) program

With the main objective to inform employees on health and well-being issues and to encourage them to adopt a healthier lifestyle, FOURLIS Group's Sustainable Development and Social Responsibility Division implemented the EF ZIN (Well-being) program, which also concerns Company employees. In the context of this program, actions regarding healthy diet, health and prevention, mental health, exercise, etc., are taking place every year.

In 2023, the following continued in the context of the EF ZIN (Well Being) program:

- A Mediterranean Diet program and a program of free sessions for employees, with dieticians and nutritionists.
- The operation of the counseling/psychological support line, implemented in collaboration with psychologists and provided 24/7/365 to employees and their relatives (spouses, children).
- The service of individual online psychology sessions with psychologists, for employees.
- The implementation of online fitness classes.

Moreover, the Company's employees participated in sports tournaments and events.

Other actions for the Company's employees

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

- **Institutions for employees' recognition, contribution and reward**
  - Years In Service Award: Employees who have contributed for numerous years to the achievement of the Group's objectives are rewarded (10, 20 and 30 years)
  - We say BRAVO: highlight and award those employees who, through certain behaviors, stand out for their professionalism and distinct contribution, always in alignment with the Group's Values and Mission.
  - 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, by working for 2 weeks during summer, at Group companies.
- **Scholarship Program**
  - "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.
  - Provision of "Ilias Fourlis" 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 the Group's 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**: The 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 for employees, also concerning the Company's employees:

- **For foster care**: Extension of the gift card to foster parents, employees of the 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 for Human Rights

FOURLIS Group and thus the Company, approaches the issues of respect and protection of Human Rights 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 as well as 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, in all countries of its activity. At the same time, all suppliers/partners of the Group and third parties working with them on behalf of the FOURLIS Group, 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, FOURLIS Group, and thus the Company, also adopts:

- Code of Conduct/Code of Conduct Line-Whistleblowing System
- 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:
    - freedom of association.
    - elimination of child and forced labor.
    - elimination of discrimination in the workplace and the supply chain.

Moreover, there is the FOURLIS Group Code of Conduct Line/Whistleblowing system, operating 24 hours a day, where anyone may call to report, anonymously or not, any concerns relating to Code of Conduct violations or non-compliance with the applicable legislation, including matters referring to human rights.

Since 2021, FOURLIS Group signs the Diversity Charter in Greece, further strengthening its commitment to combat discrimination and promote equal rights in the workplace. The Company also signed the Diversity Charter in Bulgaria in 2022, as well as in Romania in 2023.

In 2023, FOURLIS Group focused even more on Diversity & Inclusion issues, implementing the following women empowerment actions, in which the Company's employees participated:

- 1 st cycle of a 6-month MENTORING program, in which 22 female employees of FOURLIS Group in Greece, of which 8 were Company employees, participated. 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.

• FOURLIS Group received an honorable distinction with a Bronze award at the PR Awards 2023 for the internal communication program implemented on the occasion of Women's Day 2022 entitled "We dedicate March to the women of the Group".

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, policies and procedures 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 energy consumption in its facilities and takes the necessary interventions, where and when necessary, aiming at the reduction of their environmental footprint.

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 those of 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.

Waste and Resource Intensity

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 of the Company, with the participation of employees and the use of special recycling bins placed in the workplaces for this purpose.

The Company, through its financial contribution to the Hellenic Recovery Recycling Corporation (HERRCO), 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 259 blue recycling bins.

Offering products and actions/initiatives that contribute to a more sustainable lifestyle

- INTERSPORT stores have products that promote a sustainable lifestyle, and which are presented in detail at www.intersport.gr/en/
- INTERSPORT Greece implements an electronic archiving of sales receipts. Through this practice, it is estimated that in 2023, 3,596,086 copies of sales receipts were avoided, while since the implementation of this practice, a total of 16,723,285 copies of sales receipts have been avoided.
- All sales receipts of the INTERSPORT e-shop in Greece, Cyprus, and Romania are sent to customers/recipients in electronic format instead of printed copies. Thanks to the implementation of this practice, it is estimated that approximately 73,915 receipts were not printed in 2023.
- INTERSPORT Greece has proceeded to the replacement of cardboard boxes with reusable plastic ones for transporting its goods from its central warehouse (TRADE LOGISTICS) to its stores in Attica, Thessaloniki, Larissa and Trikala.
- The Group's, and thus the Company’s goal is to reduce ink consumption and printing. In this context, in all Companies’ stores, in all countries of operation, all the printers that issue customer receipts are thermal.

- In 2023, INTERSPORT continued the implementation of the LIGHTS OFF program in its stores in Greece, under which the illuminated signs of the stores are switched on at 17:30 pm and turned off at 21:30 pm, while the screens are turned off during the night.
- Continued this year as well, in all countries of operations, the eStore and social media used to publish actions related to clothes made from recycled and sustainable materials. Exclusive giphys and videos are also created, collaborations with influencers are implemented to inform the public, the Google Display Network and discovery ads are used in Google campaigns, as well as relevant newsletters are sent including their publication on websites with interested audience. In addition, products from recycled materials with a separate indication (sustainable) are marked in the eStore so that they can be easily distinguished by consumers.

Detailed consolidated data are presented for all FOURLIS Group's companies, in FOURLIS Group Annual Financial Report for 2023, at www.fourlis.gr.

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.

FOURLIS Group ensures the continuous improvement of its relations with suppliers through the communication of the terms of cooperation and the basic framework of principles and values that should govern the cooperation between them. 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 at FOURLIS Group Supplier Code of Conduct.

Due Diligence Policy on suppliers

As part of the operations of the 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 Group is TRADE LOGISTICS.

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 the FOURLIS Group and the Company is available in the 'Non-Financial 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.

9. Related parties transactions

Related parties of the Company are considered the parent Company FOURLIS HOLDINGS SA, its subsidiary companies, the associated companies of FOURLIS Group, the Management and its first line managers.

Detailed information on the related parties' receivables/ payables for the Company for the period 31 December 2023 and 31 December 2022 is analysed as follows (all amounts in th. euros):

		31/12/2023	31/12/2022
Receivables from:	FOURLIS HOLDINGS SA	512	1,227
	HOUSE MARKET SA	7	26
	INTERSPORT (CYPRUS) LTD	272	671
	HOUSE MARKET BULGARIA EAD	1	0
	GENCO TRADE SRL	4,064	2,419
	GENCO BULGARIA	6,139	6,446
	INTERSPORT ATLETIK	0	111
	TRADE LOGISTICS AE	1	0
	TRADE STATUS SA	1	0
	Total	**10,997**	**10,900**
Payables to:	FOURLIS HOLDINGS SA	0	0
	TRADE LOGISTICS SA	172	604
	HOUSE MARKET SA	9	27
	INTERSPORT (CYPRUS) LTD	322	0
	RENTIS SA	15	22
	GENCO TRADE SRL	103	59
	GENCO BULGARIA	3	3
	INTERSPORT ATLETIK	0	0
	TRADE ESTATES AEEAΠ	80	65
	GIALOU	9	0
	WELLNESS MAE	5	0
	Total	**718**	**779**

		31/12/2023	31/12/2022
Assets with right of use from:	FOURLIS HOLDINGS SA	0	228
	TOTAL	**0**	**228**
Lease obligations to:	FOURLIS HOLDINGS SA	0	287
	TOTAL	**0**	**287**

Third Parties transactions for the period 1/1/2023 to 31/12/2023 and for the period 1/1/2012 to 31/12/2012 are analyzed as follows:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Revenue	34,773	36,398
Other income	961	1,179
Total	**35,735**	**37,577**

	1/1 - 31/12/2023	1/1 - 31/12/2022
Administrative expenses	1,866	1,689
Distribution expenses	4,523	5,037
Other Expenses	5	0
Total	**6,394**	**6,726**

10. Human Recourses of the Group

The total number of employees of the Company on 31/12/2023 is 831 people (843 on 31/12/2012).

11. Management members' transactions and remuneration

During periods 2023 and 2022, transactions and fees with the management members were as follows:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Transactions and fees of management members	290	281

12. 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 Company's financial position and results of operations other than the following:

With the minutes of 7.3.2024 it was decided to issue a common bond loan of the amount of six million one hundred and forty-five thousand two hundred and ninety-four euros (6.145.294€) covered by the Greek State and by "NATIONAL BANK OF GREECE S.A.".

Concluding the Report and taking into account both the financing needs of the Company's development projects and the wider economic environment, we propose to the Annual General Meeting of Shareholders of 2024 that no dividend be distributed.

This Management Report of the Board of Directors as well as the Annual Financial Statements for the financial year 1/1 - 31/12/2023, the Notes to the Annual Financial Statements and the Independent Auditors' Report are published on the Company's website: http://www.intersport.gr and on the FOURLIS Group's website http://www.fourlis.gr.

Maroussi, May 24 2024

The Board of Directors

The annual Financial Statements included in pages 29 to 77 are in accordance with the IFRS as applied in the European Union and approved by the Board of Directors on 24/5/2024 and are signed by the following:

Chairman of the Board of Directors	CEO
Vassilis S. Fourlis ID No. AM - 587167	Evaggelos D. Batris ID No. AK – 246886
	Chief Accountant
	Athanasia Sp. Katsantoni ID No. AZ – 073708 Ch. Acct. Lic. No. 30674 A Class

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Intersport S.A."
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Intersport 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 Intersport 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 Intersport 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, June 14, 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

INTERSPORT

Statement of Financial Position 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	13,086	14,216
Right of use assets	7	39,726	41,498
Intangible Assets	8	2,143	1,986
Investments	10	26,043	25,493
Net investment in the subleases		4,234	4,612
Long Term receivables		1,722	1,424
Deferred Taxes	23	6,331	4,776
Total non-current assets		**93,286**	**94,005**
Current assets			
Inventory	11	26,373	29,682
Income tax receivable		484	12
Trade receivables	12	11,254	10,372
Other receivables	13	4,093	5,804
Cash & cash equivalent	14	8,285	12,645
Assets classified as held for sale	9	0	1,082
Total current assets		**50,489**	**59,597**
Total Assets		**143,775**	**153,602**
SHAREHOLDERS EQUITY & LIABILITIES			
Shareholders equity			
Share Capital	15	21,085	21,085
Share premium reserve		(201)	(201)
Reserves	16	2,923	2,462
Retained earnings		(1,585)	(3,480)
Total Share holders equity (a)		**22,222**	**19,866**
LIABILITIES			
Non Current Liabilities			
Non - current loans	20	25,913	37,876
Lease liabilities	21	40,331	42,021
Employee retirement benefits	18	749	743
Total non current Liabilities		**66,994**	**80,639**
Current Liabilities			
Short term loans for working capital	20	28	5,000
Current portion of non-current loans and borrowings	20	11,955	4,927
Short-term portion of non-current lease	21	5,492	5,272
Income Tax Payable		0	440
Accounts payable and other current liabilities	22	37,085	37,458
Total current Liabilities		**54,560**	**53,097**
Total Liabilities (b)		**121,553**	**133,736**
SHAREHOLDERS EQUITY & LIABILITIES		**143,775**	**153,602**

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

INTERSPORT

Income Statement 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
Revenue		141,056	136,937
Cost of Goods Sold	11	(91,925)	(87,983)
Gross Profit		**49,131**	**48,954**
Other income	5	2,268	4,434
Distribution expenses	5	(42,740)	(42,798)
Administrative expenses	5	(4,862)	(5,149)
Other operating expenses	5	(251)	(176)
Operating Profit		**3,547**	**5,264**
Total finance cost	5	(4,740)	(3,890)
Total finance income	5	317	554
Contribution to losses of subsidiary sale	9	0	(10,398)
Profits from selling affiliates	9	250	0
Dividend income	17	1,000	3,704
Profit / (Loss) before Tax		**373**	**(4,765)**
Profit before Tax / (Loss)	23	1,548	1,384
Profit / (Loss) after Tax		**1,921**	**(3,381)**

Revenue is meant as income from contacts with customers

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

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

(In thousands of Euro, unless otherwise stated)

	Note	1/1 - 31/12/2023	1/1 - 31/12/2022
Profit (A) / Net (Loss)		**1,921**	**(3,381)**
Other comprehensive income / (loss)			
Other comprehensive income / (loss) transferred to the income statement			
Total comprehensive income / (loss) transferred to the income statement		**0**	**0**
Other comprehensive income / (loss)/ not transferred to the income statement			
Actuarial gains / (losses) on defined benefit pension plan	18,23	(27)	261
Total other comprehensive income / (loss) not transferred to the income statement		**(27)**	**261**
Other comprehensiveincome / (loss) after tax (B)		**(27)**	**261**
Total comprehensive income/ (loss) after tax (A) + (B)		**1,894**	**(3,120)**

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

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

(In thousands of Euro, unless otherwise stated)

	Note	Share Capital	Share premium reserves	Reserves	Retained earnings / (Accumulated losses)	Total Equity
at 1.1.2022		**25,625**	**(201)**	**1,926**	**(359)**	**26,991**
nprehensive income / (loss) for the period						
		0	0	0	(3,381)	(3,381)
gains (losses) on defined benefit pension plan	18,23	0	0	0	261	261
nprehensive income/(loss)		**0**	**0**	**0**	**261**	**261**
nprehensive income/(loss) after taxes		**0**	**0**	**0**	**(3,120)**	**(3,120)**
:ions with shareholders recorded directly in						
duction due to partial division of a branch under name TAF-THE ATHLETE'S FOOT		(4,540)	0	0	0	(4,540)
rve	18	0	0	249	0	249
:ransactions under the brand name TAF-THE S FOOT		0	0	287	0	287
nsactions with shareholders		**(4,540)**	**0**	**536**	**0**	**(4,005)**
at 31.12.2022		**21,085**	**(201)**	**2,462**	**(3,479)**	**19,866**
at 1.1.2023		**21,085**	**(201)**	**2,462**	**(3,479)**	**19,866**
nprehensive income/(loss) for the period						
		0	0	0	1,921	1,921
portion of changes in fair value of cash flow	18,23	0	0	0	(27)	(27)
nprehensive income/(loss)		**0**	**0**	**0**	**(27)**	**(27)**
nprehensive income/(loss) after taxes		**0**	**0**	**0**	**1,894**	**1,894**
:ions with shareholders recorded directly in						
ion reserves	18	0	0	461	0	461
urchases) of own shares		**0**	**0**	**461**	**0**	**461**
nsactions with shareholders		**21,085**	**(201)**	**2,923**	**(1,585)**	**22,222**

The accompanying notes are an integral part of Financial Statements.

Statement of Cash Flows for the period 1/1 to 31/12/2023 and 1/1 to 31/12/2022

(In thousands of Euro, unless otherwise stated)

	Note	1/1 - 31/12/2023	1/1 - 31/12/2022
Operating Activities			
Profit / (Loss) before taxes		**373**	**(4,765)**
Adjustments for			
Depreciation / Amortization	5,6,7,8	9,695	9,579
Provisions		434	288
Foreign exchange differences		19	(23)
Profit on investment activity		0	10,865
Loss on investment activity		(1,006)	(5,833)
Interest Expense		4,543	3,428
Plus/less adj for changes in working capital related to the operating activities			
(Increase) / decrease in inventory		3,310	(4,629)
(Increase) / decrease in trade and other receivables		845	(5,353)
Increase / (decrease) in liabilities (excluding banks)		95	374
Less			
Interest paid and interest on leases		(4,463)	(3,424)
Income taxes paid		(848)	(407)
Net cash generated from operations (a)		**12,996**	**99**
Investing Activities			
Acquisition or increase of MK subsidiaries, associates, joint ventures and other investments		(550)	(547)
Purchase of tangible and intangible fixed assets	6,8	(2,941)	(5,395)
Proceeds from sales of tangible and intangible fixed assets		0	126
Proceeds from sales of subsidiaries, associates of joint ventures	9	614	0
Interest received		6	0
Dividends received	17	1,000	3,704
Total (outflow) / inflow from investing activities (b)		**(1,871)**	**(2,112)**
Financing Activities			
Proceeds from issued loans	20	6,500	34,812
Repayment of loans	20	(16,505)	(60,567)
Repayment of leasing	21	(5,479)	(5,253)
Total inflow / (outflow) from financing activities (c)		**(15,484)**	**(31,008)**
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)		**(4,359)**	**(33,021)**
Cash and cash equivalents at the beginning of the period		12,645	45,665
Closing balance, cash and cash equivalents		**8,285**	**12,645**

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

Notes to the annual financial statements as of Dec 31, 2023

1. Corporate information

1.1 General Information

The head of the Company is located at 25 Ermou str., Kifissia. It is registered in the Companies Registry of the Ministry of Development with registration number 46209/01AT/B/00/424(2013) and GECR number 121753801000.

The Company with the common use title of «INTERSPORT ATHLETICS S.A. » was incorporated in June 2000 and the Company's term, in accordance with its Articles of Incorporation, was originally set for 50 years, namely until June 2050. The Company is a direct subsidiary of FOURLIS HOLDINGS S.A. which has a shareholding of 100%.

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

1. Vassilis S. Fourlis, Chairman
2. Dafni A. Fourlis, Vice Chairman
3. Evaggelos D. Batris, CEO
4. Dimitris E. Valachis, Director
5. Lyda St. Fourlis, Director
6. Theodoulidou I. Maria, Director
7. Antonios A. Makris, Director

The number of employed human resources of the Company on 31/12/2023 is 831 people (843 on 31/12/2022).

1.2 Activities

The Company's business is (wholesale and retail) trading, import and export, manufacturing and processing every type and kind of clothing and footwear and all types of sports equipment.

The companies in which INTERSPORT ATHLETICS SA has a direct shareholding are the following:

Name	Location	% Holding
GENCO BULGARIA EOOD	Bulgaria	100.00
INTERSPORT ATHLETICS (CYPRUS) LTD	Cyprus	100.00
GENCO TRADE SRL	Romania	98.43

Also, on 26/1/2023, the agreement to sell the "Intersport" business in Turkey was announced. The agreement provides for the sale of all shares of the subsidiary Intersport Atletik Mağazacılık ve Dış Ticaret Anonim Şirketi, the licensee of the "Intersport" brand and "The Athlete's Foot" in Turkey, which operated a network of 12 stores. The purchaser is Eren Perakende ve Tekstil Anonim Şirketi.

In the financial year from 1/1/2023 to 31/12/2023 there was no change in the share capital of the Company.

2. Basis of presentation of the Financial Statements

2.1 Basis of preparation

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

The Financial Statements have been prepared under the historical cost convention and on a going concern basis.

Management believes that there will be no material exposure and no potential direct or indirect adverse effects as a result of the military conflicts in Ukraine and 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.

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.

The Company is not required to prepare consolidated financial statements due to the application of the criteria of paragraph 10 of IAS 27.

The Board of Directors of the Company approved the Financial Statements for the financial year 2023 on 24/5/2024. The Financial Statements are subject to approval by the Annual General Meeting of the Company's Shareholders.

All amounts of the financial statements are presented in thousands of Euro, unless otherwise stated and any differentiations in sums are due to rounding.

2.2 Significant accounting judgments and estimates

The preparation of financial statements based on IFRS requires Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities 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 Company's accounting policies, Management has made the following judgments, estimates and assumptions that may have a significant impact on the items reported in the financial statements:

Estimates:

• **Deferred Tax assets:** deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward unused tax losses can be used. 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 3.14 and 23 of Financial Statements).

• **Impairment test of investments in subsidiaries:** at each reporting date, the 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. Moreover, details regarding the impairment test of investments in subsidiaries are included in Note 9 of the 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. An indication of possible impairment of the value was considered the loss-making operating result for the Branches. Additional details regarding the impairment test for tangible assets are included in Note 6 of the Financial Statements.

• **Useful lives of property plant and equipment and intangible assets:** Management makes estimateForecasts for slow moving stockss when determining the useful lives of depreciable assets. Such estimates are periodically reviewed. The useful lives estimated and applied are discussed in Note 3.3 and 3.4 of the Financial Statements.

• **Estimates for slow moving stocks:** The Company regularly reviews for turnover and provisions are made for property, slow moving and obsolete inventories that will be destroyed within the next period. Estimates are also made of the seasonality of inventories and their future sale price, as well as provisions for inventory differences which are taken into account in the valuation and are disclosed in Note 11 to the Financial Statements.

• **Revenue from customer contracts:** The Company estimates the fair value of the non-redeemed points using historical data and evaluating the likelihood of their exercise.

Judgments:

• **Right of use assets**: At the commencement date of the lease term, a right-of-use asset and a liability are recognised by calculating the present value of the lease payments that remain outstanding discounted at the lease rate (the rate that the lessee would accept to borrow the necessary funds on similar terms). The Company defines the lease term as the contractual lease term, including the period covered by (a) an option to extend the lease if it is reasonably certain that it will be exercised, or (b) an option to terminate the lease if it is reasonably certain that it will not be exercised. The Company applies a single discount rate to each class of leases with similar characteristics (such as leases with similar terms, for similar assets and in a similar economic environment). Subsequently, the asset is measured at cost less depreciation and any impairment losses, while the liability is measured by increasing the carrying amount by the interest on the liability and decreasing the carrying amount by the payment of rent. Further details are included in Notes 7 and 21 to the financial statements.

• **Assets held for sale:** The Company classifies an asset, or group of assets, as held for sale when the following conditions are met for the asset, (or group of assets) to be available and in a condition suitable for immediate sale and the sale is highly probable within 12 months from the date of classification as held for sale. At the time before they are classified as held for sale, these assets are tested for impairment in accordance with IAS 36. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to complete the sale. Any impairment loss is recognised in the statement of comprehensive income. The valuation test of property, plant and equipment classified as held for sale was performed in aggregate for the property, plant and equipment described in Note 9 as a single cash-generating unit, as it was considered that the assets would only be sold as a whole rather than individually and the criteria for sale under IFRS 15 were met.

On 31/12/2022 the Company classified assets related to the subsidiary INTERSPORT ATLETIK (INTERSPORT and TAF stores in Turkey) of EUR 1,082 thousand in the held for sale category because at that date the classification criteria under IFRS 5 were met. Prior to the time of classification as defined by the provisions of IAS 36, these assets amounting to EUR 39,180 thousand were tested for impairment at EUR 27,700 thousand as assets held for sale and an impairment loss of EUR 10,398 thousand was incurred.

As at 31/12/2023 the Company does not show an amount because the assets were held for sale.

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 do not have an 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 the consideration of current tax law, where payments to settle a liability are tax deductible if such 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 earlier application permitted, 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 effective 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 the counterparty's right to settle the liability by transferring the entity's equity securities do not affect the short-term or long-term classification. The amendments also clarify that only the compliance conditions with which an entity must 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 subject to compliance covenants 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 accounting 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 the 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 recognise a gain or loss related to the right of use it retains. The application of these requirements does not prevent the seller-lessor from recognising in profit or loss any gain or loss associated with the partial or complete 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, and the carrying amount of financial liabilities and their presentation line items for which the financing providers have already settled the related commercial obligations. Entities shall also disclose the nature and effect of non-cash changes in the carrying amount of the financial liabilities of the financing arrangements that prevent comparability of the carrying amount of the 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 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 of IFRS 10 and those of 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 a business (whether or not 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 held 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. Significant Accounting Policies

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

3.1 Investments in subsidiaries

In the Company's financial statements, investments in subsidiaries are valued at their acquisition cost, less any accumulated impairment losses. Impairment test is performed whenever there are clear indications of impairment in accordance with the provisions of IAS 36 "Impairment of Assets".

3.2 Foreign currency translation

(a) Functional currency and reporting currency

The Company maintains its books in Euro which is the currency of economic environment in which the Company operates (functional and reporting currency).

(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.

3.3 Property, plant and equipment

Property, plant and equipment of the Company 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, until the date of their intended use.

Significant additions and improvements are recognized as part of the cost of the asset when the recognition criteria are met. All other costs (repairs and maintenance) are recognised in the statement of comprehensive income 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 economic life of the assets. Useful lives are reviewed on an annual basis.

The estimated useful lives of the Company's property plant and equipment, except of the land that is not depreciated, are as follows:

Category	Useful life
Buildings on third party land	10 – 36 years
Mechanical 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 as well as of the rest buildings of the Company begins from the time the buildings are ready for use.

3.4 Intangible assets

The intangible assets of the Company are depreciated over their useful life. The following applies specifically to the rights:

- **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 recognised 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 labour costs and an appropriate proportion of overhead. In case of software replacement, while the old one is no longer in use, intangible asset is permanently deleted from the Books and the net book value burdens the income statement.

Costs incurred for performing software upgrades, are capitalised and the new gross value forms the depreciable amount.

3.5 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 the recoverable price. The Company considers, for impairment test purposes, that each store is a cash generating unit (CGU). In cases that property, plant and equipment is part of CGU, such as the store and there are impairment indications which could lead to the conclusion that its book value exceeds the recoverable price, 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 carrying amounts of assets are reviewed for possible impairment when there is indication that the book value can not be recovered i.e. when the book value is higher than the recoverable amount from their use or sale.

The recoverable value is the greater of the fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre - tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable value is less than the carrying value, then the net book value is reduced to the recoverable value.

Impairment losses are expensed as incurred in the Income Statement, except if the asset has been revalued, then the impairment loss reduces the related revaluation reserve. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exists of have decreased. If such indication exists, the Company 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.

3.6 Current / Non-current assets and liabilities: classification

The Company presents the assets and liabilities in the statement of financial position based on the classification into current / non-current.

An asset is classified in category when it:

- Expected to be implemented or projected to be sold or consumed within the next operating year
- Mainly maintained for commercial purposes
- It is expected to be implemented within twelve months after the reporting period

Are Cash or cash equivalents, unless they have been excluded from exchanging or using them to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

An obligation is current when:

- Expected to be settled within the next operating year
- Mainly maintained for commercial purposes
- It is clarified that it will be settled within twelve months after the reporting period

There is no unconditional right to postpone the settlement of the obligation for at least twelve months after the reporting period.

The terms of the obligation that could, at the choice of the counterparty, lead to its settlement by issuing financial products do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.7 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 subsequently measured 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 Company and b) whether 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:

Company'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 Company'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.

3.8 Impairment of financial assets

The Company 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). Cash flows are discounted at 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 directly or through use of an allowance account.

The present value of the financial asset is reduced through the use of a provision and the impairment loss is recognized in profit or loss. The Company 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 and that group of financial assets is collectively assessed for impairment.

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 Company implements simplified approach for the calculation of credit losses ECL. Therefore the Company does not monitor changes in credit risk, but recognizes a percentage of losses which is based on ECL at every reporting period. The Company has conducted a provisions table based on historical experience of credit losses, adjusted with future factors appropriate for debtors and economic environment.

3.9 Inventory

Inventory (goods) is valued at the lower of cost or net realizable value. Cost is determined by using the weighted average method. The cost of completed products and incomplete inventory includes the cost of direct raw materials, the direct labor cost and the general industrial expenses. The net realizable value is the estimated sales price less any costs to sell. The cost of inventory does not include any financial expenses.

3.10 Trade receivables

Trade receivables are recognised initially at fair value and they are subsequently valuated at the amortised cost by using the effective interest rate method, less provision for impairment.

When there is evidence of impairment of receivables, the carrying value is reduced to its recoverable amount, which is the present value of expected future cash flows discounted at the initial effective interest rate. Then, the interest is calculated at the same rate on the impaired (new book) value.

3.11 Cash

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.

3.12 Assets held for sale

Assets held for sale are measured at the lower of cost or fair value less costs to sell.

Any potential increase in fair value on subsequent measurement is recognised in profit or loss but not for an amount in excess of the originally recognised impairment loss. From the date an asset is classified as held for sale, no depreciation is recognised on that asset. Prior to classification, it was tested whether these assets form a single cash generating unit (CGU) and subsequently tested for impairment. The assets in Note 9 constitute a CGU.

Assets held for sale are classified as held for sale if their depreciable amount will be recovered principally through sale rather than through continuing use. This condition is considered to apply only when a sale is highly probable and the asset is available for immediate sale in its present condition. For a sale to be highly probable, the appropriate level of management must have a programme for the sale of the asset (or disposal group) and be committed to it, and must have initiated an active programme to find a buyer and complete the programme. In addition, active efforts must have been made to sell the asset (or disposal group) at a price that is reasonable in relation to its current fair value. In addition, the management must be so far advanced in its actions for the sale that the sale is expected to take place either within the time specified in the contractual commitment or within one year from the date of registration. For assets measured at fair value, such as investment property, the measurement provisions of IFRS 5 do not apply and continue to be measured at fair value.

3.13 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.

3.14 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 associated loan costs incurred on the purchase or construction of fixed assets are capitalized. From the beginning of the productive operation of the fixed assets, the interest on the loan is borne by the results of the Company. In case of borrowing specifically for the purpose of constructing or acquiring an asset, the borrowing costs related to the loan agreement are directly capitalised. 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 in the statement of comprehensive income as an expense. In case of 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.

3.15 Current and Deferred Tax

Taxes recorded in the statement of comprehensive income include both current and deferred taxes.

Current income tax is recognized in the 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 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. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is unlikely that sufficient taxable income will be generated in order to recover the deferred tax asset.

The Company 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 at an offset amount.

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%.

3.16 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

The Company pays compensation to retirees, the amount of which depends on the years of service and the level of remuneration. The plan is considered a defined benefit plan. Compensation obligations are calculated at the discounted value of future benefits accrued at the end of the year based on the recognition of employees' benefit entitlement over their expected working lives. The above liabilities are calculated based on economic and actuarial assumptions and determined using the actuarial valuation method of the Projected Unit Method.

The net pension costs for the year are included in the Statement of Comprehensive Income and consist of the present value of benefits accrued during the year, interest on the benefit obligation and actuarial gains or losses which are recognised directly in other comprehensive income and are not transferred to the income statement in a subsequent period. The Full Yield Curve method is used for discounting. The Company applies Article 8(221 a) of Law 3198/1955.

c) State insurance programs

The employees of the Company are covered, in terms of insurance programs, mainly through the Social Insurance Institution (IKA) 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 Company. Upon retirement, the pension fund is responsible to cover the obligation of pensions and retirement benefits to the employees. Consequently, the Company 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.

d) Private insurance programs

A private insurance pension and other benefits program cover every full time employee of the Company, belonging to the management team, according to the internal Company policy. The Company covers in total, the contractually defined contribution while the financial management of the program is assigned to an Insurance Company. The accrued cost of the contributions is recorded as an expense in the period concerned as this program is considered and accounted for as defined contributions.

e) Stock awards (IFRS 2)

The Company intends to attract, retain and incentivize 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 for the parent Company FOURLIS HOLDINGS S.A. which link their performance to the Company's future performance and the increase of shareholder value. This program regards equity shares transactions.

The parent company FOURLIS HOLDINGS S.A. 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 2190/20.

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.

3.17 Contingent liabilities and Provisions

Provisions are recognized when the Company has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the present value of the expense expected to be required to settle the liability.

Contingent liabilities and assets are not recognized in the financial statements but are disclosed unless there is a probability of financial outflow or inflow.

3.18 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 Company invoices and delivers the goods to customers and the goods are accepted by them. Retail sales are usually made in cash or by credit card. The revenue recognized in these cases is the amount received from the customer. In the case of guaranteed refunds for retail sales, refunds are accounted for when they are made.

IFRS 15 establishes a five-step model that applies to revenue arising from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or industry. The standard also applies to the recognition and measurement of gains and losses on the sale of non-financial assets that are not part of the Company's ordinary activities (e.g. sales of property, plant and equipment or intangible assets). It requires entities to allocate the transaction price of contracts to individual discrete promises to give, i.e. performance obligations, based on stand-alone sales prices in accordance with the five-step model. Subsequently, revenue is recognised when the entity satisfies the performance obligations, i.e. when it transfers the goods or services specified in the contract to the customer.

Το πρότυπο βασίζεται στην αρχή ότι τα έσοδα αναγνωρίζονται όταν ο έλεγχος ενός αγαθού ή μιας υπηρεσίας μεταβιβάζεται στον πελάτη. Η Εταιρεία δραστηριοποιείται στη λιανική πώληση αθλητικών ειδών. Σύμφωνα με το ΔΠΧΑ 15 «Έσοδα από συμβάσεις με πελάτες», η Εταιρεία αναγνωρίζει τα έσοδα όταν μεταβιβάζεται ο έλεγχος των αγαθών, δηλαδή όταν τα αγαθά παραδίδονται στον πελάτη. Συνεπώς, η υιοθέτηση του ΔΠΧΑ 15 δεν είχε καμία επίπτωση στο χρόνο αναγνώρισης των εσόδων. Τα καθαρά έσοδα από πωλήσεις επιμετρώνται στην εύλογη αξία του τιμήματος που λαμβάνεται. Τα καθαρά έσοδα από πωλήσεις δεν περιλαμβάνουν τα ποσά που εισπράττονται από τρίτους, όπως οι φόροι προστιθέμενης αξίας, καθώς οι τελευταίοι δεν περιλαμβάνονται στην τιμή συναλλαγής.

However, future rebates related to the Company's reward programs create a right that should be recognized when exercised or expires if it is considered to be material and the customer would not have earned it had the original transaction not occurred. The Company provides rebates to customers based on points accumulated from transactions made using the rewards program card. All such rebates are settled in 18 or 24 months, depending on the program. In accordance with the requirements of the standard, the Company estimates that these rebates represent a substantive right for customers, create an obligation to perform, and therefore, a portion of the revenue from each transaction attributable to this right will be recognized when it is exercised (fulfillment of an obligation) or expires. IFRS 15 does not preclude or prescribe a specific methodology for estimating the selling price of the point if the estimate is a reliable reflection of the price at which the Company would individually provide that 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 of Shareholders (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 Company capitalizes borrowing costs according to IAS 23.
- *Credit card expenses:* Credit card expenses shall be accounted for under distribution operating expenses.

3.19 Leases and Net Investment from Subleases

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.

- *Company as a Lessor:* Income from operating leasing is recognized as income on a straight - line basis over the lease term.
- Company as a Lessee: More specifically, the following applies to right-of-use assets: At the commencement date of the lease term, a right-of-use asset and a liability are recognized by calculating the present value of the lease payments that remain outstanding discounted at the lease rate (the rate that the lessee would accept to borrow the necessary funds on similar terms). The Company defines the lease term as the contractual lease term, including the period covered by (a) an option to extend the lease if it is reasonably certain that it will be exercised, or (b) an option to terminate the lease if it is reasonably certain that it will not be exercised. The Company applies a single discount rate to each category of leases with similar characteristics (such as leases with similar terms, for similar assets and in a similar economic environment). Subsequently, the asset is measured at cost less depreciation and any impairment losses and, the liability is measured by increasing the carrying amount by the interest on the liability and decreasing the carrying amount by the payment of rent.

  The following accounting policy has been applied to the Net Investment from Subleases in accordance with the Leases standard (IFRS 16):

  The buyer-lessor recognizes the transferred asset and then applies the lessor's accounting for the leaseback. Companies that lease an underlying asset act as an "intermediate lessor" to a third party lessee, with the original lease ("master lease") between the lessor and lessee remaining in effect.

  A sublease is classified as a finance or operating lease based on the right to use an asset that arises from the master lease rather than by reference to the underlying asset.

The accounting for a sublease is as follows:

If the sublease is classified as a finance lease, the initial lessee shall derecognise the right to use the asset in the finance lease at the inception of the sublease and continue to account for the liability under the finance lease in accordance with the lessee's accounting model under IFRS 16. At the same time it recognises the net investment in the sublease as the gross investment in the lease (equal to the sum of (a) the rental payments that the lessor may claim under a finance lease; and (b) any unguaranteed residual value to which the lessor is entitled) discounted at the implicit interest rate of the lease or if that rate cannot be readily determined, at the lessee's differential borrowing rate, with any difference recognised in the income statement.

3.20 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.

3.21 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 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 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 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 could be required to repay.

Financial liabilities

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

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 Risk Register.

More specifically, the categories of risks are: Profitability & Liquidity, Reputation & Ethics, Regulatory Compliance, Strategy, Customers, Sustainability, People, Health & Safety, Growth & Competition, Technology & Information Security 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 Growth & Competition category: the likelihood of new competitors (e-shop or physical stores) and the related impact on the loss of market share.

- Risk relevant to the category Development & Competition: The likelihood 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

α) Financial risk management

The Company is exposed to financial risks such as currency risk, interest rate risk and liquidity risk. The portfolio management service identifies, assesses and hedges financial risks in cooperation with its subsidiaries. The Board of Directors provides written instructions and guidelines for general risk management as well as specific instructions for the management of specific risks such as foreign exchange risk and interest rate risk.

Risk from the energy crisis and inflationary pressures

The Company is closely monitoring developments related to the energy crisis, 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 in the countries where it operates. 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 stores and warehouses are affected by the large increases observed internationally, but are a relatively small part of 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 accounts or have loans with Russian banks. Management is closely monitoring developments and is prepared to take all necessary measures to address any consequences to its operating activities.

Non-financial risks:

In addition to financial risks, the Company also 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' operations, the supply chain and the Company's evolutionary path within the market in which it operates. 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 on how to respond to them.

b) Legal Issues

There are no litigations or legal issues that might have a material impact on the Company's Annual Financial Statements for the period 1/1 - 31/12/2023.

5. Analysis of expenses and other operating income

(a) The expenses are presented in the financial statements as follows:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Distribution expenses	42,740	42,798
Administrative expenses	4,862	5,149
Other operating expenses	251	176
Total	**47,853**	**48,123**

The main categories of expenses are analyzed below:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Payroll Expenses	15,464	15,039
Third party services	12,011	13,466
Taxes-duties	474	455
Depreciation/Amortisation	9,695	9,579
Other operating expenses	10,209	9,583
Total	**47,853**	**48,123**

Payroll expenses are analyzed as follows:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Salaries and wages	12,057	11,795
Social security contributions	2,452	2,423
Miscellaneous grants	983	782
Personnel retirement benefits	(28)	39
Total	**15,464**	**15,039**

(b) Other operating income is analyzed as follows:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Management Fees	288	313
Revenue from prior year and non-use of provisions	172	172
Other Income	1,766	1,741
Income from Lease	41	2,207
Total	**2,268**	**4,434**

The largest part of other income is building rental income of EUR 407 thousand (2022: 672 thousand), mission income of EUR 304 thousand (2022: 230 thousand) and gains on sale of assets of EUR 27 thousand, and income from marketing services of EUR 536 thousand (2022: 377 thousand) and EUR 519 thousand in other (2022: 435 thousand).

(c) Net Financial Results are analyzed as follows:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Interest - expenses	2,435	1,155
Έξοδα πιστωτικών καρτών	12	8
Other bank expenses	160	288
Foreign exchange differences (expense)-realized	198	462
Interest of lease liabilities	1,936	1,976
Total finance cost	**4,740**	**3,890**
Interest and related income	(6)	0
Interest on leaseσ	(132)	(68)
Exchange differences (revenue)	(179)	(486)
Total finance income	**(317)**	**(554)**
Financial result	**4,424**	**3,336**

The change in debt interest is mainly due to interest rate fluctuations.

6. Property, plant and equipment

Property, plant and equipment for the period 1/1 – 31/12/2023 are analyzed as follows:

	Buildings and installations	Machinery /Installations	Furniture	Total
Acquisition cost at 31.12.2022	**25,275**	**4,380**	**16,424**	**46,079**
Accumulated depreciation/amortization at 31.12.2022	**(18,388)**	**(3,245)**	**(10,230)**	**(31,862)**
Net book value at 31.12.2022	**6,887**	**1,136**	**6,194**	**14,216**
1.1 - 31.12.2023				
Additions	1,329	2	965	2,297
Other changes in acquisition cost	0	0	(21)	(21)
Depreciation/ amortization	(1,417)	(439)	(1,570)	(3,427)
Other changes in depreciation	0	0	20	20
Acquisition cost at 31.12.2023	**26,604**	**4,383**	**17,368**	**48,355**
Accumulated depreciation/amortization at 31.12.2023	**(19,806)**	**(3,684)**	**(11,780)**	**(35,270)**
Net book value at 31.12.2023	**6,798**	**699**	**5,588**	**13,086**

The movement of owner-occupied tangible assets for the financial year 1/1 - 31/12/2022 is as follows:

	Buildings and installations	Machinery /Installations	Furniture	Total
Acquisition cost at 31.12.2021	**24,409**	**4,380**	**15,203**	**43,991**
Accumulated depreciation at 31.12.2021	**(17,706)**	**(2,805)**	**(9,423)**	**(29,934)**
Net book value at 31.12.2021	**6,703**	**1,575**	**5,780**	**14,057**
1.1 - 31.12.2022				
Additions	2,180	0	2,389	4,569
Other changes in acquisition cost	0	0	(1,166)	(1,166)
Classification of assets due to branch demerge (acquisition cost)	(1,313)	0	(2)	(1,315)
Depreciation/ amortization	(1,327)	(439)	(1,500)	(3,266)
Classification of assets due to branch demerge (depreciation)	645	0	691	1,336
Other changes in depreciation	0	0	2	2
Acquisition cost at 31.12.2022	**25,275**	**4,380**	**16,424**	**46,079**
Accumulated depreciation at 31.12.2022	**(18,388)**	**(3,245)**	**(10,230)**	**(31,863)**
Net book value at 31.12.2022	**6,887**	**1,136**	**6,193**	**14,216**

Three (3) new stores were added in the financial year 1/1 -31/12/2023, in Serres (17/3/2023), in Katerini (8/4/2023) and in Pagrati Athens (14/7/2023)

Depreciation of tangible and intangible assets with a total value of EUR 3,915 thousand was recorded in the amount of EUR 3,363 thousand under selling expenses and EUR 551 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. The depreciated value of the tangible assets related to INTERSPORT Stores amounts to EUR 12,505 thousand (13,549 thousand in 2022).

7. Right of use assets and Net Investment from Subleases

The movement of the Company's Eligible Assets as of 1/1-31/12/2023 was as follows:

	Leasing Buildings	Leasing Vehicles	Total
Acquisition cost at 31.12.2022	**59,224**	**638**	**59,862**
Accumulated depreciation/amortisation at 31.12.2022	**(18,101)**	**(262)**	**(18,364)**
Net book value at 31.12.2022	**41,123**	**376**	**41,498**
Additions	3,945	64	4,009
Depreciation/ amortization	(5,649)	(131)	(5,780)
Acquisition cost at 31.12.2023	**63,169**	**701**	**63,870**
Accumulated depreciation at 31.12.2023	**(23,751)**	**(393)**	**(24,144)**
Net book value at 31.12.2023	**39,418**	**309**	**39,726**

Additions to right-of-use assets relate to new shop leases. In particular, three (3) new stores were opened in the financial year 1/1-31/12/2023, in Serres (17/3/2023), in Katerini (8/4/2023) and in Pagrati Athens (14/7/2023).

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

The movement of the Company's Right-of-Way Assets for the fiscal year 1/1-31/12/2022 is as follows:

	Leasing Buildings	Leasing Vehicles	Total
Acquisition cost at 31.12.2021	**59,131**	**507**	**59,637**
Accumulated depreciation at 31.12.2021	**(15,808)**	**(201)**	**(16,010)**
Net book value at 31.12.2021	**43,322**	**305**	**43,627**
Additions	3,566	131	3,697
Other changes in acquisition cost	(3,473)	0	(3,473)
Acquisition costs	(5.766)	(123)	(5.890)
Depreciation/ amortization	3.473	62	3.536
Acquisition cost at 31.12.2022	**59,224**	**638**	**59,862**
Accumulated depreciation at 31.12.2022	**(18,101)**	**(262)**	**(18,364)**
Net book value at 31.12.2022	**41,123**	**376**	**41,498**

The movement of the Net Investment from Subleases for fiscal year 2023 and 2022 is as follows:

	1/1-31/12/2023	1/1-31/12/2022
Net value of investments from subleases	**4,612**	**4,778**
Receipts from sublease rentals	(510)	(234)
Interest on sublease rentals	132	68
Net value balance from subleases	**4,234**	**4,612**

The receipts relating to the net investment amount to EUR 510 thousand for the financial year 1/1-31/12/2023 and EUR 234 thousand for the period 5/7-31/12/2022.

8. Intangible assets

The intangible assets for the financial year 1/1 -31/12/2023 are analyzed as follows:

	Software	Miscellaneous	Total
Acquisition cost at 31.12.2022	**5,247**	**296**	**5,543**
Accumulated depreciation at 31.12.2022	**(3,265)**	**(293)**	**(3,557)**
Net book value at 31.12.2022	**1,982**	**4**	**1,986**
1.1 - 31.12.2023			
Additions	645	0	645
Depreciation/ amortization	(486)	(2)	(488)
Acquisition cost at 31.12.2023	**5,892**	**296**	**6,188**
Accumulated depreciation at 31.12.2023	**(3,751)**	**(295)**	**(4,045)**
Net book value at 31.12.2023	**2,141**	**2**	**2,143**

The intangible assets for the financial year 1/1 -31/12/2022 are analysed as follows:

	Software	Miscellaneous	Total
Acquisition cost at 31.12.2019	**4,577**	**356**	**4,933**
Accumulated depreciation at 31.12.2019	**(2,897)**	**(350)**	**(3,247)**
Net book value at 31.12.2019	**1,680**	**6**	**1,685**
1.1 - 31.12.2020			
Additions	826	0	826
Other changes in acquisition cost	(126)	0	(126)
Classification of assets due to branch demerger (acquisition cost)	(30)	(59)	(89)
Depreciation/ amortization	(422)	(2)	(423)
Other changes in depreciation	27	0	27
Classification of assets due to branch demerger (depreciation)	27	59	87
Acquisition cost at 31.12.2020	**5,247**	**296**	**5,543**
Accumulated depreciation at 31.12.2020	**(3,264)**	**(293)**	**(3,557)**
Net book value at 31.12.2020	**1,983**	**4**	**1,987**

9. Assets held for sale

On 31/12/2022 the Company classified assets related to the subsidiary INTERSPORT ATLETIK (INTERSPORT and TAF stores in Turkey) as held for sale because at that date the classification criteria under IFRS 5 were met. Prior to the time of classification as defined by the provisions of IAS 36, these assets were tested for impairment as assets held for sale and an impairment loss of EUR 10,398 thousand was incurred.

The Group announced on 26/1/2023 an agreement to sell the "Intersport" business in Turkey. The agreement provides for the sale of all shares of the subsidiary Intersport Atletik Mağazacılık ve Dış Ticaret Anonim Şirketi, the franchisor of the "Intersport" brand and "The Athlete's Foot" in Turkey, which operated a network of 12 stores. The purchaser is Eren Perakende ve Tekstil Anonim Şirketi Group. The initial price was approximately EUR 1.5 million and, as provided for in the SPA, the final price will be determined on the basis of the audited financial statements for the year 2022. At the signing of the SPA, 83% of the initial price, i.e. an amount of approximately EUR 1.25 million, was paid, while the remaining amount of EUR 0.25 million will be paid 2 years after the signing of the SPA. It is noted that the amount of EUR 0.25 million was recognised in the line Gains on sale of subsidiaries in FY 2023. The final price is in the process of being determined in accordance with the contract and it is expected that the transaction, which is subject to the fulfilment of the relevant terms and conditions, will be completed in the first half of 2024. It is noted that in the cash flow statement an amount of EUR 614 thousand was recognised in the line Receipts from sales of subsidiaries,associates joint ventures, which relates to the payment of the initial consideration of EUR 1.25 million less transaction costs.

10. Investments

Investments are as analyzed as follows:

	COUNTRY	THE COMPANY			
		SHAREHOLDING 2023	31/12/2023	SHAREHOLDING 2022	31/12/2022
SUBSIDIARIES					
INTERSPORT ATHLETICS (CYPRUS) LTD	Cyprus	100%	174	100%	174
GENCO BULGARIA EOOD	Bulgaria	100%	2,414	100%	3,921
GENCO TRADE SRL	Romania	98,43%	21,398	98.43%	21,398
Total			**26,043**		**25,943**

The change in the value of the participation in the subsidiary GENCO BULGARIA EOOD is due to an increase in its share capital of EUR 550 thousand, in execution of the decision of the Board of Directors of the Company dated 2/10/2023.

An impairment test of the subsidiaries was performed on 31/12/2023 and no impairment loss was identified.

11. Inventory

Inventory is analyzed as follows:

	31/12/2023	31/12/2022
Inventory	26,373	29,682
Total	**26,373**	**29,682**

The cost of the Company's inventories recorded as an expense in cost of sales amounts to EUR 91,925 thousand in the current financial year and in 2022 it amounted to EUR 87,983 thousand.

The value of inventories written off during the financial year amounts to EUR 137 thousand (EUR 230 thousand in 2022). In the current financial year, impairment provisions of EUR 258 thousand (EUR 259 thousand in 2022) and a provision for destruction of inventories of EUR 149 thousand (EUR 252 thousand in 2022) were made.

12. Trade receivables

Trade receivables are analyzed as follows:

	31/12/2023	31/12/2022
Trade receivables	11,254	10,372
Total	**11,254**	**10,372**

The above customer balance for the financial year 2023 relates to trade receivables of EUR 10,485 thousand (10,121 thousand in 2022) from affiliated companies and EUR 769 thousand (251 thousand in 2022) from domestic customers, of which SNEAKERS MAE has a balance of EUR 344 thousand. There are no long-term receivables.

13. Other receivables

Other receivables are analyzed as follows:

	31/12/2023	31/12/2022
Credit Cards receivable	1,416	1,028
Other debtors	2,677	4,776
Total	**4,093**	**5,804**

Other debtors in fiscal 2023 and fiscal 2022 are analyzed as follows:

	31/12/2023	31/12/2022
Accruals	1,425	1,475
Suppliers advances	825	2,267
Other debtors	426	1,034
Total	**2,677**	**4,776**

The change in suppliers' advances compared to the previous year is mainly due to an advance with an affiliated company in the financial year 2023 of EUR 512 thousand (2022: 1,227 thousand) and advances from third country suppliers in the financial year 2023 of EUR 57 thousand (2022: 746 thousand).

The change in other debtors compared to the previous year's financial year is mainly due to the collection of a receivable from SNEAKERS MARKET SA (TAF stores in Greece).

14. Cash & cash equivalents

Cash and cash equivalents represent the Company's cash in hand as well as bank deposits available on demand and is analyzed as follows:

	31/12/2023	31/12/2022
Cash in hand	563	361
Bank Deposits	7,722	12,284
Total	**8,285**	**12,645**

15. Share capital

There was no change in the Company's share capital during the financial year 2023.

16. Reserves

The movement of the reserves is analyzed as follows:

	31/12/2023	31/12/2022
Statutory Reserves	1,741	1,741
Extraordinary /Taxfree Reserves	(209)	(209)
SOP Reserve	1,391	929
Share capital due	0	0
Total	**2,923**	**2,462**

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.

17. 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.

The Company recorded in its income and received dividends from its subsidiary in the amount of EUR 1 million in fiscal year 2023 (2022: 3,704).

18. Employee retirement benefits

18.1 Liabilities due to termination of service

The liability for severance pay (Law 2112/20, 4093/12 is reflected in the Financial Statements in accordance with IAS 19 and is based on an actuarial study prepared by AON Hewitt as at 31 December

2022. In May 2021, the "International Accounting Standards Board (International Accounting Standards Board / IASB)" accepted the interpretation of IAS 19 "Employee Benefits" by the "International Financial Reporting Interpretations Committee (IFRIC) on Attributing Benefit to Periods of Service of Employees". This interpretation did not have a significant impact on our financial statements considering that the Company 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 voluntary leavers with completed 15 years of experience (see Note 2.3).

Basic assumptions of the actuarial study are the following:

	2023	**2022**
Average annual payroll increase	1.50%	1.50%
Discount interest rate	3.30%	3.80%
Inflation	2.50%	2.50%

If the average annual staff salary increase were to increase by 0.50% (i.e. 2%), then the company's total staff benefits would increase by 9.85%. If the discount rate were to increase by 0.50%, then the company's total staff benefits would decrease by 8.89%.

The cost of provision for staff retirement benefits recognized in the Statement of Comprehensive Income is:

	1/1 - 31/12/2023	**1/1 - 31/12/2022**
Service Cost	48	85
Interest Cost	28	11
Cost reduction/settlement/termination service	(103)	77
Total amount allocated in Income statement	**(28)**	**173**
Balance of liability at the beginning	**743**	**1,038**
Compensation due to retirement	(28)	173
Paid amounts	0	(134)
Actuarial gains/losses	34	(334)
Balance of liability in the end	**749**	**743**

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

18.2 Share based payments

Members of the Company's Management participate in a Stock Option Plan of the parent company FOURLIS AE ΣΥΜΜΕΤΟΧΩΝ.

The Extraordinary General Meeting of the parent company FOURLIS AE ΣΥΜΜΕΤΟΧΩΝ 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 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.

Variable	**Price**
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 216,000 options is estimated at EUR 2.71 per option. Their cost for 2023 is approximately EUR 0.2 million (like 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 ANONYMIO HOLDING COMPANY" held 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) Succession plan for senior executives of the Company and its affiliated companies (hereinafter 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 specific terms 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 concerning the 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 (174,120) or stock grants (266,302) 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 1.4 million is charged to the Company's results until March 2028.

The charge for 2023 is EUR 233 thousand and the remaining EUR 1.2 million will be charged to subsequent years.

The charge in 2023 from the 2017 plan amounted to approximately EUR 22 thousand.

In the financial year 1/1 - 31/12/2023 an amount of EUR 461 thousand (2022: 249 thousand) was recorded as an expense in the Company's results.

19. Financial Instruments and Risk Management Policies

19.1 Credit Risk

Exposure to Credit Risk

The company has significantly reduced its exposure to credit risk due to the fact that payment for the sale of goods is mainly made in cash or by discounted credit cards. The maximum exposure to credit risk at the date of the Statement of Financial Position excluding any hedging or insurance method was:

	Book Value	
€000s	**2023**	**2022**
Trade receivables	11,254	10,372
Other Debtors	2,677	4,776
Credit Cards receivable	1,416	1,028
Cash & cash equivalent	8,285	12,645
Total	**23,632**	**28,821**

19.2 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 Note 20.

	Immediate termination	3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
2023						
Credit lines	28	0	0	0	0	28
Long-term loans	0	0	11,955	13,904	12,009	37,869
Total	**28**	**0**	**11,955**	**13,904**	**12,009**	**37,896**
2022						
Credit lines	0	0	5,000	0	0	5,000
Long-term loans	0	0	4,927	21,880	15,995	42,803
Leasing	0	0	61	66	0	127
Total	**0**	**0**	**9,988**	**21,946**	**15,995**	**47,930**

19.3 Foreign Exchange Risk

Foreign exchange risk exposure

The Company is exposed to foreign exchange risks arising from commercial transactions in a different currency (USD) from the local currency, which are not considered significant.

Local currency in thousands euros

	Trade and other payables	
	Foreign currency in EUR thousand	
	31/12/2023	**31/12/2022**
USD	(13)	(332)

Sensitivity Analysis

A 10% strengthening of the euro against the following currencies at 31 December would have increased (decreased) net position and results by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, would remain constant.

This analysis was performed in the same way for 2023.

Impact in €000s	**Net Equity**
Dec 31 , 2023	
USD	(1.3)
Dec 31 , 2022	
USD	(33.2)

A Euro devaluation of 10% at December 31, vs the aforementioned currencies would have an equal but opposite impact compared to the ones presented above, based on the assumption that all the other variables would remain constant.

19.4 Interest Rate Fluctuation Exposure

Profile

The Company 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 Company's assets or liabilities. Despite the fact that in an environment of prolonged global slowdown, the risk of rising interest rates remains low.

The profile of Company's loan liabilities at the date of the Statement of Financial Position is analyzed in paragraph Borrowings.

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

A 1% fluctuation of the Company's borrowing rate at December 31, would increase/(decrease) equally Net Equity and Operating Results by € 379 thousand for the year 2023 and € 479 thousand for the year 2022.

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

The Company has no fixed rate financial assets and liabilities at fair value through profit or loss.

19.5 Fair value of financial instruments

There is no difference between the fair values and the corresponding accounting of financial assets and liabilities (ie trade and other receivables, cash, suppliers and other liabilities, derivative financial instruments, loans and leases). The fair value of a financial asset is the amount received for the sale of an asset or paid for the settlement of a liability in a normal transaction between two traders at the valuation date. The fair value of the financial elements of the Financial Statements as of December 31, 2023 was determined with the best possible estimate by the Management. In cases where there is no available data or it is limited by active financial markets, the valuations of fair values have arisen from the assessment of the Management according to the available information.

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: Unobservable inputs 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 amounts approximate 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. Borrowings

Borrowings are analyzed as follows:

	31/12/2023	31/12/2022
Non - current loans	**37,869**	**42,803**
Current portion of non-current loans and borrowings	11,955	4,927
Non - current loans	**25,913**	**37,876**
Short term loans for working capital	28	5,000
Total loans and borrowings	**37,896**	**47,803**

The Company's average effective interest rate for long-term loans was 5.31% for the financial year from 1/1/2023 to 31/12/2023 (2.16% in the corresponding financial year of 2022) and for short-term borrowings it was 6.25% (in the corresponding financial year of 2022 it was 3. 10%). Loan repayments and recoveries in the current financial year amounted to EUR 16,505 thousand (2022: 60,567 thousand) and EUR 6,500 thousand (2022: 34,812 thousand) respectively.

The long-term loans for the 2023 financial year, including the portion due within 12 months, mainly cover the Company's development needs and are broken down as follows:

	Amount in th.euros	Issuing Date	Duration
Refundable deposit	33	31/07/2020	5 years from the issuing date
Bond	27,856	21/2/2022	8 years from the issuing date (€1,951 th. payable forthcoming period)
Bond	9,979	17/7/2020	4 years from the issuing date (€9,979 th. payable forthcoming period)
Total	**37,869**		

Accordingly, the long-term loans for the fiscal year 2022, including the portion due within 12 months, mainly covered the Company's development needs and are analyzed as follows:

	Amount	Issuing Date	Duration
Bond	28,834	21/2/2022	8 years from the issuing date (€976 th. payable forthcoming period)
Bond	13,930	17/7/2020	4 years from the issuing date (€3,951 th. payable forthcoming period)
Refundable deposit	38	31/07/2020	5 years from the issuing date
Total	**42,803**		

Loans of the Certain of the Company's loans contain restrictive covenants. As of 12/31/2023, the Company was in compliance with the covenants of the loans.

The Company has sufficient open lines of credit with domestic financial institutions to meet its working capital requirements. As of 31/12/2023, the balance of open credit lines was EUR 18.5 million.

21. Leasing liabilities

On 31/12/2023, leasing liability for the Company is analyzed as follows:

	Lease liabilities 31/12/2023	31/12/2022
Opening balance	(47,293)	(46,276)
Additions	(4,009)	(6,270)
Repayment of leasing	5,479	5,253
Total	**(45,823)**	**(47,293)**

The maturity table of the finance lease liability is as follows:

	31/12/2023	31/12/2022
Up to 1 year	5,492	5,272
Between 2-5 years	21,075	20,208
More than 5 years	19,256	21,813
Total	**45,823**	**47,293**

22. Trade and other payables

Trade and other payables of the Company are analyzed as follows:

	31/12/2023	31/12/2022
Trade payables	28,562	30,961
Accrued expenses	2,306	1,944
Other payables	1,388	1,518
Taxes liability	3,642	1,977
Customers advances	560	429
Insurance Organizations	627	628
Total	**37,085**	**37,458**

23. Income taxes

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

The Company for the years 2011, 2012, 2013 has been subject to the tax audit by regular Chartered Accountants under 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 has received a Tax Compliance Certificate for the financial years 2011 - 2022. The fiscal years up to 2018 are expired.

The Company is currently undergoing a tax audit for the fiscal years 2019 and 2020 for which the Company has a tax certificate and the Company's management does not expect to incur any significant liabilities beyond those recorded and reflected in its Financial Statements. The audit for fiscal year 2023 is in progress, for which, the Company's management does not expect to incur any material liabilities, other than those recorded and reflected in the Financial Statements.

The income tax that was charged to the results of the year 1/1 - 31/12/2023 compared to the period 1/1 - 31/12/2022 is as follows:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Income tax	**0**	**(714)**
Deferred Taxes:		
Differences of fixed assets	77	76
Provisions for employee benefits (IAS 19)	(6)	9
Differences from the application of IFRS 16	163	(309)
Provisions	14	26
Deferred tax from tax loss recognition	1,300	2,296
Total Deferred taxes	**1,548**	**2,098**
Income Tax Expense	**1,548**	**1,384**

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

	1/1 - 31/12/2023	1/1 - 31/12/2022
Profit before taxes	**373**	**(4,765)**
Income tax based on nominal tax rate	(82)	1,048
Tax on tax free income	220	815
Tax on non deductible expenses	1,300	0
Tax on tax losses	0	(81)
Income tax difference of previous year	0	280
Miscellaneous timing differences	110	(679)
Tax in statement of comprehensive income	**1,548**	**1,383**

Deferred taxes on 31/12/2023, which are presented in the Statement of Comprehensive Income and are related to actuarial losses on defined benefit plans amount to € 6 th. income (31/12/2022: expense € 9 th.).

Deferred taxes as at 31 December 2023 and 31 December 2022 appearing in the accompanying Financial Statements are analyzed as follows:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Assets:		
Depreciation calc. difference	(147)	(216)
Employee retirement benefits (IAS 19)	165	155
Stock devaluation	33	55
Provisions	192	16
Deferred income tax	5,700	4,400
Interest of lease liabilities (IFRS 16)	1,506	1,485
Reclass of Revenue account	(7)	(364)
Depreciation Differences of right of use assets (IFRS 16)	6,174	4,877
Lease Differences (IFRS 16)	(7,285)	(5,632)
Assets:	**6,331**	**4,776**

Deferred income taxes result from temporary differences between tax assets and liabilities recognition at the date of the Financial Statements.

Given that the Company has not been audited by the tax authorities for a few years, as mentioned above, it is considered by the Company that adequate provisions for current and future tax audit differences have been made. The accumulated amount of the tax provision for the unaudited fiscal years on 31/12/2023 as well as on 31/12/2022 amounts to the amount of euro 94 thousand which is displayed in the liability Income Tax Payable.

24. Commitments and Contingencies

24.1 Commitments

Letters of guarantee have been given by the Company for rentals, for a total amount of EUR 1,614 thousand.

There are no commitments of the Company.

24.2 Litigation

There are no litigations or arbitration proceedings that might have a material impact on the Company's Financial Statements.

25. Related parties

Related parties of the Company include the parent Company, its subsidiaries, the Management and its first line managers.

The analysis of the related party receivables and payables as at 31 December 2023 and at 31 December 2022 are as follows:

		31/12/2023	31/12/2022
Receivables from:	FOURLIS HOLDINGS SA	512	1,227
	HOUSE MARKET SA	7	26
	INTERSPORT (CYPRUS) LTD	272	671
	HOUSE MARKET BULGARIA EAD	1	0
	GENCO TRADE SRL	4,064	2,419
	GENCO BULGARIA	6,139	6,446
	INTERSPORT ATLETIK	0	111
	TRADE LOGISTICS AE	1	0
	TRADE STATUS SA	1	0
	Total	**10,997**	**10,900**
Payables to:	FOURLIS HOLDINGS SA	0	0
	TRADE LOGISTICS SA	172	604
	HOUSE MARKET SA	9	27
	INTERSPORT (CYPRUS) LTD	322	0
	RENTIS SA	15	22
	GENCO TRADE SRL	103	59
	GENCO BULGARIA	3	3
	INTERSPORT ATLETIK	0	0
	TRADE ESTATES AEEAΠ	80	65
	GIALOU	9	0
	WELLNESS MAE	5	0
	Total	**718**	**779**

		31/12/2023	31/12/2022
Assets with right of use from:	FOURLIS SA HOLDINGS	0	228
	TOTAL	**0**	**228**
Lease liabilities to:	FOURLIS SA HOLDINGS	0	287
	TOTAL	**0**	**287**

Related party transactions during the year 01/01/2023 - 31/12/2023 and the year 01/01/2022 - 31/12/2022 are as follows:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Revenue	34,773	36,398
Other income	961	1,179
Total	**35,735**	**37,577**

	1/1 - 31/12/2023	1/1 - 31/12/2022
Administrative expenses	1,866	1,689
Distribution expenses	4,523	5,037
Other Expenses	5	0
Total	**6,394**	**6,726**

During 2023 and 2022, transactions and fees of management members were as follows:

	1/1 - 31/12/2023	1/1 - 31/12/2022
Transactions and fees of management members	290	281

There are no other transactions between the Company and the management and the first line Managers.

The transactions with related parties are arm's length.

26. Subsequent events

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

With the minutes of 7.3.2024 it was decided to issue a common bond loan of the amount of six million one hundred and forty-five thousand two hundred and ninety-four euros (6.145.294€) covered by the Greek State and by "NATIONAL BANK OF GREECE S.A."

27. Web site for the publication of the Annual Financial Report

The Annual Financial Report, The Independent Auditors Report and the Board of Directors Report for the period 1/1 – 31/12/2023 has been published by posting on the Internet at the web address of the Company http://www.fourlis.gr.