2017 ANNUAL REPORT

FOURLIS
GROUP OF COMPANIES

FOURLIS
GROUP OF COMPANIES

Contents

Part A

I. FOURLIS Group

1. Our values

2. Group Identity

FOURLIS Group is one of the leading retail group of companies in Greece and the Balkans in providing quality consumer durable goods. The commercial activity is expanding in Greece, Cyprus, Bulgaria, Romania and Turkey.

The Group is active in two key divisions:

- Retail Home Furnishings (IKEA)
- Retail Sporting Goods (Intersport – The Athlete's Foot)

FOURLIS Group is the successor of FOURLIS BROS SA. During the last 70 years, the Group is dedicated in investing to its employees, to the quality of the workplace and to the innovative infrastructure along with the functional relationships with its suppliers. By these means, it manages to achieve high levels of productivity and maximize customers' satisfaction.

It is important to note that FOURLIS Group remains firmly active in the development process, with substantial contribution to the Greek economy. It is noteworthy that since 2008, when the financial crisis started in Greece and Europe, FOURLIS Group has invested over 150 million euros in capital expenditures.

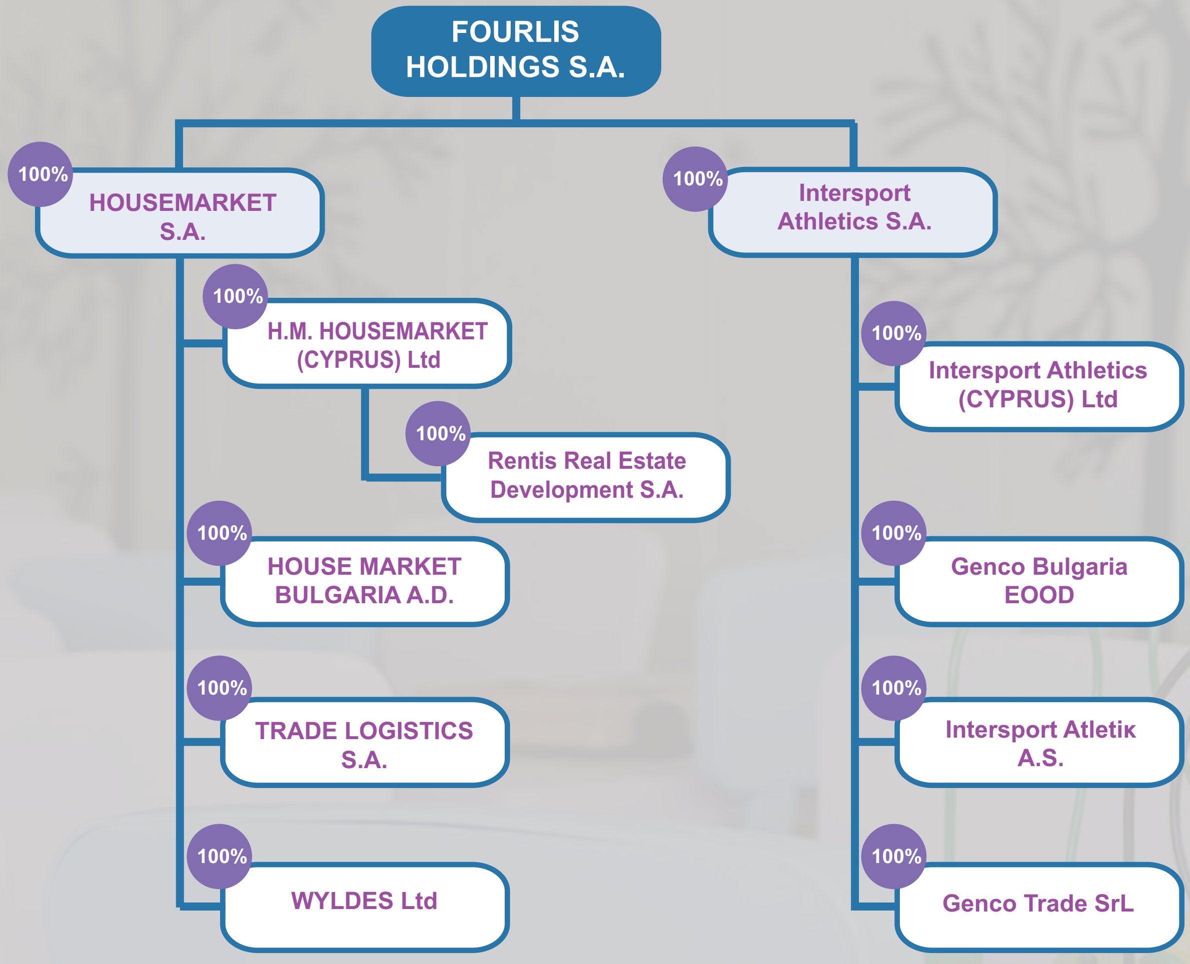
Education and training of workforce, regular and fair assessment at all levels as well as commitment to the Group's values – "Integrity", "Respect" and "Efficiency "- continue to be the significant comparative advantages through which the Group seeks to achieve its objectives.

3. Our strategy

The Group's entrance into growing sectors such as household equipment and sporting goods is one of the basic pillars on which it developed and it will continue to develop in the future. In order to accomplish its goals, the Group aims to:

- Focus on the expansion of the commercial and service areas.
- Promote synergies within the Group and develop alliances with other companies.
- To adapt constantly so that the Group is always ready to face increasing needs and new conditions arising in the market.
- To keep the Group’s personnel aware at all times of new developments in the industry and provide ongoing professional training.

4. Group Structure



5. Corporate Governance

Since 2011, FOURLIS HOLDINGS S.A, the parent company of the Group has decided to voluntarily comply with the Greek Code of Corporate Governance. The Code constitutes the standard of leading corporate governance practices and aims to enhance the transparency of Greek companies and increase the investors' confidence.

The parent company is managed by the Board of Directors which consists of nine members, out of which four are executive, one is non-executive and four are independent non-executive members. The Company has elected its Board with the maximum permitted number of executive and non-executive directors to ensure the diversity of gender, age, knowledge, qualification and experience serving the objectives of the Company as well as the balance between executive and non-executive members.

The function of the Board of Directors is supported by:

-The Audit Committee which is appointed by the General Assembly of the Shareholders supports the BoD on the area of financial reporting, internal control and supervision of external auditors.

-The Nomination and Remuneration Committee ensures an efficient, transparent process of nomination of Board members and prepare proposals to the Board for the remuneration of company's executive directors and key executives.

Board members
9

Percentage of Independent members on board
44.4%

Percentage of non-executive board members
55.6%

Voting standard
Majority

Percentage of women on board
22.2%

Number of Committees
2

• Audit committee
• Nomination & Remuneration

6. FOURLIS Group Social Responsibility

FOURLIS Group Social Responsibility Department was established in 2008 as a result of the need to coordinate the Group companies under a common framework of actions and initiatives, driven by our Values *"Integrity, Respect, Efficiency" and our Mission which is "to create superior value for our Customers, People, Shareholders and Society, by delivering goods and solutions for better living"*. The Social Responsibility Department operates and continuously grows based on the following priority pillars: respect for our People, support of the Society and protection of the Environment.

Embracing the UN vision for a globally coordinated effort to improve life in a sustainable way FOURLIS Group is, since 2008, a member of the UN Global Compact, the world's largest voluntary initiative for responsible business action.

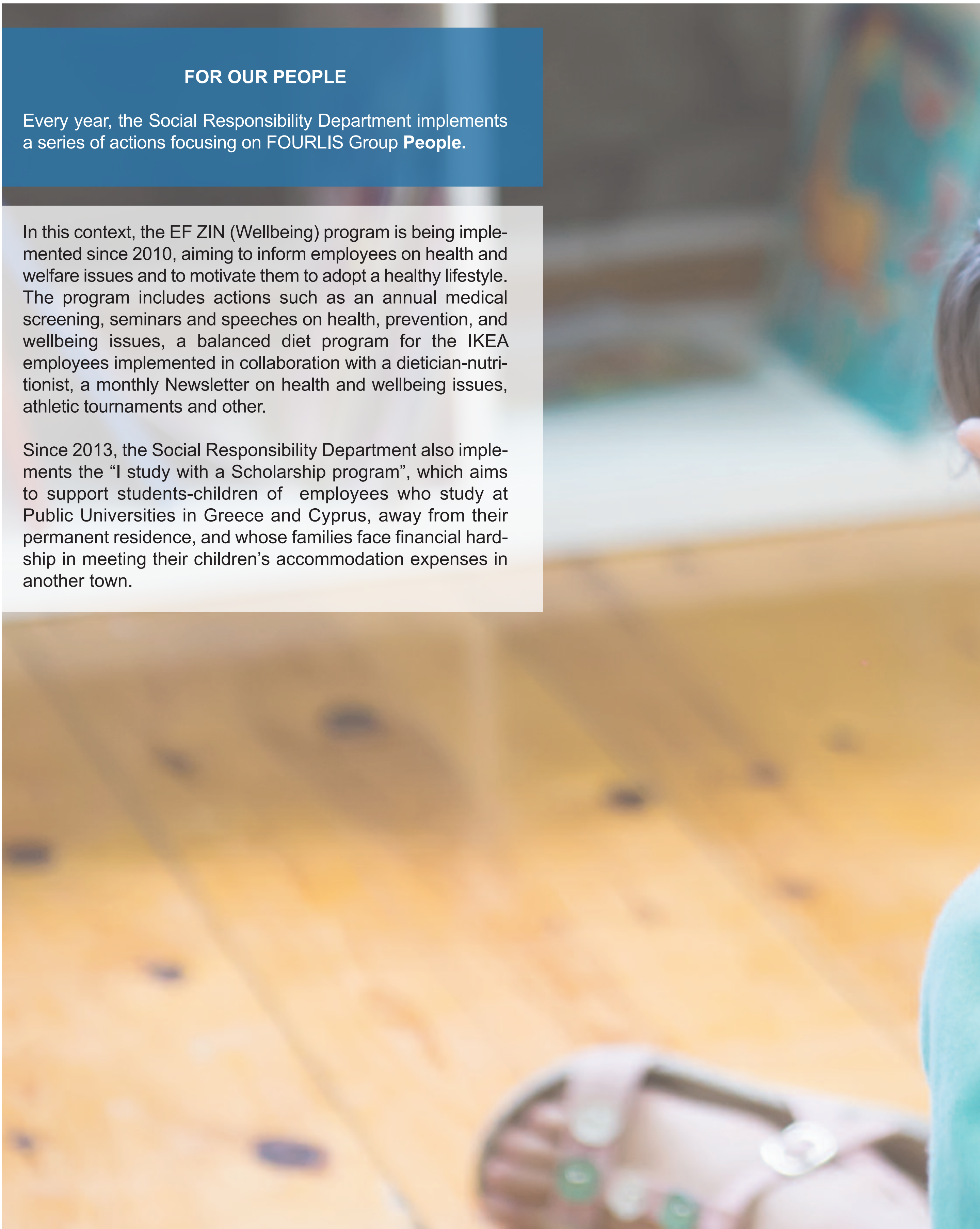
Social
Responsibility
FOURLIS GROUP

FOR OUR PEOPLE

Every year, the Social Responsibility Department implements a series of actions focusing on FOURLIS Group **People.**

In this context, the EF ZIN (Wellbeing) program is being implemented since 2010, aiming to inform employees on health and welfare issues and to motivate them to adopt a healthy lifestyle. The program includes actions such as an annual medical screening, seminars and speeches on health, prevention, and wellbeing issues, a balanced diet program for the IKEA employees implemented in collaboration with a dietician-nutritionist, a monthly Newsletter on health and wellbeing issues, athletic tournaments and other.

Since 2013, the Social Responsibility Department also implements the “I study with a Scholarship program”, which aims to support students-children of employees who study at Public Universities in Greece and Cyprus, away from their permanent residence, and whose families face financial hardship in meeting their children’s accommodation expenses in another town.



FOR THE SOCIETY

At FOURLIS Group we also annually design and implement actions aiming at the support of the **Society.**

Some of the most important actions implemented in 2017 include:

- The "Furnished With Joy" program which is being implemented since 2013, in collaboration with the Municipal Authorities, and concerns the complete refurbishment, by IKEA, of municipal nursery schools and kindergartens in Greece. In 2017, the program was also launched in Cyprus.
- The donation of meals from the IKEA stores' restaurants to Foundations and Organizations, in cooperation with "BOROUME", a non-profit organization whose mission is to reduce food waste and to fight malnutrition in Greece.
- The “We Reach the Edges” program, through which INTERSPORT, since 2011, offers free sports equipment to primary schools in remote and border areas of Greece, while it informs students about the importance of a healthy diet.
- The protection of the cultural heritage of our country through the support of the DIAZOMA Association, the non-profit association OPHELTES - The friend of Nemea and the ELLINIKI ETAIRIA-Society for the Environment and Cultural Heritage.
- The IKEA Bulgaria's cooperation with UNICEF to support children.
- The support of numerous other organizations, by offering IKEA and INTERSPORT products to cover their needs.
- The promotion of volunteering through actions organized with the participation of the Group’s employees, such as the voluntary blood donation that takes place twice a year at the Group companies’ premises, as well as the annual collection and supply, by the Group employees, of food and other essentials to Institutions and Organizations that support people in need.

FOR THE ENVIROMENT

At FOURLIS Group, the actions we take towards the protection of the **Environment** are not limited to those imposed by the environmental legislation.

We implement a number of voluntary actions and interventions aiming at reducing our environmental footprint, creating savings of natural resources and raising the awareness of our employees and the public regarding the protection of the environment and the adoption of a responsible lifestyle. In this context:

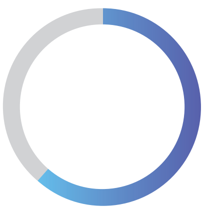
- We systematically monitor energy and water consumption and make all necessary interventions where and when needed, while we also implement recycling programs at the Group companies premises.
- Since 2013 the TRADE LOGISTICS warehouse has installed a 1 MW photovoltaic plant with average annual productivity of 1.460MWh, for producing electricity on its roof, while IKEA is in the process of implementing the installation of electric power generation systems on the roofs of its buildings.
- Since 2012, TRADE LOGISTICS also monitors its carbon emissions for the entirety of its activities, with a view to implement solutions for their reduction.
- IKEA offers a variety of eco-friendly products
- We implement actions to raise awareness among our employees and the public regarding environmental issues and the adoption of a responsible lifestyle.

FOURLIS 2017 Annual Social Responsibility and Sustainable Development Report will be published in June 2018 and will be available at **www.fourlis.gr**

II. Financial Overview

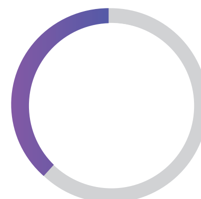
Basic Financial Figures (Greece – Abroad)

Greece



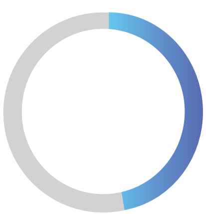
Revenue
€267.4 m
61.6% of Group
(2016: €273.3m)

Abroad



Revenue
€166.6 m
38.4% of Group
(2016: €154.8m)

Greece



EBITDA
€19.8 m
47.4% of Group
(2016: €19.7m)

Abroad

EBITDA
€22.0 m
52.6% of Group
(2016: €18.8 m)

Employees

2,425

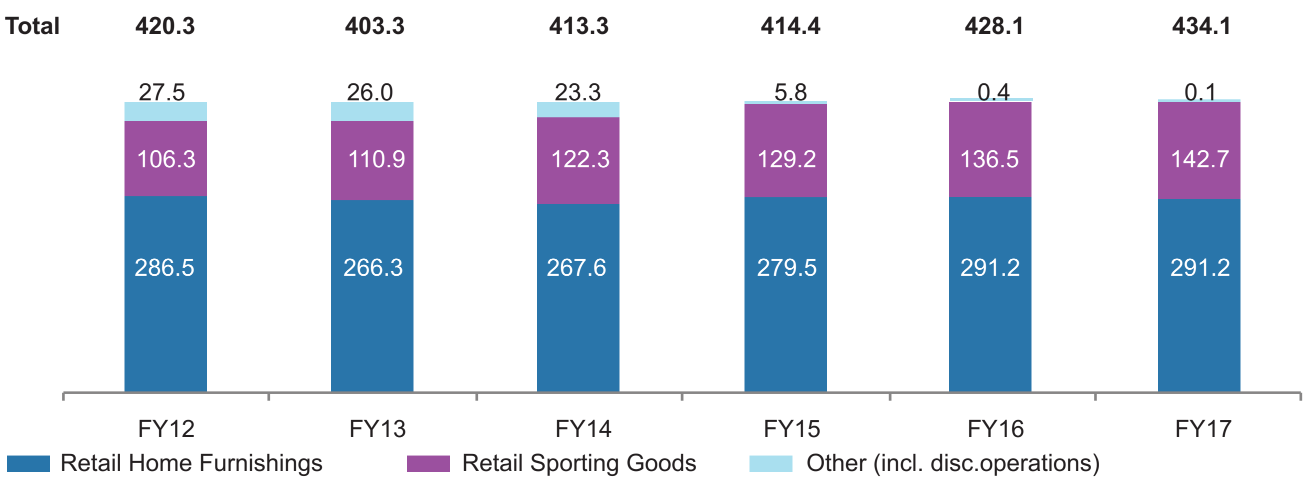
Employees

1,472

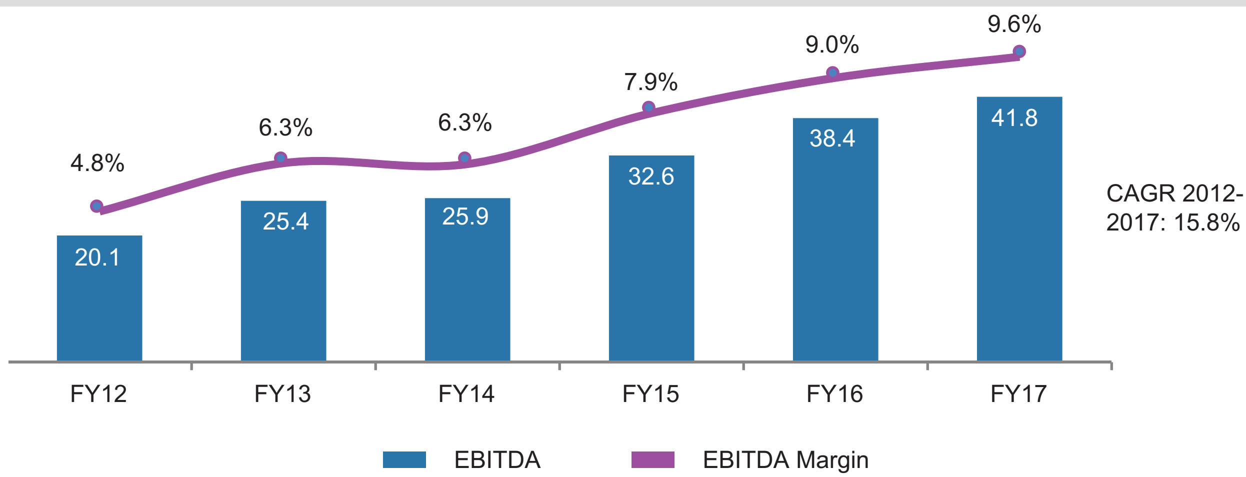
During 2017,

- FOURLIS Group realized sales €434.1 million 1,4% higher vs same period last year (€428.1 mio).
- EBITDA was €41.8 million vs €38.4 million in 2016 (8,8% higher).
- Consolidated Profits Before Taxes were €14.5 million vs €7.7 million in 2016 (an increase of 88.9%)
- The Group realized Net Profits € 10.0 million vs €6.0 million in 2016 (67% higher).

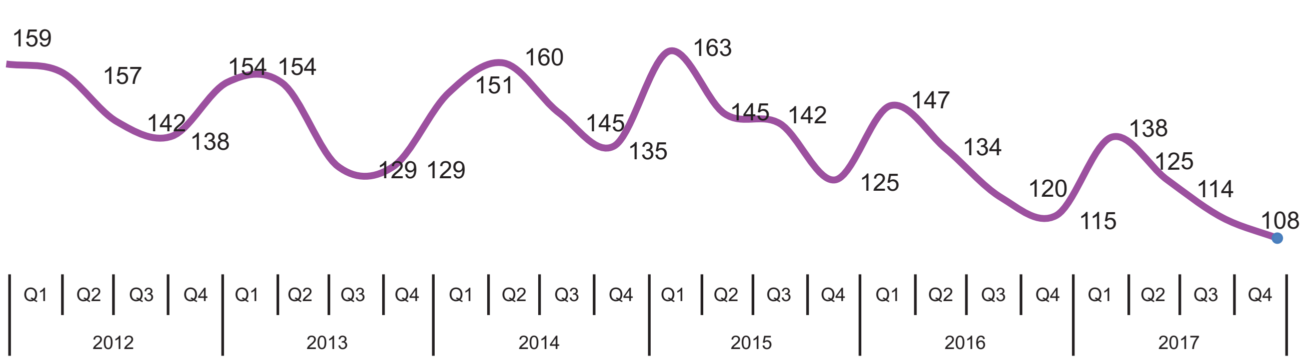
Revenue by activity (2012-2017) in €mm



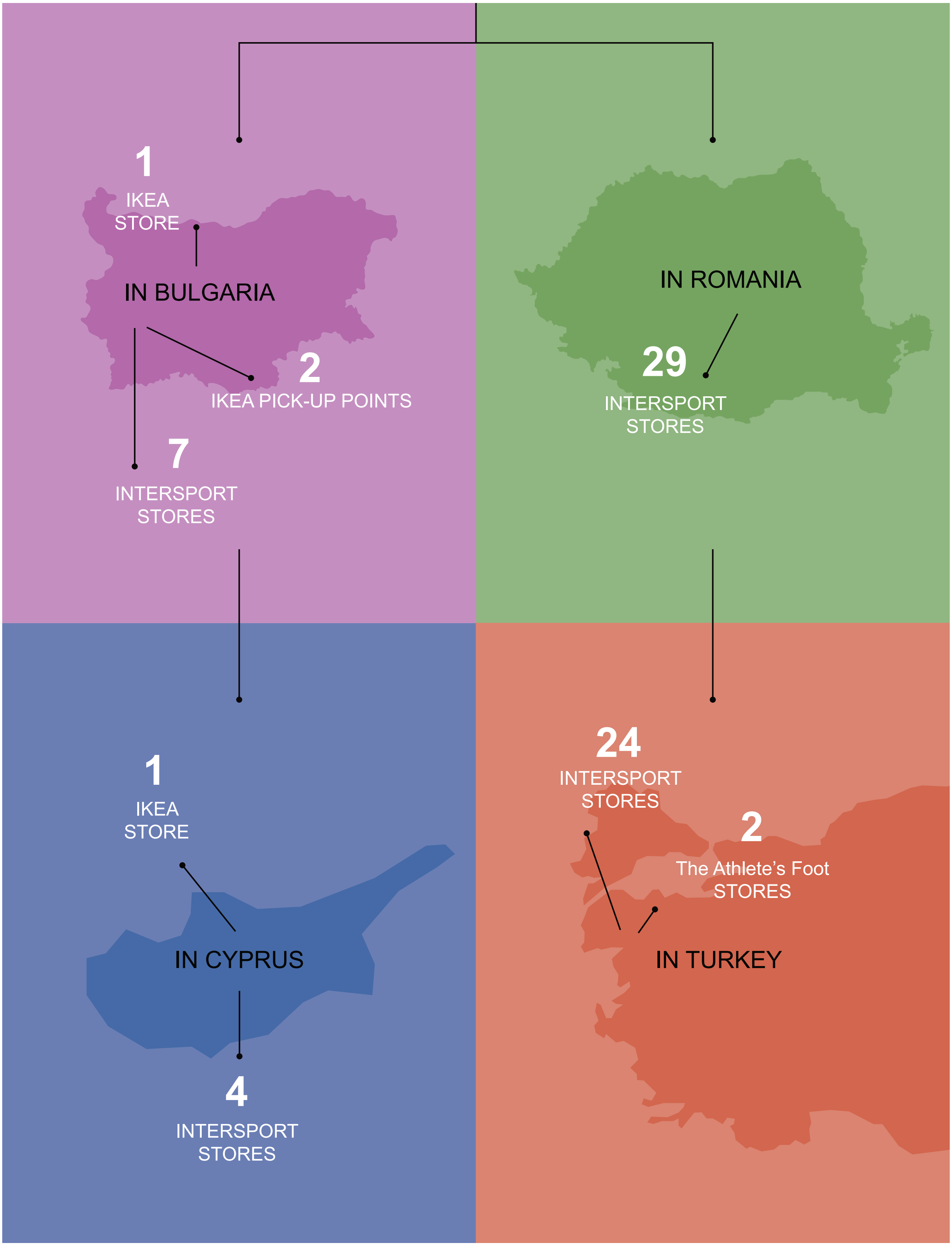
EBITDA (in €mm)



Net Debt Evolution (in €mm)




OUR PRESENCE
5
IKEA STORES
5
IKEA PICK-UP POINTS
IN GREECE
50
INTERSPORT
STORES
12
The Athlete's Foot
STORES


1
IKEA
STORE
IN BULGARIA
2
IKEA PICK-UP POINTS
7
INTERSPORT
STORES
IN ROMANIA
29
INTERSPORT
STORES
1
IKEA
STORE
IN CYPRUS
4
INTERSPORT
STORES
24
INTERSPORT
STORES
2
The Athlete's Foot
STORES
IN TURKEY

Retail Home Furnishings Division (IKEA)

FOURLIS Group is the exclusive franchisee of IKEA trademark in Greece, Cyprus and Bulgaria.

IKEA is the world leader in home furnishings and accessories. It was founded in Sweden in 1943 and today IKEA operates 403 stores in over 49 countries. During fiscal year 2017, over 936 million people visit IKEA all over the world and the turnover accounted in € 38.3 billion.

Through the operating IKEA stores, the subsidiary companies of FOURLIS Group (namely HOUSEMARKET S.A., H.M. HOUSEMARKET CYPRUS Ltd and HOUSE MARKET BULGARIA AD), is active in retail home furnishings and in providing catering services in all three countries.

The sector expands through a network of:

Network of Retail Home Furnishings Division

7 IKEA Stores (**5** in Greece, **1** in Cyprus, **1** in Bulgaria)

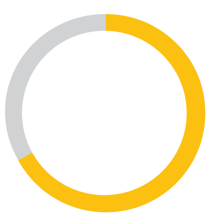
7 Pick-up Points (**5** in Greece, **2** in Bulgaria)

3 E-shop in all **3** countries

The intention of FOURLIS Group is to expand its store and pick up network both in the current countries of operation but also and in new territories.

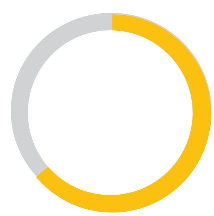
Financial Figures 2017

Revenue



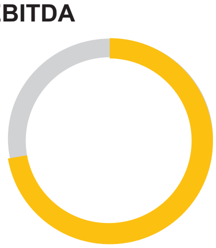
€291.3 m
67.1% of Group
(2016: €291.3 m)

Gross Profit



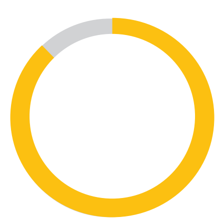
€120.0 m
63.9% of Group
(2016: €117.2 m)

EBITDA



€31.0 m
(2016: €29.1 m)

PBT



€13.8 m
87.9% of Group
(2016: €7.0 m)

Employees

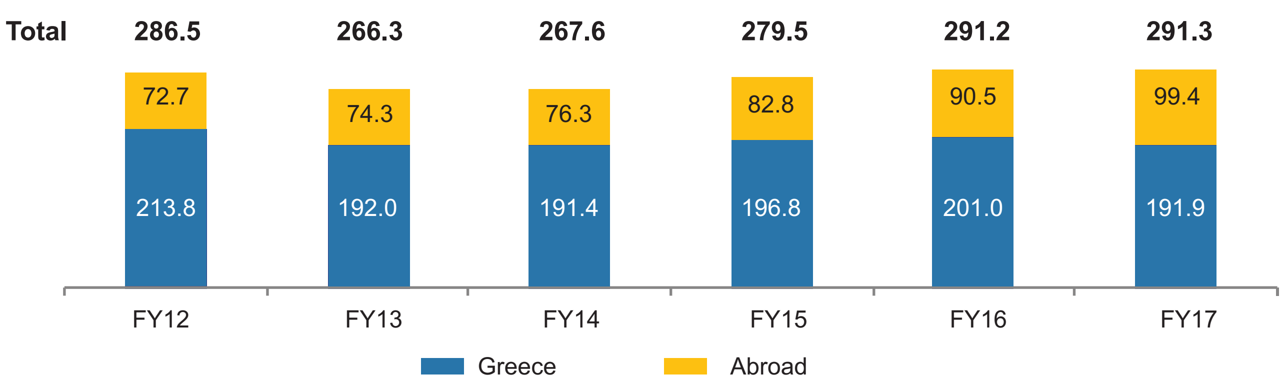
2,290

Capex

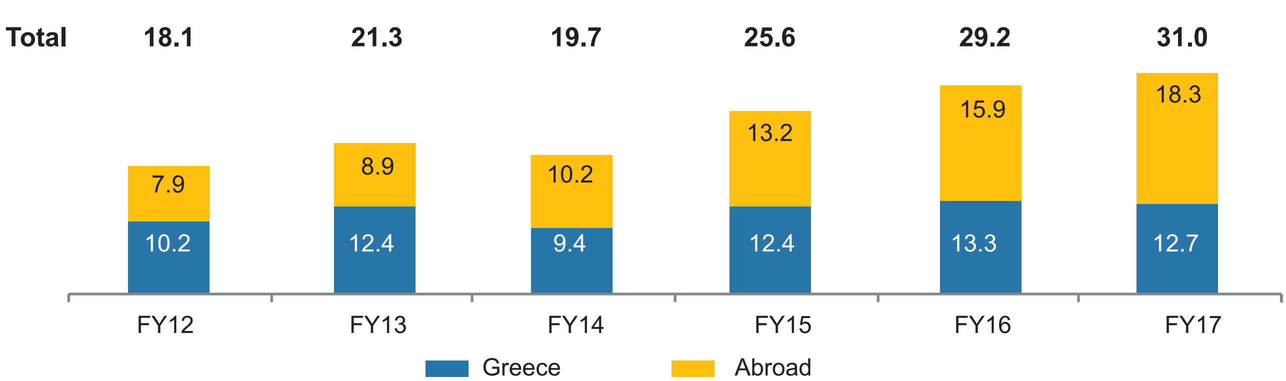
€5.9 m

Historical Data (2012-2017)

Retail Home Furnishings – Revenue (2012-2017) in €mm



Retail Home Furnishings - EBITDA (2012-2017) in €mm



Retail Sporting Goods Division (INTERSPORT – THE ATHLETE'S FOOT)

FOURLIS Group is the exclusive franchisee of **INTERSPORT** trademark in Greece, Cyprus and Bulgaria, in Romania and Turkey.

INTERSPORT, is the number one retail sporting goods chain worldwide, with 50 million visitors in 5,600 stores in 44 countries. In September 2000, Intersport initiated its dynamic presence as part of FOURLIS Group.

In addition, the Group is exclusive franchisee of THE **ATHLETE'S FOOT** trademark for Greece and Turkey.

The **Athlete's Foot** is recognized as one of the world's leaders in athletic footwear, continuing its legacy and commitment to proper fit and quality customer service. At the same time, after her acquisition by INTERSPORT International Corp.(IIC), The Athlete's Foot. continues to grow, and is opening even more stores in more countries every year.

Currently, the division operates through a network of:

Network of Retail Sporting Goods Division

114 Intersport Stores
(**50** in Greece**, 29** in Romania**, 24** in Turkey, **7** in Bulgaria**, 4** in Cyprus)

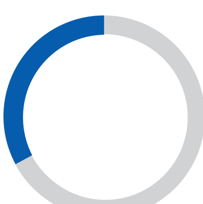
14 THE ATHLETE'S FOOT stores
(**12** in Greece, **2** in Turkey)

2 E-shop
(**1** in Greece, **1** in Romania)

The strategic plan of FOURLIS Group regarding the retail sporting goods division is the expansion of INTERSPORT stores to more than 160 points and to 50 stores for the Athete's Foot.

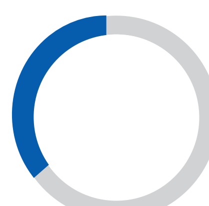
Financial Figures 2017

Revenue



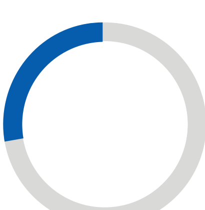
€142.7 m
32.9% of Group
(2016: €136.5 m)

Gross Profit



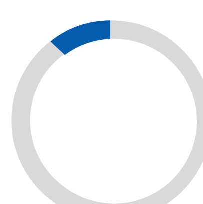
€67.7 m
36.1% of Group
(2016: €64.9m)

EBITDA



€11.9 m
(2016: €11.9 m)

PBT



€1.9 m
12.1%of Group
(2016: €2.3 m)

Employees

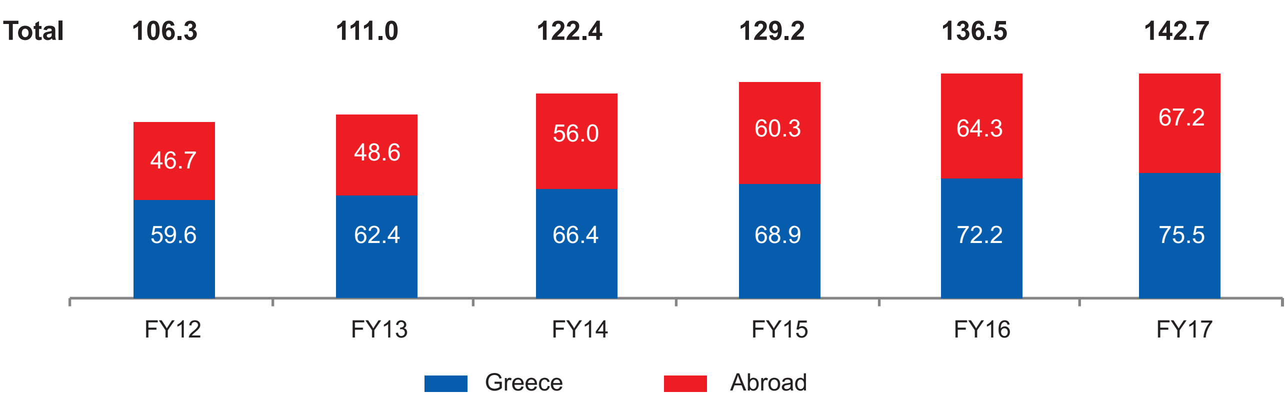
1,517

Capex

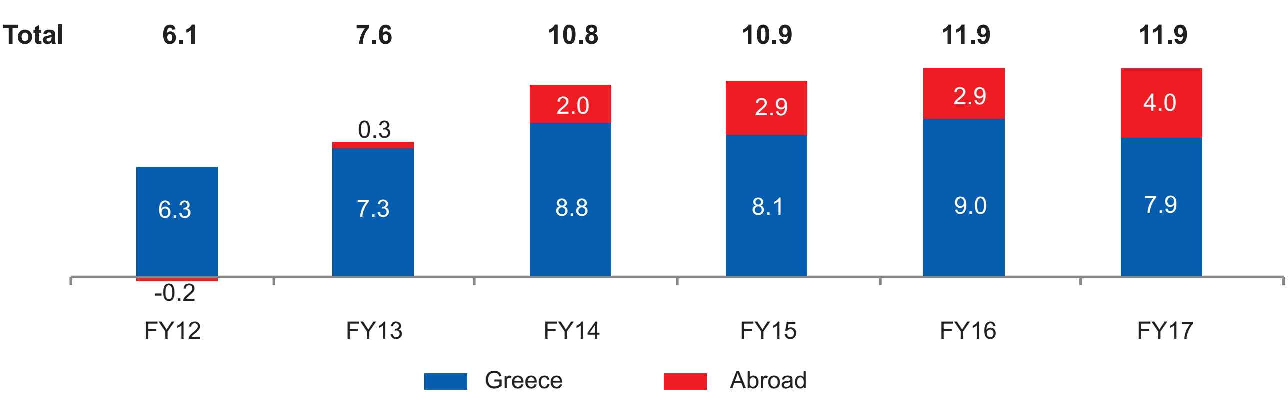
€5.6 m

Historical Data (2012-2017)

Retail Sporting Goods - Revenue (2012-2017) in €mm



Retail Sporting Goods - EBITDA (2012-2017) in €mm



FOURLIS
GROUP OF COMPANIES

ANNUAL FINANCIAL REPORT

For the period
1/1/2017 to 31/12/2017
(TRANSLATED FROM THE GREEK ORIGINAL)
(In accordance with Law 3556/2007)

FOURLIS HOLDINGS S.A.
REG. NO: 13110/06/B/86/01
GENERAL ELECTRONIC COMMERCIAL REGISTRY NO: 258101000
OFFICES: 18-20, SOROU STR. (Building A) – 151 25 MAROUSI

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Statements of Members of the Board of Directors
(In accordance with article 4 par. 2 L. 3556/ 2007)

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

We confirm that to the best of our knowledge:
a. The Annual Financial Statements (Consolidated and Separate) of FOURLIS HOLDINGS SA for the period 1/1/ - 31/12/2017 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 FOURLIS HOLDINGS S.A. as well as of the companies that are included in the consolidation taken as a whole.
b. The Annual Report of Board of Directors provides a true and fair view of the evolution, performance and financial position of FOURLIS HOLDINGS S.A. and of the companies included in the consolidation, taken as a whole, as well as a description of the main risks and uncertainties they face.

Maroussi, March 12 2018

The Chairman	The Vice Chairman	The CEO
Vassilis S. Fourlis	**Dafni A. Fourlis**	**Apostolos D. Petalas**

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY FOURLIS HOLDINGS SA FOR THE PERIOD 1/1 – 31/12/2017 (In accordance with L. 3556/ 2007)

TO THE SHAREHOLDERS ANNUAL GENERAL ASSEMBLY OF YEAR 2018

Dear Shareholders,
Please find below, for your approval, the Annual Financial Report (Consolidated and Separate) of the Company FOURLIS HOLDINGS S.A. for the period 1/1 - 31/12/2017.

The Group apart from the Company FOURLIS HOLDINGS S.A. also includes subsidiaries over which FOURLIS HOLDINGS S.A. has direct and indirect control.

1. THE GROUP – Business Segments

The FOURLIS Group, which consists of the parent Company FOURLIS HOLDINGS S.A. along with its subsidiaries and their subsidiaries, is mainly operating in the Retail Trading of Home Furniture and Household Goods and the Retail Trading of Sporting Goods.

The subsidiary companies and their subsidiaries that are included in the consolidated financial statements for the year 2017, grouped per segment and country of operation are the following:

a) Full method

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

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

- HOUSEMARKET SA which operates in Greece and the parent company has a direct shareholding of 100%. On 23/12/2016 the merge from HOUSEMARKET SA was completed through absorption of the company FOURLIS TRADE SA which operates in Greece and in which the parent company had a shareholding of 100%.
- H.M. HOUSEMARKET (CYPRUS) LTD which operates in Cyprus and the parent company has an indirect shareholding of 100%.
- TRADE LOGISTICS S.A. which operates in Greece and the parent company has an indirect shareholding of 100% (except one share). The retail trading of home furniture and household goods segment includes warehousing services provided by the company TRADE LOGISTICS SA.
- RENTIS REAL ESTATE INVESTMENTS SA which operates in Greece and the parent company has an indirect shareholding of 100% (except one share).
- HOUSE MARKET BULGARIA AD which operates in Bulgaria and the parent company has an indirect shareholding of 100% (except one share).
- WYLDES LTD which operates in Cyprus and the parent company has an indirect shareholding of 100%.

Retail Trading of Sporting Goods (INTERSPORT and TAF stores)

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

- INTERSPORT ATHLETICS SA which operates in Greece and the parent company has a direct shareholding of 100%.
- INTERSPORT ATHLETICS (CYPRUS) LTD which operates in Cyprus and the parent company has an indirect shareholding of 100%.
- GENCO BULGARIA EOOD which operates in Bulgaria and the parent company has an indirect shareholding of 100%.
- INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. which operates in Turkey and the parent company has an indirect shareholding of 100%.
- TRADE LOGISTICS S.A. which operates in Greece and the parent company has an indirect shareholding of 100% (except one share). The retail trading of sporting goods segment includes warehousing services provided by the

company TRADE LOGISTICS SA.
- GENCO TRADE SRL which operates in Romania. The parent company has a direct shareholding of 1,57% and an indirect shareholding of 98,43%.

b) Net Equity method

The Group's consolidated data include, the following affiliated companies:
- VYNER LTD which operates in Cyprus and the subsidiary company WYLDES LTD has a direct shareholding of 50%.
- SW SOFIA MALL ENTERPRISES LTD which operates in Cyprus, in which WYLDES LTD has a direct shareholding of 50%.
- SPEEDEX SA which operates in Greece in the courier services. The parent company had a direct shareholding of 49,55% until 8/12/2017, when the sale of its shareholding to the third company SFAKIANAKIS SA was announced. This action in alignment with the strategy of the Group aiming to focus on the main activities of retail trading of home furniture and household goods (IKEA Stores) and retail trading of sporting goods (INTERSPORT and TAF Stores).

2. FINANCIAL DATA – IMPORTANT FACTS & FIGURES

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

Sales for retail trading of Furniture and Household Goods (IKEA Stores) did not change compared to the corresponding period of 2016 while sales of the retail trading of Sporting Goods (INTERSPORT & TAF Stores) increased by 4,6%. More specifically:

The retail trading of Furniture and Household Goods (IKEA Stores) segment, realized sales of € 291,3 million for the year 2017 (2016: € 291,3 million). The EBITDA totaled € 31,0 million compared to € 29,1 million in 2016 and reported profits before tax € 13,8 million versus € 7,0 million profits in 2016. On 31/12/2017, seven (7) IKEA Stores are operating, five (5) of which in Greece, one (1) in Cyprus and one (1) in Bulgaria and seven (7) Pick up & Order Points with IKEA products five (5) of which in Greece (in Rhodes Island, Patras, Chania, Heraklion and Komotini) and two (2) in Bulgaria (Varna and Burgas). Moreover, e-commerce stores are operating in Greece, Cyprus and Bulgaria.

The retail trading of Sporting Goods segment (INTERSPORT and TAF Stores), realized sales of € 142,7 million for the year 2017 (2016: € 136,5 million). The segment's EBITDA for the year 2017 totaled € 11,9 million (€ 11,9 million in 2016), while recorded profits before tax € 1,9 million compared to € 2,3 million in 2016. The segment on 31/12/2017 has one hundred and fourteen (114) INTERSPORT Stores versus one hundred and thirteen (113) on 31/12/2016, analyzed as follows: fifty (50) in Greece, twenty nine (29) in Romania, twenty four (24) in Turkey, seven (7) in Bulgaria and four (4) in Cyprus. The INTERSPORT Stores added to its network within the period 1/1 – 31/12/2017 are: three (3) new Stores in Greece and more particularly in Patras (30/3/2017), in Rethymno (6/4/2017) and in Athens Stadiou Str. (18/5/2017), one (1) new Store in Romania, Oradea (6/4/2017) and three (3) new Stores in Turkey, Bursa (1/6/2017), Istanbul (14/9/2017) and Ankara (28/9/2017). Stores which terminated their operation are: one in Greece in Athens Kolonaki (27/4/2017), three in Romania in Oradea (20/6/2017), Arad (21/3/2017) and Bucharest (17/9/2017) and two in Turkey, the Ankara Forum in Ankara and Nata Vega (14/4/2017). Moreover, e-commerce Stores are operating in Greece and Romania.

In addition, on 31/12/2017 fourteen (14) TAF stores are operating compared to eight (8) on 31/12/2016, twelve (12) in Greece and two (2) in Turkey. The new TAF Stores added to its network within the period 1/1- 31/12/2017 are: six (6) in Greece in Mitropoleos Str. Thessaloniki (2/3/2017), Rethymno (6/4/2017), Palaio Faliro (25/8/2017), Spata (25/8/2017), Ioannina (28/9/2017) and Glyfada (28/9/2017) and one (1) new Store in Istanbul (14/9/2017). On 3/1/2017 the Ist Metro Store in Istanbul terminated its operation.

Consolidated profits before tax of the Group amounted to € 14,5 million compared to € 7,7 million profits in 2016. Net profits amounted to € 10,0 million compared to € 6,0 million profits in 2016.

In an effort to present a complete and real view of the Group's performance, we report the consolidated results per segment for the period 1/1 – 31/12/2017 versus 1/1 – 31/12/2016 at the following tables. Amounts are in thousands of euros.

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

	2017	2016	2017/ 2016
Revenue	291.312	291.343	1,00
EBITDA	30.981	29.123	1,06
Profit before Tax	13.772	6.964	1,98

If the amounts of the year 2016 of the aforementioned table are reclassified in order to include discontinued operation which was incorporated in home furniture and household goods segment on 23/12/2016, then the following occur:

Retail Trading of Home Furniture and Household Goods (IKEA stores) with reclassification of amounts of the year 2016 due to discontinued operation:

	2017	2016	2017/ 2016
Revenue	291.312	291.582	1,00
EBITDA	30.981	27.840	1,11
Profit before Tax	13.772	6.849	2,01

Retail Trading of Sporting Goods (INTERSPORT and TAF stores)

	2017	2016	2017/ 2016
Revenue	142.735	136.489	1,05
EBITDA	11.866	11.856	1,00
Profit before Tax	1.861	2.317	0,80

Group Consolidated:

	2017	2016	2017/2016
Revenue	434.059	428.068	1,01
EBITDA	41.837	38.441	1,09
Profit before Tax	14.532	7.695	1,89
Net Profit after Tax and Minority Interests	10.039	6.009	1,67

We note that on a consolidated basis the Group's Total Equity (after minority interest) at December 31, 2017 amounts to € 167,9 million versus an amount of € 163,6 million of year end 2016. Grants depreciation is not included in EBITDA.

3. Basic Financial Indicators (Consolidated)

Below please find basic Indicators for the Group Financial Structure and Performance & Efficiency according to the consolidated financial statements included in the Annual Financial Report of the Group, for the years 2017 and 2016 respectively.

Financial Structure Indicators:

	2017	2016
Current Assets/ Total Assets	33,91%	32,20%
Total Liabilities/ Total Equity & Liabilities	60,17%	60,95%
Total Equity (after minority interest)/ Total Equity & Liabilities	39,83%	39,05%
Current Assets/ Short Term Liabilities	113,73%	95,43%

Performance & Efficiency basic Indicators:

	2017	2016
Operating Profit/ Revenues	6,43%	5,70%
Profit before tax/ Total Equity (after minority interest)	8,67%	4,70%

4. Operating Performance – Important developments:

During the period 1/1 – 31/12/2017 the following share capital changes were realised:

- FOURLIS HOLDINGS S.A.: Following the resolution of 16/6/2017 of the Ordinary General Assembly of the shareholders of the Company (relevant minutes of the G.A. with number 21/16.06.2017), its share capital decreased by the amount of € 5.133.041,00 with a decrease of nominal value of each share by the amount of € 0,10 and corresponding capital return to the shareholders. The aforementioned change was registered to the General Electronic Commercial Registry (GECR) on 06/07/2017 (Code Registration Number 1111376), with the relevant 832253/06.07.2017 announcement issued by the Minister of Finance and Development.

  Under the context of the previous Stock Option Plan which was approved and established by the resolution of the Extraordinary General Assembly of the shareholders on 27/9/2013 (Stock Option Plan – hereinafter "the Program"), within the year 2017, 313.278 options were exercised (hereinafter "the Options"). Following the resolution of the Board of Directors on 18/12/2017 (relevant minutes of the BoD with number 390/18.12.2017), the exercise of the aforementioned options from the corresponding beneficiaries of the Program was certified by payment of the exercise price of the new shares.

  It is noted that the underlying value of the shares to which the remaining stock options reflect, was initially determined according to the terms of the Program of 27/9/2013 at the amount of €3,40 per share, which was the stock closing price of the share on the date of the resolution of the General Assembly for the SOP (27/9/2013). Following the readjustment of the historical share price of the Company resulted from the nominal value decrease by the amount of € 0,10 and corresponding capital return to shareholders following the resolution of 16/06/2017 of the Company's Ordinary General Assembly of shareholders, the amount of € 3,34 per share is hereafter accounted as the implemented exercise price of stock options of the SOP.

  Following the certification of the payment of the exercise price of the Stock Options by their beneficiaries, namely the amount of € 1.046.348,52, 313.278 new common nominal shares were issued and delivered to the corresponding beneficiaries of the Program, of nominal value € 0,97 per share, while the share capital of the Company increased by the amount of € 303.879,66 which reflects to the nominal value of the new shares. Moreover, following the exercise of the aforementioned Options by payment of the exercise value, namely € 3,34 per share according to the aforementioned, the share premiun, of total amount € 742.468,86, was transferred to "Share Premium reserve".

  The aforementioned change was registered to the General Electronic Commercial Registry (GECR) on 26/1/2018 (Code Resistration Number 1315305), with the relevant 9983/26.01.2018 announcement issued by the Minister of Finance and Development. Following the aforementioned changes, the share capital of the Company amounts to € 50.094.377,36 divided into 51.643.688 shares of nominal value € 0,97 per share, totally paid.
- GENCO BULGARIA EOOD: Following the resolution of the General Assembly of the shareholders of the company, on May 2017 the share capital of the company increased by the amount of BGN 1.500.000,00 by issuing 150.000 new common nominal vote shares, of nominal value BGN 10,00 each. The share capital increase was totally covered by the shareholder INTERSPORT ATHLETICS S.A. following the resolution of 24/4/2017 of the Board of Directors and was registered in the relevant commercial register. After the aforementioned increase, the share capital amounts to BGN 13.385.170,00 divided into 1.338.517 shares of nominal value BGN 10,00 per share.
- INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.: Following the resolution of 10/5/2017 of the General Assembly of the shareholders of the company, an increase in the share capital of the company was implemented of total amount of TL 7.090.070,00, by issuing 17.725.175 new common nominal vote shares, of nominal value TL 0,40 per share. This share capital increase, which was registered in the commercial registry on 16/5/2017, was totally covered by the shareholder INTERSPORT ATHLETICS S.A. (contribution in kind, by capitalization of receivables from the company INTERSPORT ATHLETICS S.A.). After the aforementioned increase, the share capital of the company amounts to TL 50.702.770,00 divided into 126.756.925 nominal shares of nominal value TL 0,40 per share.
- WYLDES LTD: Under the ordinary resolution of 19/12/2017 of the Board of Directors of the Company, its share capital increased by the total amount of € 72,00 by issuing 72 ordinary shares, of nominal value €1,00. The underlying price was determined a) for 67 shares, the amount of € 10.000,00 per share and b) for 5 shares, the amount of € 1.000,00 per share. It is noted that, following the total payment, by the only shareholder HOUSEMARKET S.A., of the underlying amount of the new shares, total amount of € 674.928,00 resulted to the increase of the share premium reserve. Therefore the share capital of the company on 31/12/2017 amounted to € 6.948,00 divided into 6.948 ordinary shares of nominal value €1,00 per share, totally paid.

In is also noted that, against future share capital increase of WYLDES LTD for which a resolution has not yet been made by the competent body of this company, the shareholder HOUSEMARKET S.A., following the resolution of 8/1/2018 of its BoD (relevant minutes of the BoD with number 385/08.01.2018), on 22/2/2018 has paid the amount of € 5.300.000,00 against acquisition of 530 issued common nominal vote shares of nominal value €1,00 per share and total nominal value of issued shares € 530,00, plus the amount of € 5.299.470,00 share premium. With a resolution still pending until today for the aforementioned share capital increase of WYLDES LTD, the share capital continues to amount to € 6.948,00, divided in 6.948 common (ordinary) nominal vote shares, of nominal value € 1,00 per share.

- VYNER LTD: Following the ordinary resolution of 19/12/2017 of the Board of Directors of the Company, the share capital increased by the amount of € 82,00 by issuing 82 ordinary shares, of nominal value €1,00 per share. The subsidiary company WYLDES LTD participated in the aforementioned share capital increase by the amount of € 41,00 (plus € 409.959,00 as share premium value). Therefore the share capital of the company on 31/12/2017 amounts to € 10.074,00 divided into 10.074 ordinary shares of nominal value € 1,00 per share, totally paid. WYLDES LTD controls 50% of shares and corresponding vote options of VYNER LTD (by holding 49,55% of the latter and controlling the other 0,01% through the third company INTERCHANGE LTD, which has this shareholding).
- SPEEDEX S.A.: Following the private agreement of 6/12/2017 the sale and transfer was finalized, towards the company “SFAKIANAKIS S.A.” located in Athens, of the total shareholding of the Company in the Company “SPEEDEX S.A.” and more particularly 378.893 common nominal shares issued by SPEEDEX, of nominal value € 1,00 per share and total (nominal) value € 378.893,00 which reflect to 49,55% of the totally paid share capital of SPEEDEX.

Apart from the above, no other changes in the share capital of the companies of the Group were made within the year 2017.

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

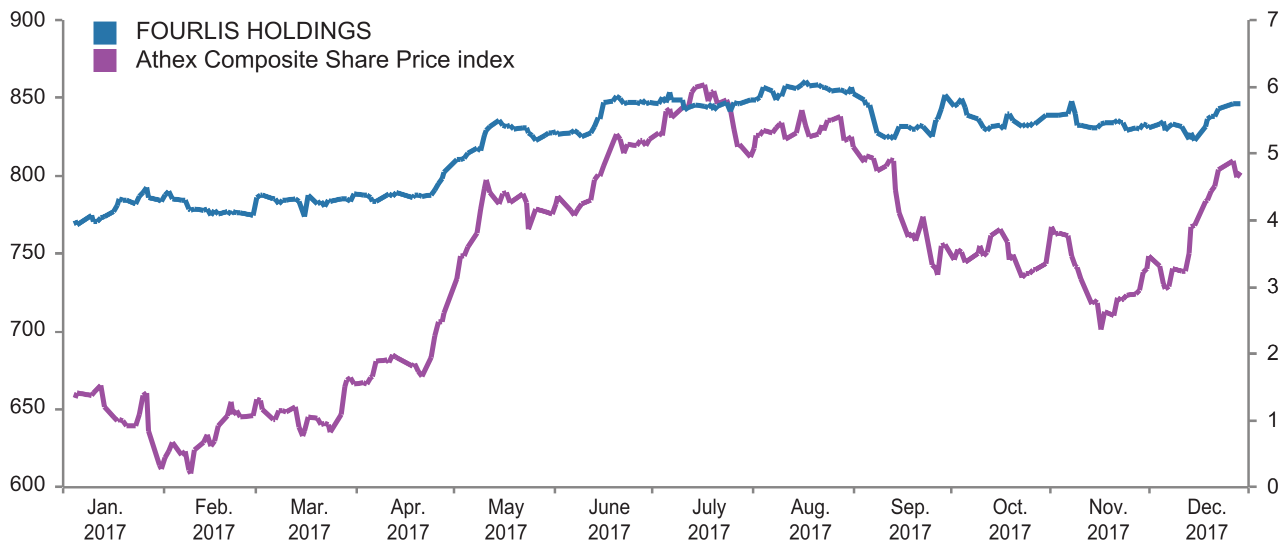
The subsidiaries and especially the retail trading companies have developed and continue to develop a significant chain of stores in Greece and abroad.

Retail Trading of Home Furniture and Household Goods (IKEA stores): The segment currently operates seven (7) IKEA Stores, five (5) of which in Greece, one (1) in Cyprus and one (1) in Bulgaria. Moreover, five (5) Pick up & Order Points with IKEA products are operating in Greece in Rhodes Island, Patras, Chania, Heraklion and Komotini and two (2) in Bulgaria in Varna and Burgas, as well as three (3) e-commerce stores in Greece, Cyprus and Bulgaria.

Retail trading of sporting goods (INTERSPORT and TAF stores): The segment currently operates one hundred and fourteen (114) INTERSPORT Stores [fifty (50) in Greece, twenty nine (29) in Romania, seven (7) in Bulgaria, four (4) in Cyprus and twenty four (24) in Turkey]. Moreover e-commerce Stores are operating in Greece and Romania. TAF stores operating on 31/12/2017 are fourteen (14), twelve (12) of which in Greece and two (2) in Turkey.

5. Stock Price Evolution

Below is a chart providing a comparison between FOURLIS HOLDINGS S.A. share price and Athens Stock Exchange General Index for the period 1/1/2017 to 31/12/2017.



6. Stock Option Plan

The Ordinary General Assembly of the Company on 17/6/2017, under the context of Stock Option Plan, approved the disposal of 2.566.520 stock options and authorized the Board of Directors to regulate the procedural issues and details. The program will be implemented in four waves, with a maturity period of five years per wave. Options must be exercised within five years since their maturity date. In case that there are undisposed options, after the allocation of options mentioned above, these options will be cancelled. The underlying share price of each wave is the closing stock price of the share at the decision date of the General Assembly regarding the approval of the SOP.

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

On 13/11/2017, the BoD of the Company issued an Invitation to the beneficiaries of the SOP which was approved by the Extraordinary General Assembly held on 27/9/2013, regarding the exercise of their options. 22 beneficiaries responded to this Invitation and exercised their option for the purchase of 313.278 shares, of nominal value € 0,97 and underlying price € 3,34 per share and paid the total amount of € 1.046.348,52.

It is noted that the underlying price of shares to which the distributed options reflect, had been initially determined at the amount of € 3,40 per share, which was the closing stock price of the share on the date of the resolution of the General Assembly regarding the SOP since 27/9/2013 (Extraordinary General Assembly date). Due to corporate events (capital return by cash payment), the historical closing price of the share was readjusted and formed at the amount of € 3,34 per share.

On 26/1/2018, a) the share capital increase of the Company by the amount of € 303.879,66 through cash payment and the issue of 313.278 new shares of nominal values € 0,97 and underlying price € 3,34 each and b) the certification of the payment of the aforementioned share capital increase by the total amount of € 303.879,66, were registered in the GECR. The Corporate Actions Committee of Hellenic Exchanges - Athens Stock Exchange, on their meeting held on January 30th, 2018 approved the new 313.278 shares trading. According to the decision of the Company, the new shares started its trading in ATHEX on February 1st, 2018.
During period 1/1 – 31/12/2017, beneficiaries waived their right to exercise 11.580 options (2016: 6.659) which were granted

by the BoD on 25/11/2013, beneficiaries waived their right to exercise 13.626 options (2016: 6.548) which were granted by the BoD on 24/11/2014 and also beneficiaries waived their right to exercise 26.097 options (2016: 13.158) which were granted by the BoD on 25/11/2015.

7. Information about Group's plan of development

According to the temporary data of the Hellenic Statistical Authority of 5/3/2018 the GDP in terms of volume, the 4th quarter of 2017 increased by 1,9% compared to the corresponding quarter of 2016. This fact leads to the estimation that the year 2017 in terms of volume will increase by 1,4% compared to 2016, while for the year 2018 Greek Economy is expected to grow slightly above 2%, based on I.O.B.E. (Foundation for Economic & Industrial Research).

With the expectation that the year 2018 in Greece, despite the existing pressure in economy and especially in retail trading due to the:
- high taxation of natural persons and legal entities,
- cumulative debt of households and companies,
- ongoing high unemployement despite its gradual de-escalation,
- existing restrictions on capital movement,
- limited possibility of banking system to dispose capitals for new investments,

but also from the fact that the risk of a new recession cycle has been decreased but not yet fully eliminated, the Management of the Group aims to:

a) increase its profitability at which it has already returned since the year 2015,
b) continue strictly chosen investments, especially in the segment of retail trading of sporting goods where investing opportunities exist and can be implemented with the current funding abilities,
c) gain benefits from synergies and scale economies that have been achieved within the Group with the completion of warehouse and distribution services supply towards all companies of the Group by the company TRADE LOGISTICS SA,
d) investigate for new investment opportunities in activity areas – such as the management of retail stores – that the Group is well aware of and has positive results,
e) maintain the balance of the income source of the Group between domestic and foreign companies for the rational allocation of risk at the different countries of activity.

Management of the Group estimates that the year 2018 will be crucial regarding the implementation of the measures which is a necessary precondition in order to attract investments and create a consistent base for the expected growth path.

Fiscal stability, gradual restoration of confidence in Banking system and de-escalation of unemployement despite its high rate contribute to the creation of positive perspective for the year 2018.

Taking into consideration all the aforementioned, the Management will proceed to the implementation of its business plan with selective investments in Greece and foreign countries where the Group operates, as follows:

In the retail trading of sporting goods segment, with a network at the end of the year 2017 of one hundred and fourteen (114) stores in Greece, Romania, Bulgaria, Cyprus and Turkey as well as two (2) e-commerce Stores in Greece and Romania, within the year 2018 seven (7) new INTERSPORT Stores are expected to be added to the existing network and the e-commerce store in Cyprus is expected to start operating. Moreover, two (2) new TAF stores are expected to be added to the fourteen (14) already operating stores. At the end of 2018, the retail trading of sporting goods segment is expected to have a netwotk of one hundred and twenty-one (121) INTERSPORT Stores and sixteen (16) TAF Stores as well as e-commerce Stores in Greece, Romania and Cyprus will be fully operating.

The home furniture and household goods segment, which operates seven (7) IKEA Stores, seven (7) Pick up & Order Points and three (3) e-commerce Stores Greece, Bulgaria and Cyprus, will examine new selective investments in Pick up & Order Points and will proceed to an upgrade of its software for better customer service.

Education and training of human capital, the constant and fair evaluation in all levels as well as dedication to the values of the Group - "Integrity", "Respect" and "Efficiency" – continue to compose major comparative advantages through which the Group aims to achieve its goals.

8. Fourlis Group – Major Threats & Uncertainties

a) Financial Risk Management

The Group is exposed to financial risks such as foreign exchange risk, interest rate risk and liquidity risk. The management of risk is achieved by the central Treasury department, which operates under specific guidelines set by the Board of Directors. The Treasury department identifies, determines and hedges the financial risks in cooperation with the Groups' subsidiaries. The Board of Directors provides written instructions and directions for the general management of the risk, as well as specific instructions for the management of specific risks such as foreign exchange risk and interest rate risk.

Foreign Exchange Risk:
The Group is exposed to foreign exchange risk arising from transactions in foreign currencies (RON, USD, TRY, SEK) with suppliers which invoice the Group in currencies other than the local. The Group, in order to minimize the foreign exchange risk, according to the needs, in certain cases pre - purchases foreign currencies.

Interest rate risk/liquidity:
The Group is subject to cash flow risk which in the case of possible variable interest rates fluctuation, may affect positively or negatively the cash inflows or outflows related to the Group's assets or liabilities.
Cash flow risk is minimized via the availability of adequate credit lines and cash. Also, the Group has entered into Interest Rate Swap (IRS) contracts in order to face interest rate risk.

b) Legal Issues

There are no litigations or legal issues that might have a material impact on the Company and the Group's Annual Financial Statements for the period 1/1 - 31/12/2017.

9. Social Responsibility

The content of the non-financial statement has been drafted by taking into consideration the requirements of the GRI Standards (2016 edition). In this context, the FOURLIS Group performs an annual materiality analysis of the sustainable development topics related to its activities, in order to prioritize the topics with the most significant economic, social and environmental impacts and those that significantly influence its stakeholders. The Group defines as stakeholders anyone affecting or being affected by its operations. Having identified and prioritized its stakeholders, the Group invests in the continuous and two-way contact and communication with them, aiming to maintain a steady flow of information, to and from the company, regarding their demands, concerns and expectations. The main stakeholder categories of the FOURLIS Group are: employees, shareholders, customers, suppliers/business partners, society, local communities, official and supervisory authorities/state, business community/associations, mass media, NGOs and peer companies.

Additional information regarding the results of the materiality analysis, will be available in the FOURLIS Group's annual Social Responsibility and Sustainable Development report for 2017, which will be published and uploaded on www.fourlis.gr in June 2018.

a) Brief description of business model

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

- Retail sale of household goods through the IKEA stores in Greece, Cyprus and Bulgaria.

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

The above activities are complemented by online stores (e-commerce), while the storage and distribution services in both sectors and for all countries are provided by TRADE LOGISTICS S.A., a subsidiary of the Group.
More information regarding the business environment, strategy, objectives and main progress and factors that could influence the Group's development are available in the following chapters of the Group's Board of Directors' Report:

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

b) Principal non-financial risks

In the context of our approach to corporate responsibility and our contribution to sustainable development, we consistently identify and prioritize the topics that are linked to our activities and may cause negative impacts to our stakeholders, to the communities in the countries where we operate as well as to the natural environment.

Taking into consideration the above, we monitor the impacts of our activities in relation to:
- The health and safety of employees, customers, business partners and visitors at our facilities, a topic that we manage through a common Health & Safety Policy
- Customer health and safety during the use of our products, a topic that we manage through strict compliance with the specifications and requirements set by manufacturers, suppliers and European or national legislation, as well as through our product labeling
- Responsible marketing and promotion of our products, a topic that we manage by applying international communication codes and by taking into consideration local needs
- The privacy of all people entering into a transaction with us, which we manage in accordance with the current legislation and our gradual adaptation to the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016
- Human Resources management concerning employment and health & safety, topics that we manage by applying relevant policies and procedures
- Respect for Human Rights in the workplace as well as, where possible, in our supply chain through policies and procedures
- Anti-corruption, bribery and fraud, through procedures and policies we apply
- The environmental impacts of our activities, a topic that we manage through the application of programs for the conservation of natural resources and for raising awareness among our employees and the public regarding topics of environmental protection and the adoption of a responsible lifestyle.

The way we manage these topics is presented in more detail in the following sections.

c) Social matters

Health & safety of customers, business partners and visitors at our facilities
Corporate policies and due diligence
The Group, complying with the applicable legislation, implements a Health & Safety Policy for all its subsidiaries and in all of the countries where it operates, which includes a wide range of relevant procedures, measures and initiatives related to the safe stay of visitors, customers and business partners at its facilities. Any differences in the Group's relevant procedures by country or region depend on the size of the facilities as well as on the applicable legislation in the countries where the Group's companies operate.

In this context, some of the practices we apply at the FOURLIS Group are the following:
- Cooperation with an external service on protection and prevention issues
- Written assessment of occupational risk according to existing methodology and legislation
- Measures taken for reducing "emergency pick" incidents in order to prevent accidents at the IKEA stores

- Training of First Aid Teams
- Training of Fire Safety and Firefighting Teams
- Infirmaries equipped with medical beds and automatic external defibrillators in all the IKEA stores
- Provision of wheel chairs at the entrance of all the IKEA stores, as well as of accessible lavatories and parking spaces, aiming to provide safe accommodation and transportation for people with special needs
- ISO 22000 certification for the safety of the food served at the IKEA restaurants

We regularly train all employees, so they can respond to emergency incidents that can affect both their own and visitors' safety, while to ensure compliance with the Health & Safety Policy, regular inspections are conducted by safety technicians for all the Group' s activities.

Outcome of these policies and non-financial key performance indicators
In 2017, the application of our policies on Health & Safety topics had significant outcomes. We indicatively mention that:
- No accidents occurred in the playgrounds of the IKEA stores
- [GRI 416-2]: No incidents of non-compliance with legislation concerning Health & Safety topics occurred

Product compliance and labeling
Corporate policies and due diligence

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

IKEA stores:
IKEA products have special labeling and signs aiming to provide information and advice to customers regarding potential problems or health impacts, hazardous substances, cases where a product must be used only by adults, dimensions, as well as product manufacturing information, etc. It is also worth mentioning that we provide a perennial product guarantee, which in some cases reaches up to 25 years, while we adhere to and apply a product withdrawal policy. If necessary, and depending on the importance of the incident, the withdrawal case is publicly disclosed.

INTERSPORT & The Athlete's Foot stores:
Respectively, the Commercial Department of INTERSPORT and The Athlete's Foot, which is responsible for product compliance, oversees adherence to market regulations as well as the European Union CE labeling. INTERSPORT's policy also focuses on the inclusion of terms in contracts with suppliers, which provide for compliance with all valid regulations and laws regarding products the company purchases from them. In cases of defective products, the company immediately proceeds to their withdrawal and repair and initiates all the necessary procedures in order to inform all the pertinent institutions like, for example, the Ministry of Commerce, consumers' associations and general consumer public via special press releases.

Outcome of these policies and non-financial key performance indicators
[GRI 419-1]: In 2017, in all countries where the Group operates, there was no case of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

Responsible product marketing and promotion
Corporate policies and due diligence
For the advertising and promotion of the IKEA products, of the FOURLIS Group, the company follows in all countries where it operates, the communication code applied by IKEA worldwide and takes into consideration all local needs. Regarding the promotion of our products, our policy is adapted to local consumer needs and specificities. For this reason, the setup of the IKEA stores varies according to their location, in order to meet the standards and preferences of the local community.

Respectively, INTERSPORT's marketing and communication strategy is set according to its vision, which is to bring Sports to the people, while The Athlete's Foot strategy is set according to its own vision, which is to bring style to sports. Both companies' marketing strategies focus on two areas: Corporate Communication and product promotion. The product communication and promotion methods chosen by the companies include various media, like television, product catalogues, online advertising, etc., while they follow all conduct, marketing and communication codes as well as market regulations that they are obliged to adhere to, such as the Hellenic Retail Business Association (HRBA) Code.

Outcome of these policies and non-financial key performance indicators

[GRI 417-3]: In 2017 there were no cases of non-compliance with regulations and volunteer codes regarding marketing communication, including advertising, promotion and sponsorships.

Customer privacy

The Group adheres to all applicable laws and regulations, including the local legislation in the countries where it operates, relating to the protection of personal data and customer privacy. Respecting privacy is a core element of both the Code of Conduct and the Internal Regulation Charter.

Corporate policies and due diligence

At the FOURLIS Group, we value the trust of all the people entering into a transaction with us and we have designed and implement a personal data protection policy for all natural persons (visitors, customers, suppliers, employees). We make sure to protect with due diligence, all personal information we collect for business needs, after legal consent, and to safeguard the rights of natural persons in accordance with the existing legislation and Data Protection Authorities' guidelines in all countries where the Group's companies operate.

We are now in the process of reviewing – renewing the standards, policies and procedures to fully comply with the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, concerning personal data protection. According to our schedule, on the date of the regulation's implementation (25/5/2018), the Group's companies in all countries, will be in full alignment with the provisions of the Regulation and will have adapted all relevant standards, policies and procedures.

Outcome of these policies and non-financial key performance indicators

The policies and procedures implemented up until now regarding the protection of personal data (general and special – sensitive) have resulted in zero reports, complaints or grievances, from a natural person entering into a transaction with our Group, related with a breach of personal rights, freedoms or privacy, while no related grievances from competent authorities were communicated to us.

Supporting society and local communities

Corporate policies and due diligence

At the FOURLIS Group we work daily together as well as individually, for the realization of our common commitment and vision: the establishment of the preconditions for a better life for all. In this context, we seek to be in constant connection with the citizens and wider society, in the countries where we operate, aiming to get informed about their needs, to understand them and satisfy them to the extent possible.

Outcome of these policies and non-financial key performance indicators

The following are some of the most significant programs and actions implemented in 2017 to support society. Additional information will be included in the FOURLIS Group's annual Social Responsibility and Sustainable Development Report, which will be published in June 2018 and will be available on the webpage www.fourlis.gr.

- "Furnished with Joy" program, in the context of which IKEA fully refurbished 19 municipal nurseries and kindergartens, in cooperation with the Municipal Authorities, for more than 950 children, in Attica, Larisa, Heraklion, Rhodes, Syros, Lefkada, Thessaloniki, Pella, Volos, Pieria, Ioannina and Igoumenitsa, as well as one municipal kindergarten in Cyprus (Agios Stylianos, in Lakatamia).
- Meals donation to foundations and organizations from the IKEA stores' restaurants, in collaboration with the non-profit organization "BOROUME" (WE CAN).
- "We Reach the Edges" program, through which INTERSPORT offered free sports equipment to 25 remote Public Elementary Schools and to more than 5.000 students in the prefectures of Thessaloniki, Serres and Drama.
- Support of the DIAZOMA Association, of the Non-Profit Association OPHELTES-THE FRIEND OF NEMEA, and of the ELLINIKI ETAIRIA Society for the Environment and Cultural Heritage, through FOURLIS HOLDINGS S.A.
- Support of children, through a series of actions which IKEA Bulgaria implements in cooperation with UNICEF.
- Voluntary blood donation which was held twice during 2017, at the Group companies' premises in Greece, Cyprus and Bulgaria.
- Donation of food and other essential supplies to various foundations and organizations, from employees of the FOURLIS Group in Greece, Cyprus, Romania and Bulgaria.

d) Work related matters

Employment

Corporate policies and due diligence

The FOURLIS Group is its People, all those who support its operations on a daily basis. Our approach to employment and our relations with our employees directly affect their performance, retention and development, while these issues are also significant for the long term sustainability of our Group.

Our Policy's main pillars, related to employee recruitment and professional development of our Human Resources, are:

- Common recruitment evaluation criteria for all of the Group's companies, to ensure equal opportunities and to avoid discrimination.
- Provision of equal development opportunities through internal transfer and promotion processes to all employees of the Group.
- Taking into consideration the balance between the two genders in the selection and development processes of our employees, as well as in the compensation and benefits policies.

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

It is also worth mentioning, that in the FOURLIS Group companies, and in all countries where the Group operates, people of 36 ethnicities are employed.

Outcome of these policies and non-financial key performance indicators

In 2017, the Group's total number of employees was 3.897 out of which 2.751 work in Greece and Cyprus.

The FOURLIS Group: Total workforce by region and gender

	2017	
Region	Men	Women
Greece	1.114	1.311
Cyprus	175	151
Romania	216	222
Bulgaria	204	257
Turkey	170	77
Total	**1.879**	**2.018**

It is worth noting that at the FOURLIS Group, we ensure equal advancement opportunities in management positions between men and women.

2017
52 % the percentage of women in the FOURLIS Group's total workforce
35 % the percentage of women in manager/supervisor positions of the FOURLIS Group
22 % percentage of women in the Board of Directors of the FOURLIS Group

Also, since 2008, we have adopted a single annual Performance Appraisal and Development Review Process for all Group employees to ensure that their appraisal process is and will remain transparent.

Employee training and education

Corporate policies and due diligence

At the FOURLIS Group we believe that the employees' need for training is continuous and increasing, as the competition and the current market demands are constantly generating new training and education needs. For this reason, the training of each Group's employee begins upon his/her recruitment.

Outcome of these policies and non-financial key performance indicators

The first training program for every Group employee is an induction program, through which we make sure that all the newly hired employees are informed about the Group's Structure, Values, Code of Conduct and Internal Regulation Charter of each company.

In addition, in 2011 the FOURLIS "Learning Academy" was established in which all of the FOURLIS Group employees are members, participating in programs depending on their role and their needs for personal development.

In the context of the Academy, the FOURLIS Retail MBA program was launched in 2016. The program was designed and created in 2015 under the auspices of the Athens University of Economics and Business and the Hellenic Retail Business Association (HRBA) with the main objective to provide high level knowledge from University Professors and Senior Executives of both the Market and the FOURLIS Group, in a range of fields mainly focusing on Retail Management. Employees from all the FOURLIS Group companies and from all countries in which it operates participate in the program.

Employee health, safety and wellbeing

Corporate policies and due diligence

Acknowledging that the creation of a safe and healthy work environment is our obligation, at the FOURLIS Group we follow the clauses of the legislation on labor law in all countries where we operate, and also attend to the assessment of possible risks we may face in the coming year and take the necessary measures to prevent potential accidents.

An important priority for us is to safeguard compliance with the Health & Safety Policy by having safety technicians conduct intensive inspections, throughout the Group companies' facilities, and draw up a specific appraisal report on occupational risk. At the FOURLIS Group, as a minimum prerequisite, we comply with the requirements of the legislative frameworks in all countries where we operate and the "ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases". We also invest in the constant and regular training of all employees, so that they can respond to emergencies affecting both their own and our clients' safety. Especially at the IKEA stores we have created internal Safety, Fire Protection and First Aid teams, while at the INTERSPORT and The Athlete's Foot stores certain employees have been trained in the management of relevant topics.

In addition, aiming to inform employees on health and wellbeing issues and to encourage them to adopt a healthier lifestyle, in 2010 the Group's Social Responsibility Department launched the EF ZIN (WELLBEING) program. In the context of this program a number of actions such as preventive medical examinations, informative speeches on health and wellbeing topics, sports tournaments, etc. are taking place every year.

Outcome of these policies and non-financial key performance indicators

Health & Safety at work

In 2017, the number of work accidents for all the FOURLIS Group's companies remained at the low levels of 2016.

In addition, as a result of our overall management approach regarding Health & Safety issues in the workplace, in the latest biannual Employee Insight Survey conducted in 2016, the area that gathered the highest satisfaction rate from our employees was Safety.

More information and data pertaining to the results of the policies on employee Health & Safety issues, will be included in the FOURLIS Group's annual Social Responsibility and Sustainable Development Report for 2017.

EF ZIN (WELLBEING) program

In 2017, in the context of the EF ZIN program, some indicative activities that took place included a sports tournament in Greece and Cyprus and an initiative in Greece that aimed to inform employees on the importance of a healthy breakfast.

e) Respect for Human Rights

Corporate policies and due diligence

At the FOURLIS Group we approach the issues of respect and protection of Human Rights in a systematic way through our policies and initiatives.

Thus, through our participation in the UN Global Compact, we commit to uphold the respective Principles relating to the respect and protection of Human Rights. Specifically, at the FOURLIS Group as well as at our supply chain, where possible, we advocate for the freedom of association, the abolishment of child and forced or compulsory labor and discrimination in the workplace.

At the FOURLIS Group, aiming to respect and protect Human Rights, we apply the following:
- Internal Employment Regulations
- Code of Conduct
- Health & Safety Policy
- Responsible product policies of our Group subsidiaries

Outcome of these policies and non-financial key performance indicators
All Group employees have signed, depending on their position in the corporate hierarchy, the detailed or concise version of the Code of Conduct (the concise version is available on the website www.fourlis.gr).

In addition, the Code of Conduct Line of the Group is available 24 hours a day and anyone may call the Line in order to report any concerns related to Code of Conduct violations or non-compliance with the valid legislation. For the period 1/1-31/12/2017 one (1) anonymous report from a group of employees was recorded via the telephone line and email of the Code of Conduct and was communicated to the Internal Audit Department. After being evaluated, it was sent to the Group's Human Resources Department in order for the appropriate measures to be taken. The report was not related to a Human Rights violation.

f) Anti - corruption and bribery matters

Corporate policies and due diligence
Aiming to fight corruption, bribery and fraud, the Group has established and implements:
- Corporate Governance Code: The Company has decided (Board of Directors decision on 28/2/2011) to voluntarily comply with the Greek Code of Corporate Governance that was drafted at the initiative of SEV for Listed Companies and was later modified for the first time by the Greek Council of Corporate Governance (GCCG) on 28/06/2013. Both these bodies jointly recognized the contribution of Corporate Governance in the improvement of the competitiveness of Greek businesses and the continuous growth of the credibility of the Greek market.
- Code of Conduct: The Code of Conduct focuses on creating a working environment that promotes respect and protection of Human Rights. Through the Code, the FOURLIS Group promotes and applies a policy of equal opportunities for all employees, as well as a policy that prohibits sexual harassment, in full compliance with labor legislation. Furthermore, the FOURLIS Group's violence prevention in the workplace policy, as it is set out in the Code, strictly prohibits acts of violence, threatening messages or behavior and the use or possession of weapons by any person in the workplace or during any transactions with external partners.
- Code of Conduct line: Access to the Code of Conduct line is achieved by phone, landline or cell at 0030210 6293010 or through the e-mail address: codeofconduct@fourlis.gr
- Internal Regulation Charter: The Internal Regulation of Operations of the parent company of the Group (FOURLIS HOLDINGS S.A.) is approved by the Board of Directors and describes the organizational structure, the risk management and the internal audit systems. It includes the basic principles of operation and the relevant procedures, while also describes the composition and responsibilities of the Audit Committee, the Nomination and Remuneration Committee and the Audit Department. Additionally, it contains the basic principles of the transaction Code for its securities.
- Audit Committee: The Audit Committee, which is defined by the shareholders' General Meeting, has indicatively the following obligations:
    - Monitoring the financial reporting process and credibility of financial statements
    - Supervision of any formal announcement regarding the financial performance of the company and examination of the company's key announcements
    - Monitoring the effectiveness of internal control and risk management systems
    - Ensuring the independence of internal audit and evaluation of the head of internal audit
    - Examining cases of interest conflicts
    - Monitoring the progress of statutory audit
    - Reviewing and monitoring issues related to the existence and maintenance of objectivity and independence of the external auditor
- Internal Audit Department: The Group's Internal Audit Department is organized in a way that allows it to carry out an

independent, confirmative and advisory role and designed to add value and improve the company's processes. The Department helps the Group achieve its objectives through assessment, which contributes to the improvement of the corporate governance, internal audits and risk management systems from Management. The Audit Committee is the supervising body of the Internal Audit Department and informs on a quarterly basis the Board of Directors of the parent company about the project being carried out.
- Nomination and Remuneration Committee: The Nomination and Remuneration Committee is responsible for the application procedure for electing Board members and selecting Senior Executives and prepares proposals to the Board regarding the remuneration (basic salary, bonuses or financial incentives and benefits) of Executive Directors and key executives.
- The application of the procedure for informing the Senior Management and the Internal Audit Division on any fraud or corruption case.

Outcome of these policies and non-financial key performance indicators
All Group employees have signed, depending on their position in the corporate hierarchy, the detailed or concise version of the Code of Conduct.

In the context of the procedure of informing the Top Management for the response to fraud and corruption incidents, during the period of 1/1-31/12/2017, eleven (11) cases of small-scale fraud were recorded, nine (9) out of which were committed by the Group companies' employees and two (2) by employees of external partners. In all cases, the policy to remove the companies' responsible employees and the termination of cooperation with the external partners' employees was implemented. There was no other notification or complaint related to corruption or bribery that the Group's Management is aware of.

g) Environmental matters

Corporate policies and due diligence
At the FOURLIS Group we regularly monitor the impacts of our operations and we realize a number of voluntary actions and interventions aiming to reduce our environmental impacts, save natural resources and raise the awareness of employees and the public regarding the protection of the environment and the adoption of a responsible lifestyle. The annual results of the practices we implement are communicated in the FOURLIS Group's annual Social Responsibility and Sustainable Development Report, as well as in the FOURLIS Group's Communication on Progress Report, regarding the adherence to the ten Principles of the UN Global Compact.

Outcome of these policies and non-financial key performance indicators
The data we monitor at our facilities, where possible, pertain to:
- Energy consumption: Electricity (kWh), Heating oil (lt), Natural Gas (m3)
- Water consumption (lt)
- Carbon emissions (CO2e)
- Recycling of materials (within the FOURLIS Group), such as: Paper (kg), Batteries (kg), Cooking fat (lt), Lamps (kg), Aluminum (kg), Glass (kg), Plastic (kg), Metals (kg), Timber (kg).

Energy
Energy consumption*:

	2017
ELECTRICITY (kWh):	38.686.130
HEATING OIL (lt):	158.701
NATURAL GAS (m3):	381.188

** The data refer to the companies: TRADE LOGISTICS, INTERSPORT & The Athlete's Foot GREECE (excluding headquarters), IKEA GREECE & CYPRUS.*

CARBON EMISSIONS: Since 2012, TRADE LOGISTICS calculates its carbon footprint for all of its operations, aiming to implement solutions for its reduction. The results for 2017 will be available in the FOURLIS Group's Social Responsibility and Sustainable Development 2017 report, which will be published in June 2018.

PHOTOVOLTAIC SYSTEMS: Since 2013, TRADE LOGISTICS, a subsidiary of the FOURLIS Group, has installed a 1MW photovoltaic system for producing electricity, on the roof of its warehouse. In 2017, the total electricity production reached 1.461.867 kWh. In addition, during the same period, 1.304 metric tons of CO_2e were avoided, due to the fact that the electricity from the photovoltaic park is produced from renewable energy sources.

Respectively, HOUSEMARKET S.A. has proceeded and is in the process of implementing the installation of electric power generation systems on the roofs of its buildings, with the aim to maximize the use of installations that do not produce any form of environmental burden. In this context, in 2017, the process of installing a photovoltaic power system with offsetting in IKEA Cyprus continued.

LAMPS REPLACEMENT PROGRAM: In 2017, the program for the replacement of high-consumption lamps with LED bulbs also continued, in commercial and non-commercial areas of IKEA stores in Greece, Cyprus and Bulgaria, while INTERSPORT and The Athlete's Foot continued their own relevant program in their stores.

Materials

Recycling of materials (within the FOURLIS Group)*

	2017
Paper (kg):	1.625.903
Batteries (kg):	3.774
Cooking fat (lt):	19.845
Lamps (kg):	2.151
Aluminum (kg):	2
Glass (kg):	0
Plastic (kg):	89.685
Metals (kg):	32.670
Timber (kg):	60.940

** The data refer to the companies: FOURLIS HOLDINGS S.A., TRADE LOGISTICS, IKEA GREECE & CYPRUS.*

It is also worth mentioning that since September 2016, HOUSEMARKET Greece has proceeded with the implementation of a system of electronic archiving of invoices and credit copies, with significant paper-saving benefits. We characteristically mention that through this practice, it is estimated that in 2017 a total of 533.933 A4 pages were avoided in stores, e-shop and IKEA Orders and Deliveries Centers.

A similar practice is followed by INTERSPORT Greece, which since November 2017 has proceeded to the electronic archiving of sales vouchers copies, an intervention which we also expect to lead to the reduction of paper consumption.

Water

Water consumption*

	2017
IKEA excluding Attica* (lt):	23.220.000
IKEA Attica (lt):	31.924.000
TRADE LOGISTICS** (lt):	2.897.321

** The IKEA Heraklion and Chania (Crete) Centres for Orders and Deliveries are excluded.*
*** The last trimester of 2017 is not included*

The complete set of results from the measurements for 2017 will be available in the FOURLIS Group's Social Responsibility and Sustainable Development 2017 report, which will be published in June 2018 and uploaded on www.fourlis.gr.

Eco-friendly products

IKEA offers eco-friendly products such as:

- The MÄSTERBY step stool made of 100% recycled plastic.
- The MARIUS stool made out of 40% recycled steel.
- The BJÖRNÅN bathroom curtain which is made of 100% recycled polyester originating from plastic PET bottles.
- The IKEA mirrors which are 100% lead-free.
- LED bulbs and lamps with embedded LED bulbs.
- The salmon served in the IKEA Restaurant and sold from the Swedish IKEA food market which is farmed from responsible aquaculture certified according to the ASC standard.
- Seafood served in the IKEA Restaurant and sold from the Swedish IKEA food market, which is caught from sustainable fisheries certified according to the MSC standard.
- IKEA chocolate and coffee which are UTZ certified. This means that the cocoa and the coffee are sourced from sustainable farms that create better opportunities for the producers and their families.

h) Supply chain matters

The main supply chain services provider for the FOURLIS Group is TRADE LOGISTICS. TRADE LOGISTICS (TRADE LOGISTICS S.A.) started its operations in March 2008, with headquarters in Schimatari, Viotia, and according to its Articles of Association, it has as a corporate purpose of providing supply chain services, like the receipt, storage and transport of goods, the creation of promotional and other packaging, the supply of business units and the management of all relevant information. More specifically, its activities are:

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

The company, with its specialized and experienced personnel, the use of technology and the application of innovative methods in the field of Logistics, aims at the proper functioning of all storage and delivery procedures and the development of its activities.

Concerning our suppliers, we have not yet developed a comprehensive system for monitoring their social and environmental performance. Nevertheless, we have already begun updating our contracts, aiming to include criteria that concern their non-financial performance.

10.Related parties transactions

As Related parties are considered the Company, the subsidiary companies, the associate companies and joint ventures, the Management and the first line managers and their connected individuals and legal entities (IAS 24). The major transactions, which were eliminated for the purposes of consolidation of financial statements between Group companies, are mainly selling goods among companies in the same segment and logistics services - supply, maintenance - repairs and management fee.

Detailed information on the related parties' receivables/ payables for the Group and the Company for the period 31/12/2017 and 31/12/2016 is analysed as follows (all amounts in th. euros):

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Receivables from:				
HOUSE MARKET SA	0	0	5.248	8.500
INTERSPORT SA	0	0	631	508
TRADE LOGISTICS SA	0	0	21	29
GENCO BULGARIA	0	0	10	22
INTERSPORT (CYPRUS) LTD	0	0	3	8
HOUSE MARKET (CYPRUS) LTD	0	0	14	17
SPEEDEX SA	0	0	0	0
RENTIS SA	0	0	2	2
HOUSE MARKET BULGARIA AD	0	0	111	91
GENCO TRADE SRL	0	0	25	73
SERVICE ONE SA	0	0	0	0
INTERSPORT ATLETIK	0	0	323	193
TRADE STATUS SA	132	135	132	135
Total	**132**	**136**	**6.520**	**9.579**

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Payables to:				
HOUSE MARKET SA	0	0	0	926
INTERSPORT SA	0	0	0	96
TRADE LOGISTICS SA	0	0	1	8
GENCO BULGARIA	0	0	0	10
INTERSPORT (CYPRUS) LTD	0	0	0	9
HOUSE MARKET (CYPRUS) LTD	0	0	0	38
SPEEDEX SA	181	181	1	15
HOUSE MARKET BULGARIA AD	0	0	0	46
GENCO TRADE SRL	0	0	0	49
SERVICE ONE SA	0	35	0	0
INTERSPORT ATLETIK	0	0	0	26
TRADE STATUS SA	1	4	0	3
SOFIA SOUTH RING MALL AED	4	0	0	0
MANAGEMENT MEMBERS	24	29	24	29
Total	**210**	**249**	**26**	**1.255**

Third Parties transactions for the period 1/1 to 31/12/2017 and for the period 1/1 to 31/12/2016 are analysed as follows:

	Group		Company	
	2017	2016	2017	2016
Revenue	107	127	4.114	3.950
Other Operating Income	21	41	784	1.048
Dividends	0	0	5,000	8.500
Σύνολο	**128**	**168**	**9.898**	**13.498**

	Group		Company	
	2017	2016	2017	2016
Administrative Expenses	265	278	13	15
Distribution Expenses	476	724	0	0
Total	**742**	**1.001**	**13**	**15**

During the years 2017 and 2016 the following transactions have been applied among FOURLIS HOLDINGS SA and the subsidiaries of the Group:

	Group		Company	
	2017	2016	2017	2016
Revenue	36.958	29.005	4.019	3.839
Cost of Sales	29.678	22.800	3.721	3.686
Other Income	1.906	2.110	746	804
Administrative Expenses	4.863	4.590	7	9
Distribution Expenses	4.356	3.520	0	0
Other Operating Expenses	2	18	0	0
Dividends	8.000	12.500	5.000	8.500

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade Receivables	16.625	19.463	6.388	9.444
Inventory	281	310	0	0
Creditors	14.125	16.963	1	1.208

11. Human Recourses of the Group

The total number of employees of the Group as at 31, December 2017 and 31, December 2016 was 3.897 and 3.904 respectively. The total number of employees of the Company for the same reporting periods set above was at 90 and 88 respectively.

12. Management members' transactions and remuneration

During periods 1/1 – 31/12/2017 and 1/1 – 31/12/2016, transactions and fees with the management members were as follows:

	Group		Company	
	2017	2016	2017	2016
Transactions and Fees of Management Members	2.452	2.610	546	525

13. Treasury shares

On 31/12/2017, the Company does not hold treasury shares. It is noted that, following the resolution of the ordinary General Assembly of the shareholders on 17/6/2016, a treasury shares purchase program has been established until the number of 2.549.616 shares (5% of the paid share capital) which is in force until 17/6/2018, namely 24 months from the approval produced by the General Assembly.

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

a. The Company's share capital

The Company's share capital amounts to euros 50.094.377,36 and consists of 51.643.688 shares of nominal value of euro 0,97 each (31/12/2016: 54.923.538,70).

All the shares are common nominal shares, listed on Athens Stock Exchange (category: Medium Capitalization). Each share entitles to one vote, with an exception of the number of own shares that do not have the right to vote.

The shareholders' responsibility is limited to the nominal value of the shares that they own.

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

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

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

On 31/12/2017, the following shareholders owned more than 5% of the voting shares of the Company:
- KEM DAFNI A. FOURLIS: (17,475%)
- HORIZON GROWTH FUND N.V. (5,069%)

d. Preference shares

The Company does not have any preference shares.

e. Restrictions to voting rights

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

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

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

g. Rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Incorporation which differ to those prescribed by Codified Law 2190/1920.

The rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Incorporation do not differ to those prescribed by Codified Law 2190/1920.

h. The Board of Directors' or of several of its members, roles for the issue of new shares or the shares buy back in accordance with article 16 of Codified Law 2190/1920

A. According to Art 13 par 1 (b) of Law 2190/ 1920 and the Art 4 par. 1 of the Articles of Incorporation of the Company, during the first 5 years from the Shareholders General Assembly resolution, the Board of Directors has the right, based on a majority of 2/3 of total members, to: a) Increase Share Capital in total or partially through the issue of new shares for an amount that cannot exceed 1/2 of the paid in share capital at the date that Board was awarded the aforementioned right and b) Issue Corporate bonds that will be converted to shares for an amount that cannot exceed 1/2 of the paid in share capital. In this case the provisions of paragraphs 2, 3 and 4 of article 3a of Law 2190/ 1920 are implemented. The Share Capital increases according to the above do not constitute an amendment of the Articles of Incorporation. The aforementioned General Assembly decision has to be published in accordance with Article 7b of Law 2190/ 1920.

This authority of the Board of Directors can be renewed from the General Assembly with a resolution that has to be published in accordance with Art. 7b of Law 2190/ 1920, for a time spread that will not exceed 5 years for every renewal and its validity commences after each 5 years period end.

In case that the Reserves exceed 1/4 of the paid in capital then for a Share Capital increase a decision of the Shareholders General Assembly is obligatory along with an amendment of the corresponding article of Articles of Incorporation. All the above decisions of the shareholders' General Assembly are valid with a presence greater than the 2/3 of the paid in capital representatives.

In case of non presence of the 2/3, the 1st Repeated General Assembly will take place within 20 days from the General Assembly date was cancelled. The 1st Repeated General Assembly has to be announced 10 days before. The 1st Repeated General Assembly is valid if at minimum, the 1/2 of the paid in capital representatives are physically present.

In case of a non presence of the 1/2, the 2nd Repeated General Assembly will take place within 20 days from the 1st Repeated General Assembly date was cancelled. The 2nd Repeated General Assembly has to be announced 10 days before. The 2nd Repeated General Assembly is valid if at minimum, the 1/5 of the paid in share capital representatives are physically present.

These decisions of the General Assembly of shareholders are considered by a majority of two thirds (2/3) of the votes represented therein.

B. 1) The A' Repeated Annual General Assembly of shareholders of the Company "FOURLIS Holdings SA" on 30/6/2008, acting under the provisions of paragraph 13 of Article 13 and paragraphs 3 and 4 of Article 29 and paragraph 2 of Article 31 of Law 2190/ 1920, implemented a stock option plan (Stock Options) - hereinafter "Program A" - to executives of the Company and its affiliated companies within the meaning of paragraph 5 of article 42e of this Act, and authorized the Board of Directors, to regulate procedural matters and details. The Board of Directors, under the terms of the plan and the law gives to recipients, who exercised their right, certificates of right to obtain shares and issue and deliver the shares in these recipients, increasing the share capital of the Company and certifying the capital increase. These increases in share capital are not amendments to the Articles of Incorporation. The Board of Directors during the last month of the fiscal year within which capital increases occurred, as determined above, must adjust, with its resolution, the article of Articles of Incorporation regarding capital, so as to predict the amount of capital, as shown after these increases, made public in compliance with Article 7b.

No stock options were exercised withint he year 2017 under the context of the aforementioned Program A.

2) The Extraordinary General Assembly of shareholders of the Company "FOURLIS Holdings SA" of 27/9/2013, acting

under the provisions of paragraph 13 of Article 13 and paragraphs 3 and 4 of Article 29 and paragraph 2 of Article 31 of Law 2190/ 1920, decided the implementation of a stock option plan - hereinafter "Program B" - to executives of the Company and its affiliated companies within the meaning of paragraph 5 of article 42e of this Act and authorized the Board of Directors, to regulate procedural matters and details. The Board of Directors, under the terms of the plan and the law gives to recipients, who exercised their right, certificates of right to obtain shares and issue and deliver the shares to these recipients, increasing the share capital of the Company and certifying the capital increase. These increases in share capital are not amendments to Articles of Incorporation. The Board of Directors during the last month of the fiscal year within which capital increases occurred, as determined above, must adjust, with its resolution, the article of Articles of Incorporation regarding capital, so as to predict the amount of capital, as shown after these increases, made public in compliance with Article 7b.

Under the context of the implementation of the aforementioned Program B, within the year 2017, 313.278 options were exercised (hereinafter “the Options”). Following the resolution of the Board of Directors of 18/12/2017 (relative minutes of the BoD with number 390/18.12.2017), the exercise of the aforementioned options by their beneficiaries of the SOP was certified by payment of the exercise price of the new shares.

It is noted that the underlying price of shares to which distributed stock options correspond, was initially determined according to the provisions of the Program of 27/9/2013, at the amount of € 3,40 per share, which was the closing stock price of shares on the date of the General Assembly’s resolution regarding the Program (27.09.2013). Following the readjustment of historical price of the Company’s share as a consequence of the nominal value decrease by the amount of € 0,10 and corresponding capital return to shareholders under the resolution of the Ordinary General Assembly of shareholders of the Company on 16.06.2017, the amount of € 3,34 per share is accounted as implemented exercise price of stock options of the Program.

Following the certification of the exercise price payment of Options by their beneficiaries, namely the total amount of € 1.046.348,52, 313.278 new common nominal shares were issued and delivered towards their relevant beneficiaries of the Program, of nominal value € 0,97 per share while the share capital of the Company was increased by the amount of € 303.879,66, which reflects to the nominal value of the new shares. Also, consequently to the exercise of the aforementioned Options by payment of the exercise value € 3,34 per share, the share premium of total amount of € 742.468,86 was transferred to “share premium reserve”.

The aforementioned change was registered to the General Electronic Commercial Registry (GECR) on 26.01.2018 (Code Registration Number 1315305), following the 9983/26.01.2018 resolution of the Minister of Finance and Development.

3) The Ordinary General Assembly of shareholders of the Company "FOURLIS Holdings SA" of 16/06/2017, acting under the provisions of paragraph 13 of Article 13 and paragraphs 3 and 4 of Article 29 and paragraph 2 of Article 31 of Law 2190/ 1920, decided the implementation of a stock option plan - hereinafter "Program C" - to executives of the Company and its affiliated companies within the meaning of article 32 of L. 4308/2014 as it stands and authorized the Board of Directors, to regulate procedural matters and details. The Board of Directors, under the terms of the plan and the law gives to recipients, who exercised their right, certificates of right to obtain shares and issue and deliver the shares to these recipients, increasing the share capital of the Company and certifying the capital increase. These increases in share capital are not amendments to Articles of Incorporation. The Board of Directors during the last month of the fiscal year within which capital increases occurred, as determined above, must adjust, with its resolution, the article of Articles of Incorporation regarding capital, so as to predict the amount of capital, as shown after these increases, made public in compliance with Article 7b.

No stock options were exercised within the year 2017 under the context of the aforementioned Program C.

Regarding programs that refer to new shares issue for the period 1/1 – 31/12/2017, more data are mentioned above, in the Board of Directors Report in paragraph 6 Stock Option Plan.

C. The Ordinary General Assembly of shareholders of the Company “FOURLIS HOLDINGS SA” on 17/06/2016 approved the purchase of own shares of the Company until the maximum number of 2.549.616 shares (5% of paid share capital) within 24 months since the approval, namely until 17/06/2018, with a minimum acquisition price of €

1,00 per share and maximum acquisition price of € 10,00 per share, according to article 16 of L.2190/1920 and authorized the BoD of the Company to determine, within the aforementioned context, the precise time, number and price of the shares to be acquired.

Until 31.12.2017, but also until today, there has not been any own shares purchase.

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

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

j. Agreements that the issuer has entered into with members of the Board of Directors or its employees, which provide for indemnity in the event of termination or redundancy without cause due to public offering

There are no agreements that the Company has entered into with members of the Board of Directors or its employees, which provide for indemnity in the event of termination or redundancy.

15. Corporate Governance Statement for the period 1/1 – 31/12/2017

According to Law 3873/2010 article 2 paragraph 2, the Board of Directors of the Company declares the following:

a) Reference on the Corporate Governance Code which the Company is coming under or has voluntarily decided to comply with and the website that can be found.

The Company has decided, under Board of Directors resolution on 28/2/2011, to voluntarily comply with the Greek Code of Corporate Governance that was drafted at the initiative of SEV for Listed Companies and was later modified for the first time by the Greek Council of Corporate Governance (GCCG) on 28/06/2013. GCCG was founded in 2012 and is the outcome of the collaboration between Greek Exchanges and SEV. Its purpose is to monitor the implementation of the Greek Code of Corporate Governance from greek companies and generally to operate as a specialized body for the expansion of the principles of the corporate governance and the incessant growth of Greek market's credibility among international and domestic investors.

The GCCG is a member of the European Corporate Codes Network and expert contributor of World Bank for the exhibition Doing Business for the indicator Protecting Investors (www.doingbusiness.org). The composition of the 15-member Board, as well as of the Committees and Working Groups of GCCG follows the principle of diversity. Specialists from Greece and abroad participate from different segments such as: audit, investment, business, supervision, legal, consulting, banking and stock market.

The Greek Code of Corporate Governance is posted on the websites of the Greek Council of Corporate Government at: http://www.esed.org.gr.

The purpose of Greek Code of Corporate Governance is the constant improvement of the greek institutional framework and general business environment, as well as the increase of investors' confidence not only towards the listed companies as a whole but also each one of them and the broadening of attraction horizons of investment capitals.

The Greek Corporate Governance Code contains two types of provisions: "general principles", which are addressed to all companies, listed or not and "special practices" which only refer to listed companies. The purpose of General principles is to provide a general framework within which principles can be addressed and more issues of corporate governance can be resolved, either of a listed company or not. Each principle is followed by one or more specific practices that further develop the general principles and guide their implementation within the regulatory and ownership structure of listed companies. The Code follows the approach of compliance or explanation and has the following demands of the listed companies which chose to implement it: the disclosure of their intention and either their compliance with all the specific practices of the Code or their explanation of the reasons leading them not to comply with these specific practices.

The general principles of the Code cover the following topics:

- Role and responsibilities of the Board
- Size and composition of the Board
- Role and profile of the Chairman of the Board
- Duties and conduct of Board members
- Nomination of Board members
- Functioning of the Board
- Board evaluation
- Internal audit system
- Level and structure of remuneration
- Communication with shareholders
- General Assembly of shareholders

b) Reference to the corporate governance practices implemented by the Company beyond the requirements of the Law and the website that can be found

Whenever Greek Corporate Governance Code refers to existing, mandatory legal rules present tense is used to distinguish these requirements from the voluntary practices of the Code.

Indicative, the following Corporate Governance practices applied by the Company and exceed the current provisions of the Law (Law 3016/2002, Law 3693/2008 ar. 37, Law 4403/2016 ar. 2, Law 4497/2017 ar. 44 and Law 2190/1920 wherever it covers the relevant topics):

- The Board of Directors consists of seven (7) to fifteen (15) Board Members. The BOD should comprise a majority of non-executive members (including independent non-executive members) and at least two (2) executive members. At least one third (1/3) of the Board Members consists of independent non - executive members, who are free of material conflict of interest with the Company and do not have any close ties with the Management, controlling shareholders or the Company.
- The Board of Directors is assisted by a competent, suitably qualified and experienced company Secretary who shall attend all its meetings. All Board Members have access to the services of the company Secretary, whose role is to provide practical support to the Chairman and other Board members, both as a group and individually, and ensure that the Board complies with internal rules and relevant laws and regulations.
- The Board of Directors has established a Nomination and Remuneration Committee which meets sufficiently regularly and ensures an efficient and transparent process for both the nomination of Board members and the formulation of policy and principles of the Company regarding the remuneration of executive Board members and key executives.
- The responsibilities of the Chairman are clearly established by the Board of Directors, clearly distinguished from those of the Chief Executive Officer and are reflected in the Internal Regulation of the company.
- The Board of Directors has appointed independent Vice-Chairman coming from its independent members given that the Chairman of the BoD has executive responsibilities.
- The Board of Directors, supported by Audit Committee, sets appropriate policies on internal control and ensures that the system is functioning effectively. The Board of Directors also defines the process to be adopted for the monitoring of the effectiveness of internal control. This encompasses both the scope and frequency of the reports it receives from the internal audit services and reviews during the year, as well as the process for the annual assessment of internal control.
- The Chairman of the Board of Directors should be available to meet shareholders of the company to discuss eventual governance concerns. The Chairman of the Board of Directors should ensure that the views of the shareholders are communicated to the whole Board.
- The Audit Committee ensures the functioning of the internal control service according to international professional standards

c) Description of the main characteristics of internal control and risk management of the company in relation to the process of preparation of financial statements

The Company has developed and implements a process for issuing the financial statements (consolidated and separate) and the Financial Report. The Group companies record their transactions in their information systems and through automated procedures the consolidation application is updated. Crosschecking of data is performed and is reviewed (intra - group transactions, receivables and payables, etc.). Elimination and consolidation entries are recorded and the financial statements with the associate notes are developed. After the completion of audit procedures, the Financial Report that includes the financial statements is submitted to the Board of Directors for approval.

The main characteristics of internal control and risk management systems employed by the Company in connection with the process of preparation of the financial statements and the Financial Report are the following:

- Adequate knowledge, skills and availability of personnel involved with clearly separated roles and areas of responsibility.
- Existence of recorded and updated procedures related to the issuance of financial results.
- Regular review of accounting principles and policies.
- Existence of control activities relevant to information systems used.
- Regular communication between the external auditors, Executive Management and the Audit Committee.
- Regular meetings for validation and registration of the significant estimations affecting the financial statements.
- Existence of risk management methodology and documentation for its implementation. Presentation of the results of risk management to the Board of Directors.
- Existence of unique Chart of Accounts for all Group companies and centralized management.
- On the recommendation of the Audit Committee, annual evaluation by the Board of Directors of the internal control and risk management systems applied for the issuance of financial statements.

d) Additional Information pursuant to sections c), d), f) g) and h) of Article 10 par.1 of the 2004/25/EK Directive of the 21st of April 2004, regarding the Takeover Bid, since the Company is subject to the Directive

During the year no Takeover Bids or Business Combination took place.

e) Information about the General Shareholders Assembly, mode of operation, description of the rights of the shareholders and how these can be exercised

The convocation of General Assembly of Shareholders of the Company is in accordance with the Law 2190/ 1920, as in force.

Regarding the operating method of the General Assembly, the Company follows the practices mentioned below:

- The Shareholders of the Company are informed in advance and up to schedule, for the convocation of the General Assembly, in accordance with the Law.
- The Company publicizes on its website the Invitation of the General Assembly, the representation mode of the Shareholders, the deadlines and the mode of exercise of their rights as well as the voting results for each topic of the agenda.
- The Company publicizes on time on its website Explanatory Note regarding the agenda, the relevant proposals by Board of Directors, the required quorum and majority for the approval of the proposals. The Explanatory Note is also available in hard copy in Company's Head Office and is distributed to the Shareholders entering in the General Assembly.
- Ensuring that each shareholder is able to participate at the General Assembly either by wording their views or by submitting their questions.

The Company, according Law 3884/ 2010, in its first adaption at the convocation of the Annual Ordinary General Assembly of 2011, takes all measures for the consistent process and to ensure the Shareholders rights.

The responsibilities of the General Assembly are mentioned in the Extract of the Article of Incorporation of the Company which is posted on its website: http://www.fourlis.gr.

f) Composition and functioning of the Board and any other administrative, management or supervisory bodies or committees of the Company

The Board, its independent members and all members of Audit Committee, have been elected by the Annual General Assembly of shareholders held on 16/6/2017. The term of Board members in accordance with the articles of Incorporation and of members of Audit Committee, is five years and is automatically extended until the first ordinary General Assembly after the termination of its term.

The new BoD was constituted as follows:

Chairman of the BoD, Executive Member, Chairman of Nomination and Remuneration Committee	**Vassilis S. Fourlis**
Vice - Chairman of the BoD, Executive Member, Member of Nomination and Remuneration Committee	**Dafni A. Fourlis**
Independent Vice - Chairman, Independent Non – Executive Member, Member of Nomination and Remuneration Committee Member of Audit Committee	**Eftichios Th. Vassilakis**
CEO, Executive Member	**Apostolos D. Petalas**
Director, Executive Member, Corporate Social Responsibility Director	**Lida S. Fourlis**
Director, Non – Executive Member, Member of Audit Committee	**Ioannis Ev. Brebos**
Director, Independent Non - Executive Member, Member of Nomination and Remuneration Committee	**Pavlos K. Triposkiadis**
Director, Independent Non - Executive Member, Head of Audit Committee	**David A. Watson**
Director, Independent Non - Executive Member, Member of Nomination and Remuneration Committee	**Ioannis A. Kostopoulos**

Short CV's of the members of the Board of Directors as well as of the Company's Secretary Mr Ioannis Zakopoulos are presented on the Company's website: (http://www.fourlis.gr)

The Articles of Incorporation of the Company provide for the Board of Directors to be composed of 3 to 9 members. The Company has elected its Board with the maximum permitted number of Directors to ensure the diversity of gender, age, knowledge, qualification and experience serving the objectives of the Company as well as the balance between executive and non-executive members.

The main responsibilities of the Board of Directors include:
- Approving the overall long - term strategy and operational goals of the Company.
- Approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures.
- Selecting and replacing, if necessary, the executive leadership of the company and overseeing succession planning.
- Monitoring the performance of senior management, and aligning executive remuneration with the longer term interests of the company and its shareholders.
- Ensuring the existence of risk management and internal audit system and annually examining the main potential risks facing the Company in addition to the consideration of internal audit system following the recommendation of the Audit Committee.
- Ensuring the integrity of the company's accounts, financial reporting systems and public disclosures, as well as the effectiveness of the systems of internal control and risk management.
- Vigilance regarding existing and potential conflicts of interest between both the Company and its senior management, board members or major shareholders (including shareholders with direct or indirect authority to form or influence the composition and behavior of the Board) and appropriate management of such conflicts. For this purpose, the Board adopts supervisory process of transactions with the interests of transparency and protection of corporate interests.
- Ensuring that there is a satisfactory process for monitoring the company's compliance with relevant laws and regulations.
- Deciding on and monitoring the effectiveness of the company's governance processes including its system of decision - making and delegation of authorities and duties to other key executives.
- Formulating, disseminating and implementing key values and principles of conduct governing the company's relations with its shareholders.
- Approving Internal Regulation Charter, Corporate Governance Code, Code of Conduct and their revisions.
- Approving equal opportunities and diversity policy, including gender balance between board members.

Company's policy of equal opportunities and diversity is posted on its website (http://www.fourlis.gr) and briefly includes the following:

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

Affirmative action will be taken to ensure that all employment decisions, including but not limited to those involving recruitment, hiring, promotion, training, compensation, benefits, transfer, discipline, and discharge, are free from unlawful discrimination.

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

FOURLIS Group will provide reasonable accommodation to otherwise qualified employees with a disability consistent with the law. What constitutes a reasonable accommodation depends on the circumstances and thus will be addressed by the Group on a case-by-case basis.

With a view to achieving a sustainable and balanced development, the Group sees increasing diversity at the Board & Executive Officers level as an essential element in supporting attainment of its strategic objectives and its sustainable development.

Certain minimum qualifications for Board members & Executive Officers candidates should possess, including strong values and discipline, high ethical standards, a commitment to full participation to the Board and its committees. Candidates should possess individual skills, experience and demonstrated abilities that help meet the current needs to the Group.

Board & Executive Officers' diversity is based on a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

All Board & Executive Officers appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

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

Board of Directors	HC Total	%
Male	7	78%
Female	2	22%
Grand Total	**9**	**100%**

The age range of the members of the BoD varies from 50 to 77 years old.

Executive Officers	HC Total	%
Male	25	81%
Female	6	19%
Grand Total	**31**	**100%**

The age range of the Executive Officers varies from 35 to 63 years old.

The policy of conducting transactions between subsidiaries of the Company and related parties aims at the timely information of the desired transaction and approval obtaining before its implementation. The policy applies to all new transactions exceeding the amount of € 20.000 per type of transaction annually. In case of existing transactions, approval is required for substantial modification of contract terms in force (new customer, new transaction, expansion of the duration, credit terms amendment, pricing conditions amendment etc).

The Board shall meet with the necessary frequency so as to effectively perform its duties. At the beginning of each calendar year, the Board adopts a meeting agenda and a 12-plan action plan, which may be revised depending on the needs of the Company.

The evaluation of the Board and its Committees takes place annually through questionnaires completed by the members of the Board, which are then processed by the Company's Secretary and presented to the Board at its November meeting. The policy and principles of the Company regarding the form of executive board members' remuneration as well as the method of calculation of board members' variable remuneration, including quantitative and qualitative criteria taken into consideration, are summarized as follows:

Group Compensation & Benefits Policy
Compensation is a fundamental component of employment and one of the most critical HR management policies. With the term "Compensation" we intend: base salary, bonus or incentive plans (if the position is eligible to such incentives) and benefits.
FOURLIS Group has established and communicates transparent and clear principles by which Executive BoD members, are paid with the aim to ensure fairness and equity. The Compensation Policy of FOURLIS Group is based on objectives and up-to-date job descriptions, effective job evaluation and performance management.

All compensation and benefits are shown in the offer letter and/ or the employment contract; there are no unlisted, “off-agreement” incentives or benefits allowed. Compensation includes base salary, management upon objectives, stock option plan and other incentives in kind. The Group does not tolerate any form of discrimination, as described in the Group Equal Opportunities and Diversity Policy. All employment-related decisions, including decisions on compensation, are based on an individual qualification, performance and behaviour, or other legitimate business considerations.

Salary Ranges

FOURLIS Group collaborates with well-known consultancy firms, with international experience, in order to get the appropriate market benchmarking on Compensation & Benefits trends and establish its own salary range. The market benchmarking is conducted once a year to ensure that the Group policy is in line with the employment market practices for each targeted position within that market, as well as to ensure internal equity.

Placement on Salary Range

FOURLIS Group Compensation policy has established the criteria for new hires/ existing Executive BoD Members placement on the salary range. The criteria include the new hires/ existing Executive BoD Members experience and specific skill sets related to the position.

Criteria for Salary Increases

In order to ensure fair and equitable compensation practices, FOURLIS Group has clearly established, communicate and apply decision-making criteria for salary increases. Decisions on salary increases are based on cost of living and performance (merit).

As a guideline for management, the performance ratings should normally follow a typical distribution (gauss curve), depending on the maturity of each FOURLIS Group Company. The Group HR Function provides the appropriate distribution to the Group Companies. The typical distribution guideline is recommended in order to fairly apply the performance system to all individuals and to maintain the approved company budget. Merit increase pay out may change from year to year and are determined by how successful the Group Companies have been as a profit making business.

Salary Review Timing

Salary reviews are conducted annually in conjunction with performance reviews.

Bonus and Incentive Pay

The Management by Objectives is an optional reward, decided annually and is awarded each time by the decision of the Group Management, which chooses its level, size and way of implementation.

Under this decision, the program “Management by Objectives” (MBO) is based on Group, Company and/ or Personal (departmental) Objectives, which will be accomplished during each year.

The MBO program is designed to strengthen our Group’s strategy, support the view that we should reward contribution, and is targeted on:

- Participants motivation on Objectives’ achievement
- Contribution on Group, Company & Personal/ departmental final results
- Teamwork spirit

Stock Option Plan

Stock Oprion Plans are approved by the General Assembly of the Shareholders of the Company and aim, to attract, maintain and motivate the Executive BoD Members, since through this program, the participants derive direct interest as shareholders of the company and they will connect their performance with the future performance of the Company, as this is mirrored to the share price increase.

Other Incentives

The FOURLIS Group following the market trends, in order to further motivate its Executives BoD Members has in place a benefit in kind policy which includes: health and life insurance plan, pension scheme, company car as well as some other minor benefits.

The remuneration of the Board of Directors is approved by the Annual General Assembly of shareholders.

The functioning of the Board of Directors is detailed in the Board Internal Regulation. The Board Internal Regulation contains the following sections:

- Election of the Board
- Board members
- Establishment of independence of candidates or current members of the Board
- Term of the Board
- Establishment of the Board as a body
- Responsibilities of the Board
- Duties and conduct of Board members
- Board committees
- Prohibitions
- Board Meetings
- Quorum of the Board and decision making
- Support of the Board
- Minutes of Board Meetings

The Audit Committee is appointed by the General Assembly of shareholders (Article 37 of Law 3693/2008). The main responsibilities of the Audit Committee are the following:

- Monitoring the financial reporting process and credibility of financial statements,
- Supervision of any formal announcement regarding the financial performance of the Company and examination of key points of financial statements which contain significant judgments and estimations in terms of management,
- Monitoring the effectiveness of internal control and risk management systems, and monitoring the proper working of the internal audit function,
- Ensuring the independence of internal audit and evaluation of the head of internal audit,
- Examining cases of interest conflicts during transactions of the Company and its subsidiaries with related parties and submitting such reports to the board,
- Monitoring the progress of statutory audit of separate and consolidated financial statements,
- Reviewing and monitoring issues related to the existence and maintenance of objectivity and independence of the external auditor, especially regarding the supply of non-auditing services by the statutory auditor or the audit firm. Objectivity and independence of external auditor in cases of providing non auditing services is secured by strict delimitation and extremely limited use of services provided by auditors not participating in the regular audit of the Group's companies.

The function of the Audit Committee is detailed in the Corporate Governance Code and the Audit Committee Charter approved by the Board and posted on the website of the Company (http://www.fourlis.gr). The Audit Committee since its inception (early 2003) and by the end of 2017 held 59 meetings. Each regular meeting of the year 2017 was attended by Executives of the Financial Department of the Company and by the external auditors of the company. The minutes of the Audit Committee are distributed and approved in the next meeting of the BoD.

The main responsibility of the Nomination and Remuneration Committee is to lead the procedure of submission of nominations for the election of Board and submits proposals to the Board of Directors their remuneration. The annual ordinary meeting of the Nomination and Remuneration Committee is held in October of every year before the configuration of budget of the next year. The minutes of the Nomination and Remuneration Committee are distributed and approved in the next meeting of the BoD.

The Nomination and Remuneration Committee is responsible for:

- Proposal submissions to the Board of Directors concerning the remuneration of each individual executive Board Member, including bonuses, incentive payments and share options.
- Reviewing and making proposals to the Board of Directors on the total annual package of variable (beyond salary) compensation in the Company.
- Reviewing and proposing to the Board of Directors (and, via the Board of Directors, the General Assembly of shareholders, when required) on the stock option and/ or share award programs.
- Proposing targets for performance – related compensation or targets related to stock-options or granting of shares.

- Reviewing regularly the salary of executive Board Members and other contractual terms, including severance payments and pension arrangements.
- Submitting proposals to the Board on any business policy related to remuneration.
- Reviewing the annual remuneration report.

The function of the Nomination and Remuneration Committee of the Board of Directors is detailed in the Charter of the Committee approved by the Board of Directors and posted on the web site of the Company (http://www.fourlis.gr). The Nomination and Remuneration Committee Charter contains the following sections:

- The purpose of the Committee
- Members and term of the Committee
- Duties and responsibilities of the Committee
- Functioning of the Committee
- Disclosure of the Committee Charter

g) If the company deviates from the Corporate Governance Code that applies, the Corporate Governance Statement includes a description of that deviation with reference to the relevant parts of the Corporate Governance Code and provides explanation for the deviation. If the company does not comply with certain provisions of the Corporate Governance Code, the Corporate Governance Statement includes a reference to the provision that is not applied and explains the reasons for that deviation.

The Company complies with the Greek Code of Corporate Governance with minor deviations that are presented and explained in the following table.

Greek Code of Corporate Governance (first modification June 2013)	Explanation/ Justification of deviations from special practices of the Corporate Governance Greek Code
Board members must be elected by shareholders at a maximum term of four (4) years (specific practice 5.1 Nomination of Board Members)	An amendment on Articles of Incorporation is required, which is a decision of the General Assembly. It will be proposed as a change by the termination of the term of the members of the current Board of Directors.
The evaluation of the performance of the Board and its Committees should take place at least every 2 years in line with a clearly established procedure. The evaluation exercise should be led by the Chairman and its results discussed by the Board. The Chairman should act on the results of the performance evaluation by addressing the weaknesses of the Board. The Board should also evaluate the performance of its Chairman. This procedure should be led by the independent Vice - Chairman, if appointed, or by another non - executive Board member (specific practice 7.1, Board evaluation). Non - executive Board members should convene periodically without the executive members in order to evaluate the latter performance and discuss their remuneration (specific practice 7.2, Board evaluation).	The responsibilities of the Board of Directors include the assessment of its Committees. For the evaluation of the effectiveness of the Board, the Company has ended up with the use of questionnaires completed by the members of the Board, which are processed by the company's Secretary and presented annually to the Board during the last meeting of every year.
If stock options are granted, they shouldn't mature in less than three (3) years from grant date (special practice 1.2, Level and structure of remuneration).	The current stock option plan (SOP program) provides maturity to stock options in less than three (3) years from grant date. In case of a new SOP program, there will be a revision of this specific special practice.
Executive Board members' contracts should provide that the Board may demand full or partial recovery of any bonuses awarded on the basis of restated financial statements of previous years or otherwise erroneous financial data used to calculate such bonuses (special practice 1.3, Level and structure of remuneration).	The existing contracts of the Company do not include this term, but a specific reference has been predicted to be made to the last revision of the Code of Conduct distributed to all the employees of the Company.

16. Subsequent Events

There are no other subsequent events that may significantly affect the financial position and results of the Group other than those mentioned in Paragraph 4 regarding the share capital increase of a subsidiary and Note 19 regarding the exercise of stock options of the Stock Option Plan.

This Report, the Annual Financial Statements of the year 2017, the Notes on the Annual Financial Statements along with the Auditors Report, they are published at the Group's web site, address: http://www.fourlis.gr. At the same web address, all Annual Financial Statements, Audit Reports and Board of Directors Reports of the companies which are consolidated and they are not listed and which cumulatively represent a percentage higher than 5% of consolidated revenues or assets or operating results after the deduction of minority shares proportion, are published.

Maroussi, March 12th 2018
The Board of Directors

The annual Financial Statements (consolidated and separate) included in pages 65 to 115 are in accordance with the IFRS as applied in the European Union and approved by the Board of Directors of "Fourlis Holdings SA" on 12/3/2018 and are signed by the following:

Chairman of the Board of Directors	CEO
Vassilis St. Fourlis **ID No. S - 700173**	**Apostolos D. Petalas** **ID No. AK - 021139**
Finance Manager Controlling & Planning	**Chief Accountant**
Maria I. Theodoulidou **ID No. T - 134715**	**Sotirios I. Mitrou** **ID No. AI – 557890** **Ch. Acct. Lic. No. 30609 A Class**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FOURLIS HOLDINGS S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Fourlis Holdings S.A. (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2017, the separate and consolidated income statement, comprehensive income, 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 separate and consolidated financial statements present fairly in all material respects the financial position of Fourlis Holdings S.A and its subsidiaries (the Group) as at 31 December 2017 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report. We remained independent of the Company and Group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters and the related risks of material misstatement, were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

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Key audit matter	How our audit addressed the Key audit matter
Valuation of inventories (consolidated financial statements)	
As described in Note 3.13 of the consolidated financial statements, the Group records inventories at the lower of cost or net realizable value. In the consolidated statement of financial position of December 31, 2017, the Group presents inventories amounting to €77.4 million, which includes a provision for impairment of €1.6 million. Critical judgement and estimates are exercised by the Group management in identifying and assessing the amount of allowance for inventories, which include among other, estimation of the slow-moving inventories, estimation of obsolete inventories that will be destructed during the following period, evaluation of seasonality and estimation of the future selling prices of the products. We consider that because of the judgment involved in inventory valuation and the assumptions used by management, in combination with the significance of the amount of inventories to the Group financial statements, valuation of inventories is a key audit matter. Group discloses the related accounting policies and estimates, and the assumptions used for inventory valuation, in Notes 2.2, 3.13 and 11 of the consolidated financial statements.	We have performed the following procedures: • Historical costs and margins were tested on a sample basis through reconciliation of purchase cost and margins with the original purchase invoices and sales invoices. • We assessed whether there were inventories which were sold with a negative margin and whether this was considered for inventory valuation at the lower of cost or net realizable value. • At year end, we attended on a part of inventory counts in Group stores and distribution centers, to validate on a sample basis whether there were indications of obsolesce. • We assessed management's estimations for slow moving inventories through observing on a sample basis historical sales and seasonality. • We evaluated the historical accuracy of allowance of inventories assessed by management by comparing on a sample basis the actual loss from inventory destruction, inventory write offs or other entries related to inventories to the historical allowance. • Furthermore, on a sample basis, we validated the mathematical accuracy of management's calculations for inventory provision. We also assessed the adequacy of the disclosures which are included in the notes to the consolidated financial statements.
Impairment exercise on stores (consolidated financial statements)	
Property plant and equipment is a material part of Group total assets (2017: €215.2 million). An amount of €186.7million relates to the net book value of Group stores. In accordance with IFRS, the Group performs impairment test to the stores where an indication of impairment exists. Due to the material carrying value of those assets as well as the judgment and assumptions involved in the identification of any impairment indication and the assessment exercised whether there is a need of impairment or not, we consider the impairment exercise on stores a key audit matter. Group discloses the related accounting policies and estimates, and the assumptions used for the impairment exercise on stores, in Notes 2.2, 3.7 and 7 of the consolidated financial statements.	Our audit procedures included, among others, the following: • • We evaluated the Group policies to identify the Cash Generated Units. • We evaluated the Group policies to identify triggering events for potential impairment of assets in each Cash Generated Unit. • We evaluated management assumptions underlying the potential impairment calculation for those stores where a triggering event was identified. Valuation specialists supported the audit team. • We evaluated the management estimates for the future cash flows by performing the following audit procedures: (a) We compared forecasted future cash flows of prior years with the actual cash flows, and (b) We compared the future cash flows that were used in Group models with market available data and industry trends. • We reviewed the discount rate and residual value calculated by the Group with regards to the assumptions used, and compared them with the available industry trends and other financial information. • We evaluated the sensitivity analysis of the most significant assumptions used. We also assessed the adequacy of the disclosures which are included in the notes to the consolidated financial statements.

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Other information

Management is responsible for the other information in the Financial Statements. The other information, included in the Annual Report, comprises of the Board of Directors Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", the Statements of the Members of the Board of Directors, and other complementary information, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

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sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 43bb of Codified Law 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A, and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31 December 2017.

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c) Based on the knowledge and understanding concerning the Company and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. Additional Report to the Audit Committee

Our opinion on the separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Group, in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

Non-audit services provided by us to the Company and its subsidiaries during the year ended December 31, 2017, are disclosed in note 6 of the separate and consolidated financial statements.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the General Assembly on June 11, 2010. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of 8 years.

Athens, March 12, 2018

The Certified Auditor Accountant

ANDREAS HADJIDAMIANOU
S.O.E.L. R.N. 61391
ERNST &YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
CHIMARRAS 8B, 151 25 MAROUSSI
SOEL REG. No. 107

Statement of Financial Position (Consolidated and Separate) as at December 31, 2017 and at December 31,2016

(In thousands of Euro, unless otherwise stated)

		Group		Company	
Assets	**Note**	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Non-current assets					
Property plant and equipment	7	215.224	221.044	208	224
Investment Property	8	21.060	17.395	0	0
Intangible Assets	9	9.174	9.427	180	53
Investments in affiliates and associates	10	22.838	23.503	80.042	79.872
Long Term receivables		5.346	5.901	47	47
Deferred Taxes	23	4.890	6.836	714	710
Total non-current assets		**278.533**	**284.106**	**81.191**	**80.906**
Current assets					
Inventory	11	77.359	77.685	0	0
Income tax receivable		2.200	1.323	909	908
Trade receivables	20, 12	2.140	2.302	1.521	1.079
Other receivables	13	24.596	18.687	5.101	9.080
Cash & cash equivalent	20, 14	36.603	33.616	2.843	1.335
Investments/Financial Data available for sale	15	0	1.254	0	0
Non Current Assets classified as held for sale		0	40	0	0
Total Current Assets		**142.898**	**134.907**	**10.374**	**12.403**
Total Assets		**421.431**	**419.013**	**91.565**	**93.308**
SHAREHOLDERS EQUITY & LIABILITIES					
Shareholders Equity					
Share Capital	16	50.094	54.924	50.094	54.924
Share premium reserve		13.057	12.423	13.570	12.830
Reserves	17	30.951	31.766	15.406	15.187
Retained earnings		73.766	64.493	10.781	6.771
Total shareholders equity (a)		**167.869**	**163.605**	**89.851**	**89.711**
Non controlling interest (b)		0	0	0	0
Total Equity (c)=(a)+(b)		**167.869**	**163.605**	**89.851**	**89.711**
Liabilities					
Non current Liabilities					
Loans and borrowings	20, 21	118.495	104.814	0	0
Employee retirement benefits	19	4.357	3.921	494	430
Deferred Taxes	23	282	91	0	0
Other non-current liabilities		4.792	5.221	23	23
Total non current Liabilities		**127.926**	**114.047**	**518**	**454**
Current Liabilities					
Short term loans for working capital	20, 21	16.081	19.902	0	0
Current portion of non-current loans and borrowings	20, 21	9.285	22.436	0	0
Short-term portion of non-current Lease	20, 21	555	996	0	0
Income Tax Payable	23	191	1.848	20	20
Accounts payable and other current liabilities	22	99.526	96.179	1.177	3.124
Total current Liabilities		**125.636**	**141.361**	**1.197**	**3.144**
Total Liabilities (d)		**253.562**	**255.408**	**1.715**	**3.597**
Total Equity & Liabilities (c) + (d)		**421.431**	**419.013**	**91.565**	**93.308**

The accompanying notes on pages 71 to 115 are an integral part of the Financial Statements.

Income Statement (Consolidated) for the period 1/1 to 31/12/2017 and 1/1 to 31/12/2016

(In thousands of Euro, unless otherwise stated)

		Group	
	Note	1/1-31/12/2017	1/1-31/12/2016
Revenue	5	434.059	428.068
Cost of Goods Sold	5, 6, 11	-246.347	-246.083
Gross Profit		**187.712**	**181.985**
Other operating income	5, 6	5.581	4.821
Distribution expenses	5, 6	-144.241	-141.352
Administrative Expenses	5, 6	-20.174	-20.245
Other operating expenses	5, 6	-986	-798
Operating Profit/ (Loss)		**27.892**	**24.411**
Total finance cost	5, 6	-13.407	-15.525
Total finance income	5, 6	1.207	586
Contribution associate companies losses	5, 10	-1.160	-1.777
Profit / (Loss) before Tax		**14.532**	**7.695**
Income tax	23	-4.493	-1.686
Net Income/Loss (A)		**10.039**	**6.009**
Attributable to:			
Equity holders of the parent		10.039	6.009
Net Income/Loss (A)		**10.039**	**6.009**
Basic (Losses)/Earnings per share (in euro)	24	0,1944	0,1171
Diluted (Losses)/Earnings per share (in euro)	24	0,1917	0,1146

The accompanying notes on pages 71 to 115 are an integral part of the Financial Statements.

Statement of Comprehensive Income (Consolidated) for the period 1/1 to 31/12/2017 and 1/1 to 31/12/2016

(In thousands of Euro, unless otherwise stated)

		Group	
	Note	1/1-31/12/2017	1/1-31/12/2016
Net Income/Loss (A)		**10.039**	**6.009**
Other comprehensive income/(expenses)			
Other comprehensive income transferred to the income statement			
Valuation of financial assets available for sale		-204	468
Foreign currency translation from foreign operations		-1.727	-1.284
Effective portion of changes in fair value of cash flow hedges	21, 23	226	-178
Total Other comprehensive income transferred to the income statement		**-1.706**	**-993**
Other comprehensive income not transferred to the income statement			
Actuarial gain/losses on defined benefit pension plans	19, 23	-94	-416
Total Other comprehensive income not transferred to the income statement		-94	-416
Comprehensive Income/Losses after Tax (B)		**-1.800**	**-1.410**
Total Comprehensive Income/(Losses) after tax (A)+(B)		**8.239**	**4.599**
Attributable to:			
Equity holders of the parent		8.239	4.599
Total Comprehensive Income/(Losses) after tax (A)+(B)		**8.239**	**4.599**

The accompanying notes on pages 71 to 115 are an integral part of the Financial Statements.

Income Statement (Separate) for the period 1/1 to 31/12/2017 and 1/1 to 31/12/2016

(In thousands of Euro, unless otherwise stated)

	Note	Company	
		1/1 - 31/12/2017	1/1 - 31/12/2016
Revenue	5	4.126	3.965
Cost of Goods Sold	5, 6	-3.721	-3.686
Gross Profit		**405**	**279**
Other operating income	5, 6	836	1.124
Administrative Expenses	5, 6	-2.237	-2.557
Depreciation/Amortisation (Administration)		-53	-63
Other operating expenses	5, 6	-34	-37
Operating Profit/(Loss)		**-1.083**	**-1.255**
Total finance cost	5, 6	-2	-2
Total finance income	5, 6	119	0
Dividends	5, 18	5.000	8.500
Profit / (Loss) before Tax		**4.033**	**7.243**
Income Tax	23	-4	-93
Net Income/Loss (A)		**4.030**	**7.150**

The accompanying notes on pages 71 to 115 are an integral part of the Financial Statements.

Statement of Comprehensive Income (Separate) for the period 1/1 to 31/12/2017 and 1/1 to 31/12/2016

(In thousands of Euro, unless otherwise stated)

	Note	Company	
		1/1-31/12/2017	1/1-31/12/2016
Net Income/Loss (A)		**4.030**	**7.150**
Other comprehensive income/(expenses)			
Other comprehensive income not transferred to the income statement			
Actuarial gain/losses on defined benefit pension plans	19	-20	-53
Total Other comprehensive income not transferred to the income statement		-20	-53
Comprehensive Income/Losses after Tax (B)		**-20**	**-53**
Total Comprehensive Income/(Losses) after tax (A)+(B)		**4.010**	**7.097**
Attributable to:			
Equity holders of the parent		4.010	7.097
Total Comprehensive Income/(Losses) after tax (A)+(B)		**4.010**	**7.097**

The accompanying notes on pages 71 to 115 are an integral part of the Financial Statements.

Statement of Changes in Equity (Consolidated)
for the period 1/1 to 31/12/2017 and 1/1 to 31/12/2016

(In thousands of Euro, unless otherwise stated)

	Note	Share Capital	Share Premium Reserve	Reserves	Revaluation Reserves	Foreign Currency translation from foreign operations	Retained Earnings/ (Accumulated Losses)	Total	Non-Controlling Interest	Total Equity
Balance at 1.1.2016		54.562	11.375	35.204	722	-4.280	60.032	157.615	0	157.615
Total comprehensive income/(loss) for the period										
Profit or loss		0	0	0	0	0	6.009	6.009	0	6.009
Foreign currency translation from foreign operations		0	0	0	0	-1.289	5	-1.284	0	-1.284
Effective portion of changes in fair value of cash flow hedges		0	0	-178	0	0	0	-178	0	-178
Actuarial gains (losses) on defined benefit pension plan		0	0	0	0	0	-416	-416	0	-416
Valuation of financial assets available for sale		0	0	468	0	0	0	468	0	468
Total Other Comprehensive Income/Loss		**0**	**0**	**290**	**0**	**-1.289**	**-411**	**-1.410**	**0**	**-1.410**
Total Comprehensive Income/loss for the period after taxes		**0**	**0**	**290**	**0**	**-1.289**	**5.598**	**4.599**	**0**	**4.599**
Transactions with shareholders, recorded directly in equity										
Share Capital Increase		362	728	0	0	0	0	1.090	0	1.090
SOP Reserve		0	0	307	0	0	0	307	0	307
Net Income directly booked in the statement movement in Equity		0	320	812	0	0	-1.138	-6	0	-6
Total Transactions with shareholders		**362**	**1.048**	**1.119**	**0**	**0**	**-1.138**	**1.391**	**0**	**1.391**
Balance at 31.12. 2016		**54.924**	**12.423**	**36.613**	**722**	**-5.569**	**64.493**	**163.605**	**0**	**163.605**
Balance at 1.1.2017		54.924	12.423	36.613	722	-5.569	64.493	163.605	0	163.605
Total comprehensive income/(loss) for the period										
Profit or loss		0	0	0	0	0	10.039	10.039	0	10.039
Foreign currency translation from foreign operations		0	0	0	0	-1.695	-32	-1.727	0	-1.727
Effective portion of changes in fair value of cash flow hedges	21	0	0	226	0	0	0	226	0	226
Actuarial gains (losses) on defined benefit pension plan		0	0	0	0	-1	-93	-94	0	-94
Valuation of financial assets available for sale	15	0	0	-204	0	0	0	-204	0	-204
Total other comprehensive income/loss		**0**	**0**	**21**	**0**	**-1.696**	**-125**	**-1.800**	**0**	**-1.800**
Total comprehensive income/loss for the period after taxes		**0**	**0**	**21**	**0**	**-1.696**	**9.914**	**8.239**	**0**	**8.239**
Transactions with shareholders, recorded directly in equity										
Share Capital Increase		304	739	0	0	0	0	1.043	0	1.043
SOP Reserve	19	0	0	219	0	0	0	219	0	219
Reserves		0	0	641	0	0	-641	0	0	0
Net Income directly booked in the statement movement in Equity		0	-105	0	0	0	0	-105	0	-105
Capital Reduction*	16	-5.133	0	0	0	0	0	-5.133		-5.133
Total Transactions with shareholders		**-4.829**	**634**	**860**	**0**	**0**	**-641**	**-3.975**	**0**	**-3.975**
Balance at 31.12.2017		**50.094**	**13.057**	**37.495**	**722**	**-7.265**	**73.766**	**167.869**	**0**	**167.869**

** Capital reduction (Note 16)*

The accompanying notes on pages 71 to 115 are an integral part of the Financial Statements.

Statement of Changes in Equity (Separate)
for the period 1/1 to 31/12/2017 and 1/1 to 31/12/2016

(In thousands of Euro, unless otherwise stated)

	Note	Share Capital	Share Premium Reserve	Reserves	Retained Earnings / (Accumulated Losses)	Total Equity
Balance at 1.1.2016		54.562	12.046	14.879	-327	81.161
Total comprehensive income/(loss) for the period						
Profit or loss		0	0	0	7.150	7.150
Actuarial gains (losses) on defined benefit pension plan		0	0	0	-53	-53
Total comprehensive income/(loss) for the period after taxes		**0**	**0**	**0**	**7.097**	**7.097**
Transactions with shareholders, recorded directly in equity						
Share Capital Increase		362	784	0	0	1.146
SOP Reserve		0	0	307	0	307
Total Transactions with shareholders		**362**	**784**	**307**	**0**	**1.453**
Balance at 31.12.2016		**54.924**	**12.830**	**15.187**	**6.771**	**89.711**
Balance at 1.1.2017		54.924	12.830	15.187	6.771	89.711
Total comprehensive income/(loss) for the period						
Profit or Loss		0	0	0	4.030	4.030
Actuarial gains (losses) on defined benefit pension plan	19	0	0	0	-20	-20
Total comprehensive income/(loss) for the period after taxes		**0**	**0**	**0**	**4.010**	**4.010**
Transactions with shareholders recorded directly in equity						
Capital Reduction*	16	-5.133	0	0	0	-5.133
Share Capital Increase	16	304	739	0	0	1.043
SOP Reseve	19	0	0	219	0	219
Total Transactions with shareholders		**-4.829**	**739**	**219**	**0**	**-3.870**
Balance at 31.12.2017		**50.094**	**13.570**	**15.406**	**10.781**	**89.851**

** Capital reduction (Note 16)*

The accompanying notes on pages 71 to 115 are an integral part of the Financial Statements.

Statement of Cash Flows (Consolidated and Separate) for the period 1/1 to 31/12/2017 and 1/1 to 31/12/2016

(In thousands of Euro, unless otherwise stated)

		Group		Company	
	Note	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Operating Activities					
(Loss)/Profit before taxes		**14.532**	**7.695**	**4.033**	**7.243**
Profit before taxes (Discontinued Operations)		**0**	**0**	**0**	**0**
Adjustments for:					
Depreciation/Amortization	7,9	13.945	14.030	53	63
Income on depreciation in fixed subsidy		-178	-226	0	0
Provisions		509	1.245	58	63
Foreign exchange differences		842	1.165	0	0
Results (income, expenses, profit and loss) investment activity		-349	1.235	-5.002	-8.500
Interest Expense		11.851	12.836	2	2
Plus/less adj for changes in working capital related to the operating activities:					
Decrease/(increase) in inventory		-1.418	-503	0	0
Decrease/(increase) in trade and other receivables		-7.808	-1.103	37	-724
Decrease/(increase) in liabilities (excluding banks)		5.771	-464	-1.919	2.073
Less:					
Interest Paid		-12.634	-13.690	-2	-2
Income taxes paid		-3.021	-2.367	0	-15
Net Cash generated from operations (a)		**22.044**	**19.853**	**-2.739**	**203**
Investing Activities					
Purchase or share capital increase of subsidiaries and related companies		-495	-1.825	0	0
Purchase of tangible and intangible fixed assets	7,9	-11.663	-10.594	-166	-79
Proceeds from disposal of tangible and intangible assets		7	2	0	0
Addition of other investments		-1.252	-207	0	0
Proceeds from the sale of other investments		1.535	1.238	0	0
Interest Received		100	147	3	0
Proceeds from dividends	29	0	0	8.500	0
Total Inflow/(Outflow) from investing activities (b)		**-11.767**	**-11.239**	**8.337**	**-79**
Financing Activities					
Inflow from share capital increase		1.043	1.146	1.043	1.146
Outflow from share capital incrase		-105	-56	0	0
Outflow from share capital returns		-5.133	0	-5.133	0
Proceeds from issued loans	21	65.915	83.041	0	0
Repayment of loans		-67.948	-81.631	0	0
Repayment of leasing liabilities		-1.000	-2.329	0	0
Total Inflow/(Outflow) from financing activities (c)		**-7.227**	**170**	**-4.090**	**1.146**
Net Increase/(decrease) in cash and cash equivalents for the period (a)+(b)+©		**3.049**	**8.784**	**1.508**	**1.270**
Cash and Cash equivalents at the beginning of the period		33.616	24.860	1.335	65
Effect of exchange rate fluctuations on cash held		-62	-28	0	0
Closing balance, cash and cash equivalents		**36.603**	**33.616**	**2.843**	**1.335**

The accompanying notes on pages 71 to 115 are an integral part of the Financial Statements.

Notes to the annual financial statements (consolidated and separate) as of Dec 31, 2017 and for the year then ended

1. Corporate information

1.1 General Information

FOURLIS HOLDINGS S.A. with the common use title of FOURLIS SA (hereinafter the Company) was incorporated in 1950 as A. FOURLIS AND CO., and from 1966 operated as FOURLIS BROS S.A. (Government Gazette, AE and EPE issue 618/ 13.6.1966). It was renamed to FOURLIS HOLDING S.A. by a decision of an Extraordinary General Shareholders' Assembly on 10/3/2000, which was approved by decision K2 - 3792/ 25.04.2000 of the Ministry of Development. The Shareholders' General Assembly also approved the conversion of the Company to a holding company and thus also approved the change in its scope.

The headquarters of the Company are located at 18-20 Sorou street, Building A Maroussi. It is registered in the Companies Registry of the Ministry of Development with registration number 13110/06/B/86/01 and general electronic commercial registry number 258101000 and web address www.fourlis.gr.

The Company is listed in the Athens Stock Exchange since April 1988.

The Company's term, in accordance with its Articles of Incorporation, was originally set for 30 years. In accordance with a decision of the Extraordinary Assembly of the Shareholders on 19/2/1988, the term was extended for a further 30 years i.e. to 2026.

The current Board of Directors of the parent Company is as follows:
1. Vassilis St. Fourlis, Chairman, executive member
2. Dafni A. Fourlis, Vice Chairman, executive member
3. Eftihios Th. Vassilakis, Independent Vice Chairman, independent non executive member, member of the Audit Committee
4. Apostolos D. Petalas, CEO, executive member
5. Lyda St. Fourlis, Director, executive member
6. Ioannis Ev. Brebos, Director, non executive member, member of the Audit Committee
7. Pavlos K. Triposkiadis , Director, independent non executive member
8. David A. Watson, Director, independent non executive member, Chairman of the Audit Committee
9. Ioannis Ath. Kostopoulos, Director, independent non executive member.

The total number of employees of the Group as at the end of current and previous year was at 3.897 and 3.904 respectively while the total number of employees of the Company on 31/12/2017 was 90 and on 31/12/2016 was 88.

1.2 Activities

The Company's activities are the investment in domestic and foreign companies of all types, regardless their objectives and type.

The Company also provides general administration financial management and information technology services. The centralization of Group support services for the Group Companies in Greece, mainly in the areas of IT, HR, financial planning and controlling, treasury and social responsibility was implemented, aiming to gain benefits from synergies and to organize central coordination of decision making and implementing. Centralized services are provided according to arm's length principle from FOURLIS HOLDINGS S.A. to the Group companies.

The Financial Statements include the Company and its subsidiaries (the Group) as presented below:

Name	Location	% Holding	Consolidation Method
HOUSEMARKET SA	Athens, Greece	100,00	Full
INTERSPORT ATHLETICS SA	Athens, Greece	100,00	Full
TRADE LOGISTICS SA*	Athens, Greece	100,00	Full
RENTIS SA*	Athens, Greece	100,00	Full
GENCO TRADE SRL	Bucharest, Romania	1,57	Full
GENCO TRADE SRL*	Bucharest, Romania	98,43	Full
GENCO BULGARIA EOOD*	Sofia, Bulgaria	100,00	Full
HOUSE MARKET BULGARIA AD*	Sofia, Bulgaria	100,00	Full
HM HOUSEMARKET (CYPRUS) LTD*	Nicosia, Cyprus	100,00	Full
INTERSPORT ATHLETICS (CYPRUS) LTD*	Nicosia, Cyprus	100,00	Full
WYLDES LIMITED LTD*	Nicosia, Cyprus	100,00	Full
INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.*	Istanbul, Turkey	100,00	Full

** Companies in which FOURLIS HOLDINGS S.A. has an indirect participation*

Also in Consolidated Financial Statements the below mentioned related companies are included.

Company	Location	% Holding	Consolidation Method
VYNER LTD*	Nicosia, Cyprus	50,00	Net equity
SPEEDEX SA	Athens, Greece	49,55	Net equity
SW SOFIA MALL ENTERPISES LTD*	Cyprus	50,00	Net equity

** Companies in which FOURLIS HOLDINGS S.A. has an indirect participation*

On 8/12/2017 the sale of the shareholding (49,55%) in the affiliated company SPEEDEX S.A. to the third company SFAKIANAKIS SA was announced. This action is under the strategy of the Group aiming to focus on the main activities of retail trading of home furniture and household goods (IKEA Stores) and retail trading of sporting goods (INTERSPORT and TAF Stores).

During the period 1/1 – 31/12/2017 the following share capital changes were realised:

- FOURLIS HOLDINGS S.A.: Following the resolution of 16/6/2017 of the Ordinary General Assembly of the shareholdersof the Company (relevant minutes of the G.A. with number 21/16.06.2017), the share capital decreased by the amount of € 5.133.041,00 with a decrease of nominal value of each share by the amount of € 0,10 and corresponding capital return to the shareholders. The aforementioned change was registered to the General Electronic Commercial Registry (GECR) on 06/07/2017 (Code Registration Number 1111376), with the relevant 832253/06.07.2017 announcement issued by the Minister of Finance and Development.

  Under the context of the Stock Option Plan which was approved and established by the resolution of the Extraordinary General Assembly of the shareholders on 27/9/2013 (Stock Option Plan – hereinafter "the Program"), within the year 2017 313.278 options were exercised (hereinafter "the Options"). Following the resolution of the Board of Directors on 18/12/2017 (relevant minutes of the BoD with number 390/18.12.2017), the exercise of the aforementioned options from the corresponding beneficiaries of the Program was certified by payment of the exercise price of the new shares.

  It is noted that the underlying value of the shares which reflect to the remaining stock options, was initially set according to the terms of the Program of 27/9/2013, at the amount of €3,40 per share, which was the stock closing price of the share on the date of the resolution of the General Assembly for the SOP (27/9/2013). Following the readjustment of the historical share price of the Company resulted from the nominal value decrease by the amount of € 0,10 and corresponding capital return to shareholders following the resolution of 16.06.2017 of the Company's Ordinary General Assembly of shareholders, the amount of € 3,34 per share is hereafter accounted as the implemented exercise price of stock options of the SOP.

  Following the certification of the payment of the exercise price of the Stock Options by their beneficiaries, namely the amount of € 1.046.348,52, 313.278 new common nominal shares were issued and delivered to the corresponding beneficiaries of the Program, of nominal value € 0,97 per share, while the share capital of the Company increased by the amount of € 303.879,66 which reflects to the nominal value of the new shares. Moreover, following the exercise of the aforementioned options by payment of the exercise value, namely € 3,34 per share according to the aforementioned, the share premium difference, of total amount € 742.468,86, was transferred at "share premium reserve".

The aforementioned change was registered to the the General Electronic Commercial Registry (GECR) on 26/1/2018 (Code Resistration Number 1315305), with the relevant 9983/26.01.2018 announcement issued by the Minister of Finance and Development. Following the aforementioned changes, the share capital of the Company amounts to € 50.094.377,36 divided into 51.643.688 shares of nominal value € 0,97 per share, totally paid.

- GENCO BULGARIA EOOD: Following the resolution of the General Assembly of the shareholders of the company held in May 2017, the share capital of the company increased by the amount of BGN 1.500.000,00 by issuing 150.000 new common nominal vote shares, of nominal value BGN 10,00 each. The share capital increase was totally covered by the shareholder INTERSPORT ATHLETICS S.A. following the resolution of 24/4/2017 of the Board of Directors and was registered in the relevant commercial register. After the aforementioned increase, the share capital on 31/12/2017 amounts to BGN 13.385.170,00 divided into 1.338.517 shares of nominal value BGN 10,00 per share.
- INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.: Following the resolution of 10/5/2017 of the General Assembly of the shareholders of the company, an increase in the share capital of the company was implemented of total amount of TL 7.090.070,00, by issuing 17.725.175 new common nominal vote shares, of nominal value TL 0,40 per share. This share capital increase, which was registered in the commercial registry on 16/5/2017, was totally covered by the shareholder INTERSPORT ATHLETICS S.A. (contribution in kind, by capitalization of receivables of the company INTERSPORT ATHLETICS S.A.). After the aforementioned increase, the share capital of the company amounts to TL 50.702.770,00 divided into 126.756.925 nominal shares of nominal value TL 0,40 per share.
- WYLDES LTD: Under the ordinary resolution of 19/12/2017 of the Board of Directors of the Company, its share capital increased by the total amount of € 72,00 by issuing 72 ordinary shares, of nominal value €1,00. The underlying price was set a) for 67 shares, the amount of € 10.000,00 for each share and b) for 5 shares, the amount of € 1.000,00 for each share. It is noted that, following the total payment, by the only shareholder HOUSEMARKET S.A., of the underlying amount of the new shares and total amount of € 674.928,00 resulted to the increase of the share premium reserve. Therefore the share capital of the company on 31/12/2017 amounted to € 6.948,00 divided into 6.948 ordinary shares of nominal value €1,00 per share, totally paid.

  In is also noted that, against future share capital increase of WYLDES LTD for which a resolution has not yet been made by the competent body of the company, the shareholder HOUSEMARKET S.A., following the resolution of 8/1/2018 of its BoD (relevant minutes of the BoD with number 385/08.01.2018), on 22/2/2018 has paid the amount of € 5.300.000,00 against acquisition of 530 issued common nominal vote shares of nominal value €1,00 per share and total nominal value of issued shares € 530,00, plus the amount of € 5.299.470,00 share premium. With a resolution still pending until today for the aforementioned share capital increase of WYLDES LTD, the share capital continues to amount to € 6.948,00, divided in 6.948 common (ordinary) nominal vote shares, of nominal value € 1,00 per share.
- VYNER LTD: Following the ordinary resolution of 19/12/2017 of the Board of Directors of the Company, the share capital increased by the amount of € 82,00 by issuing 82 ordinary shares, of nominal value €1,00 per share. The subsidiary company WYLDES LTD participated in the aforementioned share capital increase by the amount of € 41,00 (plus € 409.959,00 as share premium value). Therefore the share capital of the company on 31/12/2017 amounts to € 10.074,00 divided into 10.074 ordinary shares of nominal value € 1,00 per share, totally paid. WYLDES LTD controls 50% of shares and corresponding vote options of VYNER LTD (by holding 49,55% of the latter and controlling the other 0,01% through the third company INTERCHANGE LTD, which has this shareholding).
- SPEEDEX S.A.: Following the private agreement of 6/12/2017 the sale and transfer was finalized, towards the company "SFAKIANAKIS S.A." located in Athens, of the total shareholding of the Company in the Company "SPEEDEX S.A." and more particularly 378.893 common nominal shares issued by SPEEDEX, of nominal value € 1,00 per share and total (nominal) value € 378.893,00 which reflect to 49,55% of the totally paid share capital of SPEEDEX.

2. Basis of presentation of the Financial Statements

2.1. Basis of preparation

The accompanying Financial Statements consist of the separate financial statements of the parent Company and the consolidated financial statements of the Group and have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The Board of Directors approved the accompanying financial statements for the year ended on December 31 2017, on March 12, 2018. These financial statements are subject to the approval of the General Assembly of the Company's shareholders.

The accompanying separate and consolidated financial statements have been prepared on the historical cost basis, except for certain data of Assets and Liabilities (investment properties and derivative financial instruments) that have been measured at fair value, and assuming that the Company and its subsidiaries will continue as a going concern. All amounts 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 requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates. Estimates are based on management's previous experience including expectations of future events under normal conditions. The aforementioned judgments, estimates and assumptions are periodically re - assessed in order to be in line with current available data and reflect current risks.

When applying the Group's accounting policies, management has made the following judgments, estimates and assumptions that may have a significant impact on the items reported in the financial statements:

Estimates:

- *Deferred Tax assets*: deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward unused tax losses can be utilised. The recognition of deferred tax assets requires significant judgments and estimates to be made in relation to the future activities and prospects of the Group companies and as to the level and timing of future taxable profits (Note 3.20 and 23 of Financial Statements).
- *Fair Values of investment properties*: the Group carries its investment properties at fair values as determined by independent appraising firms. The fair values of investment properties are assessed on an annual basis. The determination of the fair values of properties requires management to make assumptions with respect to the market rental rates for similar properties, sales comparables, capitalization and yield rates, and expectations on future rental income (Note 3.8 and 8 of Financial Statements).
- *Impairment test of investments in subsidiaries*: at each reporting date, the Parent Company examines whether there are impairment indicators in relation to its investments in subsidiaries. Such assessment requires management to make significant judgements with respect to the existence of internal or external factors and the extent to which they affect the recoverable amount of these investments. If impairment indicators exist, the Company determines the recoverable amount of these investments. The determination of the recoverable amount requires estimates to be made with respect to the expected future cash flows of the investment, the business plans of the subsidiaries, and the determination of the applicable discount and growth rates. Further details are provided in Note 10.
- *Impairment test of property, plant and equipment*: property, plant and equipment is constantly tested in order to define if there are indications which show that its book value is incorrect. The Group 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 is incorrect, 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 and any contingent impairment is determined by the comparison of book value and value in use (Note 7 of Financial Statements).
- *Useful lives of property plant and equipment*: Management makes estimates when determining the useful lives of

depreciable assets. Such estimates are periodically reviewed. The useful lives estimated and applied are discussed in Note 3.7 and 3.9.

- *Post - retirement benefits to personnel*: post - retirement obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of a discount rate, future salary increases, mortality rates and turnover rates. Due to the complexity of the valuation and the underlying assumptions included therein, a defined benefit obligation is highly sensitive to changes in these assumptions. Actuarial gains and losses that result from the difference among the actuarial assumptions are recognized directly in Equity. Such actuarial assumptions are periodically reviewed by management. Further details are provided in Note 19.
- *Share-based Payments*: Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 19 of the Financial Statements.

Judgments:

- *Provisions for impaired receivables*: In the subsidiaries of the Segment of Wholesale Trading of Electrical Equipment the provision of impaired receivables is based on the historical data of receivables. Further details are provided in Note 12.
- *Provisions for slow moving goods*: Inventory turnover ratio is tested regularly and provisions are made for the slow moving goods. Further details are provided in Note 11.

3. Summary of significant accounting policies

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

3.1. Basis of Consolidation

Consolidated Financial Statements comprise of the financial statements of the Company and all subsidiaries controlled by the Company directly or indirectly. Control exists when the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The subsidiaries' financial statements are prepared as of the same reporting date and using the same accounting policies as the parent company. Intra - group transactions (including investments in related companies), balances and unrealized gains are eliminated. Subsidiaries are fully consolidated from the date that control commences and cease to be consolidated from the date that control is transferred out of the Group. Losses within a subsidiary are attributed to the non - controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The financial results of subsidiaries, that are acquired or sold within the year, are included in the consolidated statement of comprehensive income from or up to the date of acquisition or sale, respectively.

Certain of the above - mentioned requirements were applied on a prospective basis based on the revised IAS 27 and therefore the following differences are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non - controlling interests, prior to January 1, 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of net assets acquired were recognised as goodwill.
- Losses incurred by the Group were attributed to the non - controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non - controlling interest had a binding obligation to cover these.

3.2. Business Combinations and Goodwill

Business Combination is a transaction or another event during which an acquirer takes over control of one or more businesses. A Business is a combination of activities and assets that can be leaded and managed in order to return profits directly to its owners.

If the acquired assets do not compose a business, the transaction or any other fact are accounted as an acquisition of an asset and the acquisition cost is allocated among assets and liabilities based on the relative fair values during the acquisition date.

Business Combination is accounted for using acquisition method. The cost of acquisition of a subsidiary is the fair value of the assets contributed, the shares issued and the liabilities assumed at the transaction date, plus the amount of any non - controlling interest in the acquiree. For each business combination, the acquirer measures the non - controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net asset. Acquisition costs are expensed when incurred.

If the cost of acquisition is less than the fair values of the net identifiable assets acquired, the difference is recorded directly to the income statement.

Goodwill arising from subsidiaries' acquisitions is recorded as an intangible asset. Goodwill is not amortized but at least annually is subject to impairment test. As a result, after initial recognition, goodwill is measured at cost, less any impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the combination. The impairment test is performed by comparing the recoverable amount of the cash generating unit to its carrying value including the allocated goodwill. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The value in use is determined via a discounted cash flow analysis. Impairment losses relating to goodwill cannot be reversed in future periods.

Gains or losses arising from the disposal of subsidiaries are determined after taking into account the goodwill allocated to the disposed unit.

3.3 Investments in subsidiaries

In the separate financial statements of the Parent Company, investments in subsidiaries are accounted for at cost, less any impairment in value. Impairment tests are carried out when there are clear indicators of impairment, in accordance with IAS 36 "Impairment of Assets".

3.4 Investments in associates

Associates are those entities, in which the Group has significant influence but which are neither a subsidiary nor a joint venture of the Group. A percentage holding from 20% to 50% implies significant influence. Such percentage holding indicates that company is an associate. Investments in associates are accounted for using the equity method based on which the investment is carried at cost plus post-acquisition changes in the Group's share of net assets of the associate, less provisions for any impairment in value. Goodwill arising upon the acquisition of associates is included in the value of investment, while any negative goodwill is recorded in the income statement upon acquisition.

The Group's share in the gains or losses of associates after acquisition is recognized in the statement of comprehensive income, while post - acquisition movements in reserves are recognized directly in reserves.

In applying the equity method of accounting, the Group appropriately adjusts the financial statements of those associates who are not applying IFRS so as to comply with IFRS and be uniform with the accounting policies of the Group. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated, unless the transaction provides evidence of impairment of the transferred asset.

When the Group's participation to the associate's losses equals or exceeds its interest in an associate, including any other bad debts, the Group does not recognize further losses, unless it has any liabilities or made payments on behalf of the associate and generally those arising from the ownership status. In the separate financial statements of the Parent Company, investments in associates are accounted for at cost less any accumulated impairment losses.

3.5 Segment information

The Board of Directors of the Company is the chief operating decision maker and monitors internal financial reporting information in order to evaluate the performance of the Company and the Group and to take decisions about resource allocation.

Management has defined its segments based on these internal reports according to IFRS 8. The operating segments are defined as those business segments where the Group is active and on which the internal information system of the Group is based.

For the categorization by business segment, the following has been taken into account:
- the nature of products and services,
- quantitative limitations, required by IFRS 8.

According to the aforementioned, the Group presents information by operating segment as follows:
- Retail Trading of Home Furniture and Household Goods (IKEA stores).
- Retail Trading of Sporting Goods (INTERSPORT and TAF stores).

3.6 Foreign currency translation

(a) Functional currency and reporting currency
The companies of the Group maintain their books in the currency of the financial environment in which each company operates (functional currency). The consolidated financial statements are presented in Euro's which is the functional currency of the parent company.

(b) Transactions and balances
Transactions in foreign currencies are converted to the functional currency according to the foreign exchange rates ruling at the date of the transaction. Foreign exchange differences arising on translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognized in the statement of comprehensive income. Foreign exchange differences on non-monetary items carried at fair value are considered as part of the fair value of those items and are recorded together with the fair value adjustments.

(c) Foreign Group Companies
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. The translation of the financial statements of the Group's companies which use a different functional currency from the parent company is performed as follows:
- Assets and liabilities are translated to Euro at the foreign exchange rate ruling at the date of the Statement of Financial Position.
- Equity is translated at historic rates.
- Income and expenses are translated using the average foreign exchange rate of the period and on an annual base according to the average foreign exchange rate of the last twelve (12) months.
- The resulting foreign exchange differences (gains/losses) are recognized in other comprehensive income and in Foreign Exchange differences from Statement of Financial Position translation Reserve. When subsidiaries operating in foreign countries are sold, accumulated foreign exchange differences existing in the Foreign Exchange differences from Statement of Financial Position translation Reserve are recognized to the statement of income as gains or losses from investments sales.

Goodwill and adjustments to fair values upon an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate of the date of the Statement of Financial Position.

3.7 Property, plant and equipment

Property, plant and equipment are measured, by category, as follows:
- All categories of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

- Cost includes all directly attributable costs for the acquisition of the items of property, plant and equipment. These costs include borrowing costs of loans drawn to finance the acquisition or construction of assets which are capitalized until the date when the assets are ready for their intended use.

Significant additions and improvements are recognised 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 Group's property plant and equipment, except of the land that is not depreciated, are as follows:

Category	Useful life
Buildings - Building installations (owned premises)	10 - 40 years
Buildings on third party land	10 – 36 years
Machinery and equipment	9 - 10 years
Motor vehicles	6 - 9 years
Miscellaneous equipment	4 - 10 years

Owner - occupied buildings or buildings whose use has not yet been determined and which are under construction are recorded at cost less any impairment losses. This cost includes professional compensations and borrowing costs. The depreciation of that owner - occupied buildings begins from the time the buildings are ready for use.

3.8 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which is evaluated annually. The carrying value of investment property reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property fair value are recognized in the Income Statement of the period they occur.

3.9 Intangible assets

The intangible assets of the Group (excluding goodwill) are depreciated over their useful life which is annually reviewed.

• Royalties
Trademarks and licenses are valued at cost less amortization. Amortization is charged to the statement of comprehensive income on a straight - line basis over the estimated useful lives, which have been determined from 5 to 20 years.

• Software - Other intangible assets
Software licenses are valued at cost less amortization. Amortization is charged on a straight - line basis over the estimated useful lives and the depreciation rate is 15%.

Expenditure on development and maintenance of software is expensed as incurred. Expenditure of development activities for the production of new or substantially improved software (in - house developments), is 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 overheads. 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.

3.10 Impairment of non - financial assets except Goodwill

Property, plant and equipment is constantly tested in order to define if there are indications which show that its book value is incorrect. The Group 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 is incorrect, 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 and any contingent impairment is determined by the comparison of book value and value in use.

The carrying amounts of the Group's 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 Statement of Income, except if the asset has been revalued, then the impairment loss reduces the related revaluation reserve. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exists of have decreased. If such indication exists, the Group estimates the asset's recoverable amount. When in a subsequent period, the impairment loss should be reversed; the carrying value of the asset is increased to the level of the revised estimation of recoverable amount. The new net book value should not exceed the net book value that would have been determined if the impairment losses had not been accounted in previous periods.

3.11 Financial instruments

A financial instrument consists of every agreement that creates a financial asset in a business and a financial liability or equity instrument in another business.

The Group's financial instruments are classified at initial recognition in the following categories based on the substance of the agreement and the purpose for which they were acquired:

i) Financial assets at fair value through profit and loss

Such financial assets, represent assets, which satisfy any of the following conditions:

- Financial assets held for trading (including derivatives that are not designated as hedging instruments in hedging relationships, those that are acquired or created in order to be sold or re - acquired and those which form part of a portfolio of recognized financial means).
- Financial assets designated as at fair value through other comprehensive income on initial recognition.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in the Statement of Comprehensive Income.

ii) Loans and receivables

Loans and receivables are non - derivative financial instruments with fixed or determinable payments that are not quoted in active market. This category does not include:

- Receivables from advances for the purchase of goods or services,
- Receivables resulting from tax transactions imposed by law,
- Any item not dealt with by an agreement giving the right to an entity to collect cash or other financial assets.

Loans and receivables are included in current liabilities/ assets, except of those whose maturity extends beyond twelve (12) months after the reporting date and which are classified as non - current liabilities/ assets. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

iii) Held - to - maturity Investments

Non - derivative financial items with fixed or determinable payments and fixed maturities are classified as held - to - maturity when the Group has the intent and ability to hold to term to maturity. After initial measurement, held - to - maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

iv) Available - for - sale financial assets

Available for sale financial assets which are classified under this category or which cannot be classified under any of the three preceding categories. Financial assets available for sales are valued at fair value and the unrealised gains or losses are recognised as other comprehensive income in a reserve under equity until the item is sold or impaired. At the date of sale or impairment, the gains or losses are transferred to the statement of comprehensive income. Impairment losses on equity investments are not reversed through the income statement.

Purchases and sales of investments are recognized on trade date, which is the date that the Group commits to purchase or sell the item. Investments are initially recorded at fair value plus, in the case of investments not at fair value through profit and loss, directly attributable transactions costs. Investments are derecognised when the right to the cash flows of the investment expire or are transferred and the Group has substantially transferred all the risks and rewards related to the ownership of the investment.

The fair values of financial assets, which are traded on active markets, are determined by reference to quoted prices. The fair value of financial assets not traded on active markets is determined by using valuation techniques such as use of recent arms length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

3.12 Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

• Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) 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 amount of the loss is recognized in profit or loss. The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics 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.

• Available for sale financial assets

For equity instruments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below cost. Where there is evidence of impairment, the cumulative loss - measured at the difference between the acquisition cost and the current fair value - is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement. In the case of debt instruments classified as available for sale, impairment losses are reversed through the income statements if an increase in the fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognized in the income statement.

3.13 Inventory

Inventory 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 at the ordinary operation of the company less any costs to sell having in mind seasonality and other conditions. The cost of inventory does not include any financial expenses.

3.14 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.

3.15 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.

3.16 Non-current assets held for sale and discontinued operation

Non-current assets held for sale and discontinued operation are valued at the lower price between carrying amount and fair value less costs to sell. Any possible fair value increase in a subsequent valuation is registered in Profit and loss but for amounts not bigger than the initially registered impairment loss. Since the date on which an asset is classified as held for sale, this asset is no longer depreciated or amortized. Non-current assets held for sale are classified as such, provided that their carrying value will be recovered through sale rather than through continuing use. This condition is considered valid only when the sale is highly probable and the asset is available for immediate sale at its current condition. Management requires commitment to the sale which is expected to be completed either based on stipulated by contractual time commitment or within a year from classification date.

A discontinued operation is an integral part of a financial entity that either has been sold or has been classified as held for sale and:
a) represents a separate major part of business operations or a geographical area of operations,
b) is part of a single, coordinated divestment program of a great part of operations or a geographical area of operations or
c) is a subsidiary acquired exclusively with the prospect to be resold.

3.17 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.

3.18 Loans

Loans are initially recorded at their fair value less any direct costs related to the transaction. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method.

Interest and related expenses on loans taken for purchase or construction of fixed assets are capitalized. Capitalisation of borrowing costs ceases when the asset is ready for its intended use. In case of borrowing specifically for the purpose of constructing or acquiring an asset, the borrowing costs related to the loan agreement are directly 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 to the statement of comprehensive income as an expense. Revenues, occurred as a result of investing part of a loan taken for construction of a fixed asset, reduce the amount of borrowing costs capitalized.

3.19 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to mitigate the risk arising from fluctuations in interest rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

The effective part of hedges that qualify for hedge accounting is recognized directly to equity if it is related to cash flow hedges while the ineffective part is charged to the consolidated income statement, while the non - effective part is recognized in the statement of comprehensive income. If the hedge is related to effective fair value hedges, the gain or loss from remeasuring the derivative hedging instrument at fair value is recognized in profit or loss and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss.

Under cash flow hedge accounting, when the hedged firm commitment results in the recognition of non - financial asset or a non - financial liability, then, at the time the asset or liability is recognized the associated gains or losses that had previously been recognized in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognized in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the statement of comprehensive income.

3.20 Current and Deferred Tax

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

Current income tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case it is recognised, in a similar way, 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 Group sets off deferred tax assets and deferred tax liabilities only if:
- it has a legal right to set off current tax receivables against current tax payables and
- deferred tax assets and deferred tax liabilities relate to income tax imposed by the same tax authority.

As a result deferred tax assets and liabilities are presented on a net basis in the separate financial statements of the Company while such items are presented separately in the consolidated accounts of the Group.

If the deferred income tax arises from initial recognition of an asset or liability in a transaction other than business combination, then it does not affect the neither the accounting nor the taxable profit or loss and therefore it is not taken into account.

The tax rates in the countries that the Group is operating presented below:

Country	% Income Tax/ Deferred Tax
Greece	29,0%
Romania	16,0%
Cyprus	12,5%
Bulgaria	10,0%
Turkey	20,0%

3.21 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
According to the regulations of Law 2112/ 1920 amended by the article 74 paragraph 2 of the Law 3863/2010 and completed be the Law 3899/17-12-10 article 17 paragraph 5a and the Law 4093/12, the Greek subsidiaries of the Group pay retirement compensation to their employees. Such compensation varies in relation to the employees' years of service and salary payable at the time of retirement and is accounted for as a defined benefit plan. Post - retirement obligations are calculated at the present value of future employee benefits accrued as at the end of the reporting period, based on the benefits to be earned over their expected labor life. The above mentioned obligations are calculated based on actuarial valuation methods and are determined using the Projected Unit Method. Net costs of the period are included in the attached statement of comprehensive income and consist of the present value of the employee benefits that were accrued during the current year, the interest derived from the employee benefit obligation and the actuarial gains and losses which are recognised in full in the period in which they occur in the comprehensive income and they are not transferred in income statement in next periods. Full yield curve method is used for the definition of the discount interest rate in the calculation of the present value of the employee benefits.

c) State insurance programs
The employees of the Greek subsidiaries of the Group are covered, in terms of insurance programs, mainly through the Social Insurance Institution (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 Group. Upon retirement, the pension fund is responsible to cover the obligation of pensions and retirement benefits to the employees. As a consequence the Group does not have any other legal or future obligation to cover future employee benefits according to this pension program. This program is considered and accounted for as a defined contribution plan whereby the accrued social security contributions are recorded as an expense in the financial period in which they are incurred.

d) Private insurance programs
Every full time employee of the Group belonging to the management team, according to the internal company policy, is covered by a private insurance pension and other benefits program. The Group covers, the contract defined fees, while the

financial management of the program is performed by the insurance company. This program is considered and accounted for as a defined contribution plan whereby the accrued cost of the insurance fees is recorded as expense in the period in which they are incurred.

e) Stock option plan
The Company intends to attract, retain and incentivise the executives of the Company and the executives of its subsidiaries and affiliated companies, as through the Stock Options plan, the participants have a direct equity interest in the Company which link their performance to the Company's future performance and the increase of shareholder value. This program regards equity shares transactions.

The Company makes decisions regarding the implementation of the Stock Option Plan – to executives of the Company and its subsidiaries and affiliates in compliance with par.5 of Art.42e of Law 2190/1920.

A basic condition for participation in the Stock Options plan is the salaried working relationship of executives with the Company or its subsidiaries and affiliates.The cost of equity settled transactions is measured by reference to the fair values at the date in which they are granted and is recognized as an expense over the period from grant date to maturity date of the options with a concurrent increase in equity.

The program takes into account the following variables: Exercise price, Share price at grant date, Grant Date, Maturity date(s) of rights, Expected Stock Volatility (Volatility), Dividend Yield, Risk Free Rate.

3.22 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is recognized as deferred income and amortized over the expected useful life of the related asset. Such amortization is presented in other income in Statement of Comprehensive Income.

3.23 Contingent liabilities and Provisions

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

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

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

3.24 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*: Sales of goods are recognized when the Group invoices and delivers the goods to the customers and the goods are accepted by them. Retail sales are through cash payments or through credit cards. In these cases the income recorded is the amount received by the customer. In the case of guarantees for returned retail sales value the returns are recorded as incurred.
- *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 Group capitalizes borrowing costs according to IAS 23.

3.25 Leases

Leases in which all the risks and benefits of the property remain with the lessor are recorded as finance leases. All the other leasing contracts are recorded as operating leases.

- *Group as a Lessor*: Income from operating leasing is recognised as income on a straight - line basis over the lease term.
- *Group as a Lessee*: Operating lease payments are recognised as an expense on a straight - line basis over the lease term.
  Leases which transfer to the Group substantially all of the risks and rewards of ownership of the leased item regardless of whether there is a transfer of the ownership title or not at the end of the lease, are classified as finance leases. The property held under finance leases is capitalized at the inception of the lease at the lower of its fair value and the present value of the minimum lease payments. Lease payments are apportioned between the reduction in the lease liability and the financial expenses in order to achieve a constant interest rate on the residual financial liability.
  The related lease liabilities net of financial expenses are classified as liabilities and the related financial expenses are recognized in the statement of comprehensive income over the duration of the lease. Property, plant and equipment acquired through a finance lease are depreciated at the lower of the assets' useful lives and the lease term.

The Group as a Lessor only has operating leasing while as a Lessee has both operating and finance leasing. Both operational anf financial leasing are related to buildings and machinery.

3.26 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.

3.27 Derecognition of financial assets and liabilities

• Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired,
- the Group or the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay under a "pass - through" arrangement and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group or the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Groups´ 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

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

3.28 Earnings/Losses per share

The basic and diluted earnings per share are calculated by dividing net profits after taxes with the weighted average number of shares of each period/ year.

The weighted average number of shares arises by summing the outstanding shares into which the share capital is divided and the rights that can be contingently exercised and are owned by the company and subtracting the shares buy back.

3.29 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group and the Company as of 1 January 2017:

➢ **IAS 12: Income Taxes (Amendments): Recognition of Deferred Tax Assets for Unrealized Losses**
The objective of the Amendments is to clarify the accounting treatment of deferred tax assets for unrealized losses regarding assets valuated at fair value.For instance, amendments clarify accounting treatment of deferred assets in case that the entity is not allowed to deduct unrealized tax losses or in case that intends to retain the assets untile the reverse of unrealized losses.

➢ **IAS 7: Cash Flow Statements (Amendments): Disclosure Initiative**
The objective of the Amendments is to allow users of financial statements to assess the changes in financial liabilities. The amendments will require fro entities to provide disclosures which allow investors to assess the changes in financial liabilities, including changes related to cash or non cash nature.

The **IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The following annual improvement has not yet been endorsed by the EU. Management assesses the impact of the amendment on the companies of the Group.

➢ **IFRS 12 Disclosure of Interests in Other Entities**
The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.

Standards issued but not yet effective and not early adopted

➢ **IFRS 9 Financial Instruments - Classification and Measurement**
The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. At the year 2017, the reflect of the implementation of IFRS 9 was assessed and therefore the impact of the new standard is expected as follows:
- The financial instruments that the Group holds on 31/12/2017, will continue to be measured on the same base in compliance with IFRS 9 and therefore there is no expectation for significant impact on classification and measurement of financial instruments of assets due to the implementation of the new IFRS standard.
- Moreover, there will be no impact regarding the Group's financial liabilities, given that the instructions of the new IFRS standard affect only the accounting treatment of financial liabilities determined at their fair value through income statement and the Group does not have such liabilities.

- **IFRS 15 Revenue from Contracts with Customers**
  The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard is based on the principle that the revenue is recognized when the control of a good or service is transferred to the customer.
  The Group plans to adopt the new standard by readjusting cumulatively the retained earnings. Within 2017, an initial assessment was conducted regarding the impact of IFRS 15 and then conducted a detailed analysis of differences per revenue category between the new standard and the current accounting policies completed within the same year. Based on the above, the new standard is not expected to significantly affect the consolidated financial statements of the Group upon its implementation.
- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**
  The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, regarding (a) the accounting of performance obligations amending the wording of the "separately identifiable" principle, (b) principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and (c) licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.
- **IFRS 16: Leases**
  The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.
  The standard will affect mainly the accounting treatment of operational leases of the Group. At the date of the balancesheet, the Group has non-canceled operantional leases of amount € 228 mil. The Group as not yet determined to what extent these commitments will lead to assets and liabilities recognition regarding future payments, as well as that this will affect profit and cash flow classification of the Group. This happens because some of these commitments may be excluded from the standard's requirements as short-term or/and of non-important value, while some commitments may not even meet the criteria requires for their characterization as leases according to IFRS 16.
- **Amendment in 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 an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management of the Group and Company estimates that the specific amendment will not have an impact on its financial statements.
- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. These Amendments have not yet been endorsed by the EU. Management is in the process of assessment of the amendment's impact on the companies of the Group.
- **IAS 40: Transfers to Investment Property (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development

into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These Amendments have not yet been endorsed by the EU. Management is in the process of assessment of the amendment's impact on the companies of the Group.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**
  The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. These Amendments have not yet been endorsed by the EU. Management of the Group and Company estimates that the specific amendment will not have an impact on its financial statements.
- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**
  The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU. Management of the Group and Company estimates that the specific amendment will not have an impact on its financial statements.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**
  The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU. Management is in the process of assessment of impact on the companies of the Group.

The **IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures. These annual improvements have not yet been endorsed by the EU. Management is in the

- **IFRS 1 First-time Adoption of International Financial Reporting Standards**: This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.
- **IAS 28 Investments in Associates and Joint Ventures**: The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**
  The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in

facts and circumstances. This Interpretation has not yet been endorsed by the EU. Management is in the process of assessment of the impact on the companies of the Group.

The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. Management is in the process of assessment of the impact on the financial statements of the Group and the Company.

- ➢ **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements**: The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- ➢ **IAS 12 Income Taxes**: The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- ➢ **IAS 23 Borrowing Costs**: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

4. Financial Risk Management

a) Financial Risk Management

The Group is exposed to financial risks such as foreign exchange risk, credit risk, interest rate risk and liquidity risk. The management of risk is achieved by the central Treasury department, which operates using specific guidelines set by the Board of Directors. The Treasury department identifies, determines and hedges the financial risks in cooperation with the Groups' subsidiaries that face these risks. The Board of Directors provides written instructions and directions for the general management of the risk, as well as specific instructions for the management of specific risks such as foreign exchange risk, interest rate risk and credit risk.

Foreign Exchange Risk

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

Credit risk

The Group has diminuated the credit risk due to the focus in retail segments where the payment of goods is mainly achieved by cash in hand or by pre-paid credit cards.

Interest rate risk/liquidity

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

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

b) Legal Issues

There are no litigations or legal issues that might have a material impact on the Company and the Group's Annual Financial Statements for the period 1/1 - 31/12/2017.

5. Segment Information

The Group is active on the following two operating segments:
- Retail Trading of Home Furniture and Households Goods (IKEA stores).
- Retail Trading of Sporting Goods (INTERSPORT and TAF stores).

The main financial interest is concentrated on the business classification of the Group's activities, where the various economic environments constitute different risks and rewards. The Group's activities comprise mainly one geographical area, that of the wider European region, primarily in Greece along with countries of Southeastern Europe (Romania, Bulgaria, Cyprus and Turkey).

The Group's sales revenue in 2017 arise 62% from activities in Greece (64% in 2016) with the remaining 38% arising from the other countries of Southeastern Europe (36% in 2016). Revenue of the Company concern intrasegment transactions and are eliminated at the Consolidated Financial Statements.

Historically, the consumers' demand for the Group products increases during the last four months of the year.

Group results by operating segment for the year 2017 are analysed below:

	1/1 – 31/12/2017				
	Furniture and Household Goods	**Sporting Goods**	**Fourlis Holdings S.A.**	**Consolidation Entries**	**Total Group**
Revenue	291.312	142.735	4.126	-4.115	434.059
Cost of Goods Sold	-171.263	-75.083	-3.721	3.721	-246.347
Gross Profit	**120.049**	**67.652**	**405**	**-393**	**187.712**
Other operating income	4.701	1.122	836	-1.079	5.581
Distribution expenses	-90.756	-54.595	0	1.110	-144.241
Administrative expenses	-11.441	-6.668	-2.291	226	-20.174
Other operating expenses	-336	-618	-34	2	-986
Operating Profit / (Loss)	**22.216**	**6.892**	**-1.083**	**-134**	**27.892**
Total finance income	438	650	119	0	1.207
Total finance cost	-7.723	-5.681	-2	0	-13.407
Contribution associate companies losses	-1.160	0	0	0	-1.160
Dividends	0	0	5.000	-5.000	0
Profit / (Loss) before Tax	**13.771**	**1.861**	**4.033**	**-5.134**	**14.532**
Depreciation/Amortisation	8.765	4.974	53	153	13.945

Group results by operating segment for the year 2016 are analysed below (amounts of the year 2016 have been reclassified in order to become similar and comparable to the corresponding amounts of the current year):

	1/1 – 31/12/2016				
	Furniture and Household Goods*	**Sporting Goods**	**Fourlis Holdings S.A.**	**Consolidation Entries**	**Total Group**
Revenue	291.582	136.489	3.965	-3.967	428.068
Cost of Goods Sold	-174.477	-71.606	-3.686	3.686	-246.083
Gross Profit	**117.105**	**64.882**	**279**	**-281**	**181.985**
Other operating income	4.226	618	1.124	-1.147	4.821
Distribution expenses	-90.800	-51.672	0	1.119	-141.352
Administrative expenses	-11.226	-6.475	-2.621	77	-20.245
Other operating expenses	-484	-295	-37	18	-798
Operating Profit / (Loss)	**18.821**	**7.059**	**-1.255**	**-213**	**24.411**
Total finance income	169	417	0	0	586
Total finance cost	-10.365	-5.158	-2	0	-15.525
Contribution associate companies losses	-1.777	0	0	0	-1.777
Dividends	0	0	8.500	-8.500	0
Profit / (Loss) before Tax	**6.849**	**2.317**	**7.243**	**-8.713**	**7.695**
Depreciation/Amortisation	9.019	4.797	63	151	14.030

** Reclassifications of amounts refer to discontinued operation which was incorporated into the furniture and household goods segment. Discontinued operation included the company FOURLIS TRADE SA which was merged through absorption by HOUSEMARKET SA, on 23/12/2016.*

Income statement of the discontinued operation of the Group on 31/12/2016 is as follows:

Discontinued operation	1/1-31/12/2016
Revenue	239
Cost of Goods Sold	-307
Other operating income	676
Distribution expenses	-928
Administrative expenses	453
Other operating expenses	-248
Financial expenses/income	-2
Contribution to losses of subsidiary sale	-
Profit/(Loss) before Tax	**-117**
Income tax	-397
Non controlling interest	-
Profit/(Loss) after Tax and Minority	**-513**

Net cash flow of discontinued operation of the Group on 31/12/2016 are as follows:

Discontinued operation	1/1-31/12/2016
Operating inflow/(outflow) from discontinued operations	-195
Investing inflow/(outflow) from discontinued operations	-8
Financing inflow/(outflow) from discontinued operations	0
Effect of exchange rate fluctuations on cash held	0
Net increase/decrease in cash and cash equivalents	**-204**

The breakdown structure of assets and liabilities as of 31/12/2017 and 31/12/2016 are as below:

	Furniture and Household Goods		Sporting Goods		Fourlis Holdings SA		Consolidation Entries		Total Group	
	31/12/17	31/12/16	31/12/17	31/12/16	31/12/17	31/12/16	31/12/17	31/12/16	31/12/17	31/12/16
Total Assets	323.141	329.237*	94.316	88.001	91.565	93.308	-87.591	-91.533	421.431	419.013
Total Liabilities	175.631	187.359	82.752	75.246	1.715	3.597	-6.536	-10.795	253.562	255.408

** The amount was reclassified with the amount of € -13 th. from discontinued operations in order to become similar and comparable to the corresponding amount of 31/12/2017.*

It is noted that the consolidation entries column includes transactions between the parent company and operating segments of the Group.

Transactions between the Group companies are based on the arm's length principle.

6. Analysis of expenses and other operating income

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

	Group		Company	
	2017	2016	2017	2016
Distribution expenses	132.174	129.164	0	0
Administrative expenses	18.633	18.781	2.237	2.557
Depreciation/Amortisation (Distribution)	12.067	12.188	0	0
Depreciation/Amortisation (Administration)	1.541	1.464	53	63
Expenses in Cost of Goods Sold	2.774	2.447	3.721	3.686
Depreciation/Amortisation in cost of sales	337	377	0	0
Other Operating Expenses	986	798	34	37
Total	**168.512**	**165.220**	**6.046**	**6.344**

The main categories of expenses are analysed below:

	Group		Company	
	2017	2016	2017	2016
Payroll Expenses	67.661	65.747	4.232	4.210
Third Party Expenses (Royalties, Leasing, Energy, etc)	57.479	57.265	829	1.163
Taxes Duties	2.557	2.541	3	3
Depreciation/Amortisation	13.945	14.030	53	63
Miscellaneous expenses (advertising, warehousing, transportation etc)	26.869	25.637	929	905
Total	**168.512**	**165.220**	**6.046**	**6.344**

For the year ended on 31/12/2017, miscellaneous expenses include auditors remuneration of amount € 105 th. regarding services other than financial statements audit (namely excluding ordinary audit services and tax certificate issue).

Payroll expenses are analyzed as follows:

	Group		Company	
	2017	2016	2017	2016
Salaries and Wages	52.318	50.945	3.120	3.228
Social Security Contributions	11.475	10.943	726	605
Miscellaneous grants	3.868	3.860	386	376
Total	**67.661**	**65.747**	**4.232**	**4.210**

(b) Other operating income is analysed as follows:

	Group		Company	
	2017	2016	2017	2016
Co-advertisment income	0	18	0	0
Recycling Income	0	9	0	0
Subsidies Law 3299/04	178	226	0	0
Management Fees	5	5	0	0
Revenue from non-used provisions	1.087	788	14	75
Fixed Asset Gain	4	27	0	0
Other Income	4.306	3.749	823	1.049
Total	**5.581**	**4.821**	**836**	**1.124**

In other income of the year 2017, € 2.655 thousand (2016: € 1.977 thousand) are included mainly due to income from orders delivery charges and rents receivable of Group's subsidiaries.

Moreover, other income of the Company of the year 2017, include € 584 thousand (2016: € 787 thousand) due to income from invoicing software to subsidiaries, € 165 thousand (2016: € 175 thousand) due to income from subleasing property and occupancy expenses to subsidiaries and € 59 thousand (2016: € 52 thousand) due to income from invoicing travels under the context of management support services.

(c) Net Financial Results are analyzed as follows:

	Group		Company	
	2017	2016	2017	2016
Interest expenses	-6.867	-7.882	0	0
Credit Card Fees	-4.984	-4.954	-2	-2
Foreign exchange differences (expense) - realized-	-1.528	-1.293	0	0
0ther financial expenses	-28	-1.396	0	0
Total Finance Cost	**-13.407**	**-15.525**	**-2**	**-2**
Interest and related income	100	147	3	0
Foreign exchange differences (expense) - realized-	685	439	0	0
Other financial income	422	0	115	0
Total Finance Income	**1.207**	**586**	**119**	**0**
Financial Result	**-12.200**	**-14.939**	**116**	**-2**

(d) Expenses from associate companies for the years 2017 and 2016 refer to the share of losses with the associate companies VYNER LTD and SW SOFIA MALL ENTERPISES LTD, which are consolidated by the equity method.

7. Property, plant and equipment

Property, plant and equipment for the year 2017 are analyzed as follows:

	Land	Buildings and installations	Machinery-Installations-Miscellaneous equipment	Motor vehicles	Furniture and miscellaneous equipment	Construction in progress	Total of property plant and equipment
Acquisition cost at 31.12.2016	**56.617**	**212.181**	**10.364**	**5.135**	**49.332**	**3.177**	**336.806**
Accumulated depreciation/amortisation 31.12.2016	**0**	**-69.198**	**-4.674**	**-3.968**	**-37.921**	**0**	**-115.762**
Net book value at 31.12.2016	**56.617**	**142.983**	**5.690**	**1.167**	**11.410**	**3.177**	**221.044**
1.1-31.12.2017							
Additions	0	5.499	605	108	3.827	303	10.342
Other changes in acquisition cost	-1.453	-1.863	-175	-122	-1.978	-503	-6.093
Depreciation/amortisation	0	-7.985	-1.003	-306	-3.441	0	-12.735
Other Depreciation changes	0	625	161	120	1.760	0	2.666
Acquisition cost at 31.12.2017	**55.164**	**215.817**	**10.795**	**5.122**	**51.181**	**2.977**	**341.055**
Accumulated depreciation 31.12.2017	**0**	**-76.558**	**-5.517**	**-4.154**	**-39.602**	**0**	**-125.831**
Net book value at 31.12.2017	**55.164**	**139.259**	**5.278**	**967**	**11.579**	**2.977**	**215.224**

Additions in the Property, Plant and Equipment for the period refer to the purchase of stores equipment and formation expenses for the retail segment (new and existing) of Furniture and Household Goods and Sporting Goods.

In sporting goods segment, within the period 1/1 – 31/12/2017, three new INTERSPORT stores started operating in Greece (Patra, Rethymno, Stadiou Str.), three new stores in Turkey (Bursa, Istanbul, Ankara) and one in Romania (Oradea). Moreover, six new TAF stores started operating in Greece (Thessaloniki, Rethymno, P. Faliro, Spata, Ioannina and Glyfada) and one new store in Turkey (Istanbul).

Most considerable additions in property, plant and equipment in the year 2017 refer to:

a) property, plant and buildings installations of amount € 2,4 million for IKEA Stores and € 2,8 million for INTERSPORT & TAF Stores.

b) machinery – installations, furniture and miscellaneous equipment of amount € 1,7 million for IKEA Stores and € 2,0 million for INTERSPORT & TAF Stores.

Other changes in property, plant and equipment of the period are mainly related to sporting goods segment, for Stores that terminated their operation, from which impairement arised of approximate amount € 66 th. Moreover, other changes include write-offs and sales and exchange differences of assets.

Property Plant and Equipment of the Group also include subsidiaries' finance leasing amounted at € 29.852 thousand (31/12/2016: € 30.369 thousand). Regarding the property of IKEA Store of HOUSEMARKET (amount of € 27.391 th. on 31/12/2017) in Thessaloniki, all obligations arising from the financial leasing contract are fulfilled and procedural issues with National Cadastre are confronted, in order for the contract, regarding the transfer of the property to HOUSEMARKET, to be signed.

The average interest rate of financial leasing for 2017 was 5,24% (2016: 5,39%).

Depreciation/ Amortization of Property, Plant and Equipment for the year 2017 amounted to € 12.735 thousand (2016: € 12.699 th.). Total depreciation/amortization of property, plant and equipment and intangible assets of amount € 13.945 th. (2016: € 14.029 th.) was registered by € 337 th. (2016: € 377 th.) in cost of sales, by € 12.067 th. (2016: € 12.188 th.) in distribution expenses and by € 1.541 th. (2016: € 1.464 th.) in administrative expenses. On 31/12/2017 the Group tested the value of property, plant and equipment per store (CGU) and wherever there was existence of indication for impairement of value, an impairement test was implemented. On 31/12/2017, no impairement of the Group's property, plant and equipment value arised. Net book value of property, plant and equipment regarding IKEA, INTERSPORT & TAF Stores for the Group amounts to € 186.737 th. (2016: € 189.145 th.).

For the Company, changes within the year 2017 in property, plant and equipment table are related to additions to the leased building and purchase of furniture.

	Buildings and Installations	Machinery-Installations-Miscellaneous equipment	Motor Vehicles	Furniture and miscellaneous equipment	Total of Property Plant and Equipment
Acquisition cost at 31.12.2016	**290**	**0**	**3**	**216**	**509**
Accumulated depreciation/amortisation 31.12.2016	**-150**	**0**	**-1**	**-133**	**-285**
Net book value at 31.12.2016	**139**	**0**	**2**	**83**	**224**
1.1-31.12.2017					
Additions	7	0	0	21	28
Other changes in acquisition cost	0	0	-3	0	-3
Depreciation/Amortization	-17	0	0	-25	-42
Other Depreciation Charges	0	0	1	0	1
Acquisition cost at 31.12.2017	**297**	**0**	**0**	**237**	**534**
Accumulated depreciation31.12.2017	**-167**	**0**	**0**	**-159**	**-326**
Net book value at 31.12.2017	**130**	**0**	**0**	**79**	**208**

8. Investment property

Investment property for the year 2017 is analyzed as follows:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Opening	17.395	17.163	0	0
Additions	1.002	231	0	0
Impairment	0	2	0	0
Decreases	-45	0	0	0
Other changes	2.708	0	0	0
Closing Balance	**21.060**	**17.395**	**0**	**0**

The amount of € 21 million (2016: € 17,4 million) includes:

- Property for exploitation, of amount € 7,1 million (2016: € 6,9 million). The assessment of fair value was effectuated for the year 2017 by certified appraisers in accordance with the Valuation Standard V.S. 1.5&1.6 of RICS Valuation Standard prescribed by the Royal Institution of Chartered Surveyors. For the calculation of the fair value, the average of Investment Method and Comparative Method was used. For the calculation of land value the Comparative Method was used and for the calculation of fair value a market research was conducted. The valuation of fair value method was ranked at level 3 of the hierarchy. The significant assumptions used for the property were: Sale price/m2 from € 180-300, capitalization rate at the end of the leasing period 11%.
- Part of property of a subsidiary, operating in real estate segment, of amount € 10,5 million (2016: € 7,0 million). The assumptions of the assessments effectuated by independent appraisors within the year 2017 were confirmed by the Management. More specifically, the assessments of fair value were in accordance with the Valuation Standard V.S. 1.5&1.6 of RICS Valuation Standard prescribed by the Royal Institution of Chartered Surveyors. For the calculation of the fair value the Investment Method was used, according to which the investment property value is calculated by capitalizing the real and future leasing that it may create. The valuation of fair value method was ranked at level 3 of the hierarchy. The significant assumptions used for the retail stores that the subsidiary, operating in real estate, leases were: Rent price/month €13/sqm, capitalization rate at the end of the leasing period 7,5% and annual rent increase 1,75%.
- Property of value € 3,4 million of a subsidiary which is leased for trading use (2016: € 3,4 million). The fair value assessment was conducted by the Management in compliance with the agreed terms of leasing.

9. Intangible assets

Intangible assets are analyzed as follows:

Group	Royalties	Software	Miscellaneous	Total
Cost 31.12.2016	**8.872**	**10.429**	**2.906**	**22.207**
Accumulated depreciation/amortisation 31.12.2016	**-4.242**	**-7.570**	**-967**	**-12.779**
Net book value at 31.12.2016	**4.630**	**2.859**	**1.938**	**9.427**
1.1. - 31.12.2017				
Additions	0	1.214	107	1.320
Other changes in acquisition cost	0	-61	-471	-533
Depreciation/Amortization	-278	-788	-145	-1.211
Other Depreciation Charges	0	31	139	169
Cost 31.12.2017	**8.872**	**11.582**	**2.541**	**22.994**
Accumulated depreciation/amortisation 31.12.2017	**-4.520**	**-8.328**	**-973**	**-13.821**
Net book value at 31.12.2017	**4.352**	**3.254**	**1.568**	**9.174**

Royalties include the use of brand names (IKEA). Other changes in acquisition cost as well as other depreciation changes regard foreign exchange differences.

Depreciation of intangible assets of the Group for the year 2017, amounted to € 1.211 thousand and there were no impairment indications within the year 2017.

Intangible assets for the Company for the year 2017 are as follows:

Company	Softare	Miscellaneous	Total
Cost 31.12.2016	**452**	**0**	**452**
Accumulated depreciation/amortisation 31.12.2016	**-399**	**0**	**-399**
Net book value at 31.12.2016	**53**	**0**	**53**
1.1-31.12.2017			
Additions	54	84	138
Depreciation/Amortization	-11	0	-11
Cost 31.12.2017	**506**	**84**	**590**
Accumulated depreciation/amortisation 31.12.2017	**-410**	**0**	**-410**
Net book value at 31.12.2017	**95**	**84**	**180**

Additions in intangible assets are related to software licenses.

10.Investments in subsidiaries and associates

Investments are as analyzed as follows:

		COMPANY			
	COUNTRY	% SHAREHOLDING 2017	31/12/2017	% SHAREHOLDING 2016	31/12/2016
SUBSIDIARIES					
GENCO TRADE SRL	Romania	1,57%	367	1,57%	367
HOUSEMARKET SA	Greece	100%	61.956	100%	61.956
INTERSPORT ATHLETICS SA	Greece	100%	15.664	100%	15.664
ASSOCIATE					
SPEEDEX SA*	Greece	-	-	49,55%	-
STOCK OPTION			**2.056**		**1.886**
TOTAL			**80.042**		**79.872**

**On 8/12/2017 the sale of the shareholding in the associated company SPEEDEX S.A. located in Greece was announced. The parent Company held a shareholding of 49,55%. For the year 2017, profit from the sale of the shareholding in SPEEDEX SA amounted to € 115 th.*

Operation of each aforementioned company is analysed in the Annual Report of the Board of Directors.

On 31/12/2017 there were no indications for the conduction of impairment test for subsidiaries.

Associated companies VYNER LTD and SW SOFIA MALL ENTERPISES LTD are included in the consolidated financial statements of the Group through the application of the equity method. After applying the equity method, a loss of € 1.160 thousand (2016: 1.777 thousand) was recognised in the consolidated income statement under “Contribution to associate companies losses" with a corresponding decrease in the carrying value of investments in associates. Further differentiation of the investment value is due to the increase of the share capital of the associate SW SOFIA MALL ENTERPISES LTD of amount € 85 thousand and VYNER LTD of amount € 410 thousand.

The consolidated financial information of VYNER LTD is as follows:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Losses	Shareholding
2017	Cyprus	145.712	101.426	9.439	-1.849	50,00%
2016	Cyprus	143.849	98.535	9.897	-2.581	50,00%

The consolidated financial information of SW SOFIA MALL ENTERPISES LTD is as follows:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Losses	Shareholding
2017	Cyprus	1.889	201	156	-471	50,00%
2016	Cyprus	2.129	225	153	-973	50,00%

The Summary financial information of SPEEDEX SA is as follows:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Losses	Shareholding
2017 (until 30/11)	Greece	22.266	25.232	32.901	721	-
2016	Greece	18.862	22.972	33.546	967	49,553%

11. Inventory

Inventory is analyzed as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Inventory	73.947	73.832	0	0
Advances for purchases of merchandise	3.412	3.853	0	0
Total	**77.359**	**77.685**	**0**	**0**

The inventory cost of the Group which was recorded as an expense under cost of goods sold amounts to € 243.235 thousand (2016: € 242.882 thousand). The inventory value that was written off within the financial year was € 1.194 thousand (2016: € 1.332 thousand). Impairment provisions for properties and idle and slow moving inventory were made within the current year of amount € 306 thousand (2016: € 316 thousand). A mortgage contract was held regarding the inventory of a Group’s subsidiary until the amount of € 25.000 thousand for the improvement of the credit terms. The total provision for inventory on 31/12/2017 for the Group amounts to € 1.590 th. (31/12/2016: € 2.181 th.).

12.Trade receivables

Trade receivables are analyzed as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade Receivables	9.361	9.581	1.521	1.079
Cheques receivables	18	108	0	0
Bad Debt Provisions	-7.239	-7.387	0	0
Total	**2.140**	**2.302**	**1.521**	**1.079**

The above balance is formed by numerous customers and there is not a single customer with a significant balance in the Group.

The movement of the provision for bad debt receivables for 2017 and 2016 is analyzed as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Opening Balance	-7.387	-6.690	0	0
Reversal of provisions	153	58	0	0
Provision	-5	-754	0	0
Closing Balance	**-7.239**	**-7.387**	**0**	**0**

As at December 31, 2017 and 2016 the ageing of trade receivables is analyzed as follows:

	Total	Not due trade receivables	Overdue trade receivables
2017	2.140	774	1.366
2016	2.302	649	1.653

13.Other receivables

Other receivables are analyzed as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Debited VAT	1.422	1.479	0	-2
Credit Cards Receivables	7.168	6.336	0	0
Other Debtors	16.007	10.872	5.101	9.083
Total	**24.596**	**18.687**	**5.101**	**9.080**

On 31/12/2017, other debtors include receivables for the submission of administrative appeal of a subsidiary and total payment of the main tax amount less the corresponding additional taxes and surcharges, which is of amount € 0 (2016: € 2.598). Furthermore, accruals of amount € 4.047 thousand and suppliers advances of amount € 1.142 thousand (2016: accruals of amount € 4.437 thousand and suppliers advances of amount € 288 thousand) are included in other debtors. For the Group for the year 2017, other debtors include the amount of € 6.775 th regarding credit cards discounting program of a subsidiary while, for the Company for the year 2017, other debtors include receivables from subsidiary regarding dividend of amount € 5.000 th (2016: 8.500 th).

14.Cash

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

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cash in hand	2.232	1.905	1	0
Bank Deposits	34.372	31.711	2.842	1.335
Total	**36.603**	**33.616**	**2.843**	**1.335**

The temporary unallocated cash amounts of the Group's companies are placed in short-term deposits in euros. The average weighted deposit interest rate for the year 2017 is 0,70% (2016: 0,85%).

15.Investments / Financial data available for sale

Within the year 2017, the amount of € 307 th. was accounted as profit from sale of shares held in a subsidiary's portfolio and the relevant change occurred in net equity was € 204 th. The valuation method of Investments/ Financial data available for sale was ranked at level 1 of the hierarchy.

16.Share capital

On 31/12/2017 the share capital amounted to € 50.094.377,36 divided into 51.643.688 shares of nominal value € 0,97 per share (Note 1).

On 31/12/2016 the share capital amounted to € 54.923.538,70 divided into 51.330.410 shares of nominal value € 1,07 per share.

Evolution and coverage of share capital of the Company since its composition are analyzed as follows:

Table of capital evolution (amounts in euros)								
		Amount of increase		Amount of decrease				
Date of General Assembly	Government Gazette No.	Cash Payments	By capitalization of reserves-goodwill assets-Difference of share premium account	By decreae of nominal value of the share and capital return with cash payment to shareholders	New shares total	Shares total	Share Capital after the increase/ decrease	Nominal value per share
Founding Capital	618/13.6.66	514.673,51	-	-	5.000	5.000	14.673,51	2,93
27/07/68	930/23.8.68	-	514.673,51	-	5.000	10.000	29.347,03	2,93
29/11/71	1978/20.12.71	-	58.694,06	-	20.000	30.000	88.041,09	2,93
27/06/75	2233/15.10.75	-	17.608,22	-	6.000	36.000	105.649,30	2,93
11/10/82	4007/11.11.82	3,00	109.461,42	-	37.300	73.300	215.113,72	2,93
19/02/88	446/17.3.88	528.246,52	1.897.872,34	-	2.926.700	3.000.000	2.641.232,58	0,88
24/06/89	4336/29.12.89	-	264.123,26	-	300.000	3.300.000	2.905.355,83	0,88
21/12/92	228/21.1.93	-	290.535,58	-	330.000	3.630.000	3.195.891,42	0,88
11/06/94	2985/17.6.94	479.383,71	3.195.891,42	-	4.174.500	7.804.500	6.871.166,54	0,88
27/06/98	5395/7.7.98	-	5.496.933,24	-	6.243.600	14.048.100	12.368.099,78	0,88
05/03/99	1572/22.3.99	6.648.774,76	-	-	7.551.900	21.600.000	19.016.874,54	0,88
23/06/00	7051/25.7.00	3.847.395,45	-	-	4.370.000	25.970.000	22.864.269,99	0,88
22/06/01	5916/11.7.01	-	3.105.730,01	-	-	25.970.000	25.970.000,00	1
21/06/02	6897/8.7.02	-	25.970.000,00	-	25.970.000	51.940.000	51.940.000,00	1
20/06/03	12169/4.11.03	Cancellation 987.080 of own shares		-	-	50.952.920	50.952.920,00	1
10/06/11	99/19.1.11	39.402,00	-	-	39.402	50.992.322	50.992.322,00	1
13/06/14	243951/3.9.14	Share capital increase 3.569.462,54 by capitalization of tax free reserves 3.297.339,74 and share premium differences 272.122,08		-	-	50.992.322	54.561.784,54	1,07
22/12/16	881038/03.01.17	361.754,16	-	-	338.088	51.330.410	54.923.538,70	1,07
16/06/17	1111376/06.7.17	-	-	5.133.041,00	-	51.330.410	49.790.497,70	0,97
18/12/17	1315305/26.1.18	303.879,66	-	-	313.278	51.643.688	50.094.377,36	0,97
					Total	**51.643.688**	**50.094.377,36**	**0,97**

17. Reserves

The movement of the reserves is analyzed as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Statutory Reserves	19.688	19.048	6.686	6.686
Revaluation Reserves	722	722	0	0
Foreign exchange diff. from Statement of Financial Position transl. reserves	-7.265	-5.569	0	0
Extraordinary/Tax free Reserves	16.313	16.518	6.970	6.970
SOP Reserve	1.617	1.397	1.750	1.531
IRS Reserve	-124	-350	0	0
Total	**30.951**	**31.766**	**15.406**	**15.187**

Statutory Reserve: In accordance with the provisions of Greek company law, the creation of a statutory reserve, through the transfer of the 5% of the annual after tax profits, is mandatory up until the reserve reaches 1/3 of the share capital. The statutory reserve is only distributable upon dissolution of the Company, it may however be used to set - off accumulated losses.

Extraordinary / Tax-free Reserves: The Group has Extraordinary/Tax-free Reserves of amount € 16.313 thousand (2016: € 16.518 thousand), which was mainly derived from shares sales listed in Athesn Stock Exchange, dividends, interests and income from doubtful debt provision of L. 3296/04. In case of distribution or capitalisation the reserves will be taxed with the official tax rate declared by L4172/2013 (Note 23).

Exchange Differences from subsidiaries accounts conversion: This reserve is comprised from the foreign exchange differences arising from the retranslation of the financial statements of Subsidiaries which have a different functional currency from the parent company.

Cash Flow Hedging reserve: The hedging reserve comprises of the effective portion of the cumulative net change in the fair value of cash flow hedging instruments (IRS) (Note 21).

18.Dividends

The Shareholders Ordinary General Assembly held on 16/6/2017 did not propose a dividend distribution for the year 1/1 – 31/12/2016. The parent company registered in its income dividend from subsidiary of amount € 5 million during the year 2017.

19.Employee retirement benefits

19.1 Liabilities due to termination of service

The obligation of employee compensation due to termination of service (Law 2112/20, 4093/12 for Greek Companies, Bulgarian Labor Law for Bulgarian Companies and Labor Law 1475 for Turkish Company) appears in the Financial Statements in compliance with IAS 19 and is based on an actuarial study elaborated by AON Hewitt on December 31st,2017.

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

Greek Companies	2017	2016
Average annual payroll increase	1,00%	1,00%
Discount interest rate	1,59% - 1,80%	1,65% - 1,90%
Inflation	1,00%	1,00%
Plan duration (years)	16-23	15-24

In case of an average annual payroll increase by 0,50% (namely 1,50%), the amount of liabilities due to termination of service of Greek companies would increase from 7,93% to 11,84%. In case of a discount rate increase by 0,50%, the amount of liabilities due to termination of service of Greek companies would decrease from 7,17% to 10,73%.

Bulgarian Companies	2017	2016
Average annual payroll increase	3,50%	3,50%
Discount interest rate	1,70%	2,15%
Inflation	2,00%	2,00%
Plan duration (years)	24-28	24-29

In case of an average annual payroll increase by 0,50% (namely 4,00%), the amount of liabilities due to termination of service of Bulgarian companies would increase from 12,08% to 14,33%. In case of a discount rate increase by 0,50% (namely 2,20%), the amount of liabilities due to termination of service of Bulgarian companies would decrease from 10,80% to 12,65%.

Turkish Company	2017	2016
Average annual payroll increase	7,10%	7,10%
Discount interest rate	10,50%	10,00%
Inflation	5,10%	5,10%
Plan duration (years)	23	23

In case of an inflation increase by 0,50% (namely 5,60%), the amount of liabilities due to termination of service would increase by 11,00% for INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. In case of a discount rate increase by 0,50% (namely 11,00%), the amount of liabilities due to termination of service would decrease by 10,00% for INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. In the analysis of sensitivity of Turkey, a reference is made to the inflation rate and not to compensation increase because benefits in Turkey are subject to a maximum salary (plafond) and an increase/decrease of inflation will affect the maximum salary.

The expense derived from the compensation to employees due to retirement, that was recorded in the Income Statement of the financial year 2017 is analysed as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Service Cost	346	299	26	24
Interest Cost	74	83	8	9
Cost reduction/settlement/termination service	283	296	2	17
Total amount allocated in Income statement	**704**	**679**	**36**	**50**
Balance of Liability at the beginning	**3.921**	**3.086**	**430**	**334**
Compensation due to retirement	704	679	36	50
Paid amounts	-366	-387	0	-22
Actuarial gains/losses	118	543	28	69
Foreign exchange diff from the translation in F.C.	-20	0	0	0
Balance of liability in the end	**4.357**	**3.921**	**494**	**430**

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

19.2 Share based payments

The Ordinary General Assembly of the Company of June 16, 2017, under the context of Stock Option Plan, approved the disposal of 2.566.520 stock options and the authorization to the Board of Directors regarding the settlement of procedures and details. The program will be implemented in four waves, with a maturity period of five years per wave. Options should be exercised within five years since their maturity date. In case that, after the grant some of the options remain undisposed, those options will be cancelled. The underlying price of each wave is the closing stock price on the day of General Assembly's resolution regarding the approval of the program.

On 20/11/2017 the board of Directors granted 641.630 Stock Options, which are the first of the four waves. The underlying share price, to which conferred options reflect, is determined at the amount of 5,768 € per share which is the closing stock price of the share (adjusted with the share capital decrease which took place after the date of the General Assembly).

The options of the wave mentioned above are granted within five years as follows:

Vesting Date	No of Options
31/12/2017	128.326
31/12/2018	128.326
31/12/2019	128.326
31/12/2020	128.326
31/12/2021	128.326

The fair value of options has been calculated based on the simulation of the Company's share price assuming that the price will develop to the "Binomial Pricing" model. Fair value per option and vesting date has been defined as follows:

Vesting Date	Value per Option €
31/12/2017	0,962
31/12/2018	1,064
31/12/2019	1,152
31/12/2020	1,225
31/12/2021	1,290

The variables upon which the data above were calculated are as follows:

Variable	Value
Exercise Price	€ 5,77
Grant Date	20/11/2017
Stock Volatility	28,1%
Dividend Yield	1,72%
Attrition Rate	
Risk Free Rate	0%
0,3953%	

On 13/11/2017, the BoD of the Company issued an Invitation to the beneficiaries of the SOP which was approved by the Extraordinary General Assembly held on 27/9/2013, regarding the exercise of their options. 22 beneficiaries responded to this Invitation and exercised their option for the acquisition of 313.278 shares, of nominal value € 0,97 and underlying price € 3,34 per share and paid the total amount of € 1.046.348,52.

It is noted that the underlying price of shares to which the distributed options reflect, had been initially determined at the amount of € 3,40 per share, which was the closing stock price of the share on the date of the resolution of the General Assembly regarding the SOP since 27/9/2013 (Extraordinary General Assembly date). Due to corporate events (capital return by cash payment), the historical closing price of the share was readjusted and formed at the amount of € 3,34 per share.

During the period 1/1 – 31/12/2017, beneficiaries waived their right to exercise 11.580 options (2016: 6.659) which were granted by the BoD on 25/11/2013, beneficiaries waived their right to exercise 13.626 options (2016: 6.548) which were granted by the BoD on 24/11/2014 and also beneficiaries waived their right to exercise 26.097 options (2016: 13.158) which were granted by the BoD on 25/11/2015.

During the period 1/1 – 31/12/2017, the amount of € 219.258 was registered in the Consolidated Income Statement as an expense.

19.3 Benefit contributions under the private insurance program

During the year ended on December 31, 2017 the amount of defined benefit contributions under the private insurance program that was recorded as an expense by the parent Company totalled at € 188 thousand (2016: € 174 thousand) while the respective amount recorded as an expense by the Group amounted to € 477 thousand (2016: € 471 thousand).

20. Financial Instruments and Risk Management Policies

20.1 Credit Risk

Exposure to Credit Risk

The Group has significantly reduced its exposure to credit risk due to the disinvestment of the wholesale trading of electrical equipment segment and the focus in the retail segments where the payment of goods is mainly made by cash or credit cards discounts. The maximum exposure to credit risk at the date of the Statement of Financial Position, without taking into consideration any hedging or insurance strategies, was as follows:

	Book Value (€000s)	
	2017	2016
Trade & other receivables	2.140	2.302
Cash & Cash equivalent	36.603	33.616

The maximum exposure to credit risk on trade receivables of the Group without taking into consideration any hedging or insurance strategies at the date of the Statement of Financial Position, per geographic segment was as follows:

	Book Value (€000s)	
	2017	2016
Greece	2.079	2.112
Southeastern Europe Countries	61	190

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

	Book Value (€000s)	
	2017	2016
Wholesale trade customers	1.884	1.898
Retail trade customers	256	404

20.2 Liquidity Risk

Liquidity risk is retained at low levels by maintaining adequate bank credit lines and significant cash and cash equivalents which on 31/12/2017 amounted to € 36,6 million for the Group vs € 33,7 million on 31/12/2016. During year 2017, the Group managed to maintain the improved credit terms from its main suppliers.

The contractual loan dues including interest payments, excluding the net - off agreements, are as per paragraph Borrowings, while for Accounts Payable and Other Liabilities are less than 12 months.

	Immediate termination	3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
2017						
Credit Lines	0	400	2.378	0	0	2.778
Short-term loans	68	8.500	4.735	0	0	13.303
Long-term loans	495	992	7.797	117.500	0	126.784
Leasing	45	91	419	995	0	1.549
Total	**609**	**9.983**	**15.328**	**118.495**	**0**	**144.414**
2016						
Credit Lines	0	0	4.122	0	0	4.122
Short-term loans	3.064	8.500	11.216	0	0	22.780
Long-term loans	-14	1.308	14.142	103.265	0	118.700
Leasing	43	198	756	1.549	0	2.546
Total	**3.092**	**10.005**	**30.236**	**104.814**	**0**	**148.148**

20.3 Foreign Exchange Risk

Foreign exchange risk exposure

The Group is exposed to foreign exchange risk arising from its transactions in foreign currencies (RON, USD, TRY, SEK). The percentage of the balance of suppliers in currency other than the publication currency (euro) is 14,56% of the total. The Group, in order to minimize the foreign exchange risk, in certain cases pre - purchases foreign currencies.

The Group has investments in companies overseas, the net assets of which are exposed to foreign exchange risk. This type of foreign exchange risk (translation risk) arises due to the operations in Romania (RON), Bulgaria (BGN) and Turkey (TRY). The Management has managed to reduce foreign exchange risk, given the strong capital structure of the companies and to decrease borrowings in currencies other than the local.

More particularly, approximately 90% of GENCO TRADE SRL loans, which is located in Romania, are in local currency (RON) in an effort to avoid the exchange difference charges resulting from RON devaluating vs. the Euro. In Bulgaria the local currency is pegged to the Euro (EUR/ BGN = 1.95583) a fact which can not guarantee that economic problems and consequences of the global crisis on Bulgaria, will not increase the risk that this conversion ratio will remain constant. In Turkey, the financing for commercial activity is in local currency, while for investments is in euro.

	31/12/2017 Foreign Currency in thousand euros							
	USD	GBP	CHF	SEK	RON	TRY	BGN	EUR
Trade Creditors and other liabilities	138	0	-1	460	2.800	3.566	0	7.538

	31/12/2016 Foreign Currency in thousand euros							
	USD	GBP	CHF	SEK	RON	TRY	BGN	EUR
Trade Creditors and other liabilities	-25	0	1	411	3.225	3.621	2	9.683

Sensitivity Analysis

A Euro revaluation of 10% at December 31, vs the below currencies would increase (decrease) the Net Equity and the Operating Results as per the amounts indicated at the below summary. It is assumed that all other variables (Interest Rates) would remain constant.The analysis was performed in a similar manner for 2016.

Impact in €000s	Net Equity	Operating Result
Dec 31, 2017		
USD	14	14
SEK	46	46
TRY	357	357
RON	280	280
Total	**697**	**697**
Dec 31, 2016		
USD	(3)	(3)
SEK	41	41
TRY	362	362
RON	323	323
BGN	0,2	0,2
Total	**723,2**	**723,2**

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

The exchange rates of foreign currencies used for the conduction of the financial statements of the year 2017, are presented at the table below:

BS	31/12/17
TRY	4,5464
BGN	1,9558
RON	4,6585

PL	1/1/2017-31/12/2017
TRY	4,1206
BGN	1,9558
RON	4,5688

20.4 Interest Rate Fluctuation Exposure

Profile
The Group is subject to cash flow risks which in the case of possible variable interest rates fluctuation, may affect positively or negatively the cash inflows or outflows related to the Group's assets or liabilities. Despite of the fact that we believe that in an environment of prolonged global slowdown, the risk of rising interest rates remains low, the group has entered into Interest Rate Swap (IRS) contracts effectively converting part of the loans from floating to fixed interest rate for a period of 3 to 5 years.

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

Sensitivity Analysis of fair value for financial instruments with a variable interest rate
A 1% fluctuation of the Group's borrowing rate at December 31, would increase (decrease) equally the Net Equity and the Operating Results by € 1.444 thousand for the year 2017 and € 1.481 thousand for the year 2016.

Sensitivity Analysis of fair value for financial instruments with a fixed interest rate
No such Instruments (Assets/Liabilities) valued at fair value through income statement exist.

20.5 Fair value of financial instruments

The carrying amounts of the financial instruments of assets and liabilities (i.e. trade and other receivables, cash and cash equivalents, trade and other payables, derivative financial instruments, borrowings and finance leases) approximate their fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants at the measurement date. The fair values of the financial instruments as of 31 December 2017 represent management's best estimate. In situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Group's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Group based on the best information available in the circumstances.

The three levels of the fair value hierarchy are as follows:
- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Assets or liabilities prices that are not corroborated by market data.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:
- Cash and cash equivalents, trade and other receivables, trade and other payables accounts: the carrying amounts approximate their fair value either due to the short maturity of these instruments or because there is no foreign currency risk exposure.
- Borrowings: The carrying amount approximates their fair value mainly due to the fact that they bear interest at floating rates and are denominated in local currency.

- Derivative financial instruments: The valuation method was determined by taking into consideration all factors in order to determine precisely fair value, such as the current and the prospective interest rates trend and the duration and falls into level 2 of the fair value hierarchy.

Within the year, there were neither moving between levels 1 and 2 nor moving inside and outside level 3 during the measurement of fair value. Moreover, within the same year, there was no change in the purpose of any financial asset which would lead to a different classification of this asset.

20.6 Capital Management

The primary objective of the Group's capital management is to ensure and maintain strong credit ratings and healthy capital ratios in order to support the investment projects and maximizing the return of invested capital for the shareholders.

The Group monitors its capital management through the use of a gearing ratio - net debt divided by equity plus net debt - where net debt includes interest bearing loans and borrowings minus cash. The Group's strategic objective is to maintain the above ratio between 30% and 45%. On 31/12/2017 the ratio stood at 39% (2016: 41%).

21.Borrowings

Borrowings for the year 2017 and 2016 are analyzed as follows:

	Group	
	31/12/17	**31/12/16**
Non-current loans	126.784	125.700
Finance Leases	1.549	2.546
Total long term loans and short term portion of long term loans	**128.334**	**128.246**
Current portion of non-current loans and borrowings	9.285	22.436
Short-term portion of non-current Lease	555	996
Non-current loans	118.495	104.814
Short term loans for working capital	16.081	19.902
Total loans and borrowings	**144.414**	**148.148**

The Company had no loan liabilities on 31/12/2017 and on 31/12/2016.

The maturity table of the Finance Lease Liability is as follows:

Group	**2017**				**2016**			
	Up to 1 year	**2-5 years**	**More than 5 years**	**Total**	**Up to 1 year**	**2-5 years**	**More than 5 years**	**Total**
Future Lease Payments	629	1.049	0	1.678	1.112	1.669	0	2.781
Less Interest	-75	-54	0	-129	-115	-120	0	-235
Present Value of Future Lease Payments	**555**	**995**	**0**	**1.549**	**996**	**1.549**	**0**	**2.546**

The repayment period of non - current loans varies between 1 to 8 years and the average effective interest rate of the Group was 4,08% during the year 2017 (2016: 4,15%). Repayments and proceeds of loans of the current period amounted to € 65.915 thousand and € 68.948 thousand respectively.

Non - current loans, including their part which is payable within 12 months, cover mainly the Group's growth needs and are analyzed in bond, syndicated and other non - current loans as follows:

31/12/2017		Amount	Issuing Date	Duration
	Bilateral	305	17/8/2011	7 years from the issuing date (€305 th. payable forthcoming period)
	Bilateral	2.900	17/3/2016	5 years from the issuing date (€514 th. payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	582	17/3/2016	2 years from the issuing date (€582 th. payable forthcoming period)
	Bilateral	1.400	30/3/2016	3,5 years from the issuing date (€800 th. payable forthcoming period)
	Bilateral	1.950	30/3/2016	6 years from the issuing date (€600 th. payable forthcoming period)
		7.137		
TRADE LOGISTICS S.A.	Bond	6.550	8/3/2017	5 years from the issuing date (€600 th. payable forthcoming period)
		6.550		
RENTIS S.A.	Bond	8.250	19/7/2017	3 years from the issuing date (payment at maturity date)
		8.250		
HOUSE MARKET BULGARIA AD	Syndicated	36.304	11/7/2016	9 years from the issuing date (€3.948 th. payable forthcoming period)
		36.304		
INTERSPORT S.A.	Bond	29.182	28/7/2017	5 years from the issuing date (€1.935 th. payable forthcoming period)
		29.182		
HOUSEMARKET S.A.	Bond	39.361	4/10/2016	5 years from the issuing date
		39.361		
Total		**126.784**		

31/12/2016		Amount	Issuing Date	Duration
	Bilateral	1.169	17/8/2011	7 years from the issuing date (€804 th. payable forthcoming period)
	Bilateral	2.900	17/3/2016	5 years from the issuing date
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	1.636	17/3/2016	2 years from the issuing date (€1.110 th. payable forthcoming period)
	Bilateral	2.150	30/3/2016	3,5 years from the issuing date (€800 th. payable forthcoming period)
	Bilateral	2.600	30/3/2016	6 years from the issuing date (€600 th. payable forthcoming period)
		10.455		
HOUSE MARKET BULGARIA AD	Syndicated	39.579	11/7/2016	9 years from the issuing date (€3.247 th. payable forthcoming period)
		39.579		
HOUSEMARKET S.A.	Bond	39.190	4/10/2016	5 years from the issuing date
		39.190		
INTERSPORT S.A.	Bond	22.476	18/11/2014	5 years from the issuing date (€2.090 th. payable forthcoming period)
		22.476		
TRADE LOGISTICS S.A.	Bond	7.000	4/11/2009	8 years from the issuing date (€7.000 th. payable forthcoming period)
		7.000		
RENTIS S.A.	Bond	4.700	2/3/2013	2 years from the issuing date (an extension was agreed until 20/1/2017) (€4.700 th. payable forthcoming period)
	Bond	2.300	20/1/2010	7 years from the issuing date (€2.300 th. payable forthcoming period)
		7.000		
Total		**125.700**		

Non –current loans include:

a) The bond loan issued by the company HOUSEMARKET S.A. of five-year maturity. The Bond Loan, was disposed through a public offering between 28th and 30th of September 2016 in Greece by cash payment and the available 40.000.000 bearer bonds were issued on 6/10/2016 for trading in the Fixed Income Securities Category of the regulated market of Athens Stock Exchange. The loan is subject to greek law, has a five year maturity date with fixed interest rate 5% per year and quarterly interest payment. Direct costs of the bond loan issue amounted to € 853 th., of which € 43 th. have been allocated within the year 2016, € 171 th. within the year 2017, € 171 th. will be allocated within 12 months of the year 2018 and € 468 th. within the next years.
b) The remaining finance lease liability of amount € 1.549 th. of the company INTERSPORT ATHLETICS S.A. through which it financed the purchase of new mechanical equipment for warehousing and transportation of goods in the warehousing premises of the subsidiary company TRADE LOGISTICS S.A. on 29 September 2015. The finance lease expires on September 2020.

On December 2017, the financial leasing regarding the land and building improvements of the IKEA Store, located in Pylaia Thessaloniki, of the company HOUSEMARKET, ended.

Total short term loans of the Group include current loans and overdraft bank accounts which are used for the Group's working capital needs. The amounts drawn are used mainly to cover current obligations to suppliers. The weighted average interest rate of short term loans for the period 1/1/2017 to 31/12/2017 was approximately 6,05% (2016: 5,97%). During the current period, Interest Rate Swaps or IRSs continue to exist, in order to mitigate the risk of subsidiaries of a sudden increase in interest rates in the interbank market.

The terms of the swap agreements are as follows:

- 5year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for nominal amount of 5 million euros, with a negative fair value for HOUSE MARKET BULGARIA AD on 31/12/2017 of € 16 thousand (31/12/2016: € 45 thousand). The outcome of the valuation has been registered in the Statement of Comprehensive Income.
- 7year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for nominal amount of 25,1 million euros, with a negative fair value for HOUSE MARKET BULGARIA AD on 31/12/2017 of € 122 thousand (31/12/2016: € 344 thousand). The outcome of the valuation has been registered in the Statement of Comprehensive Income.

Some of Group's loans include loan covenants. On 31/12/2017 the Group was in compliace with the terms of its loans.

The Group, having centralized its capital management, has the ability to directly identify, quantify, manage and hedge, if necessary, its financial risks created by its operational activities so as to be consistent to the changes in the economic environment. The Group continuously observes and budgets its cash flow and acts appropriately in order to ensure open credit lines for covering current capital needs. The Group has adequate open credit lines with domestic and foreign financial institutions in order to cover the needs of the companies in working capital.

22.Trade and other payables

Trade and other payables are analyzed as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade Payables	76.472	74.931	175	784
Accrued expenses	8.715	7.990	531	662
Other payables	2.260	1.288	129	534
Taxes liability	7.745	7.740	185	280
Customers advances	1.458	1.499	0	720
Insurance Organizations	2.875	2.731	157	144
Total	**99.526**	**96.179**	**1.177**	**3.124**

Increase in accrued expenses is due to provision of bond loan interest payment of a subsidiary and an expense provision due to targets achievement.

23.Income taxes

The nominal tax rates in the countries that the Group is operating vary between 10% and 29% for the year 2017, as follows:

Country	Income Tax Rate (31/12/2017)
Greece	29,0%
Romania	16,0%
Bulgaria	10,0%
Cyprus	12,5%
Turkey	20,0%

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

COMPANY	YEARS
FOURLIS HOLDINGS SA	2012 – 2017 (*)
INTERSPORT ATHLETICS SA	2008 – 2017 (*)
GENCO TRADE SRL	2007 – 2017
GENCO BULGARIA EOOD	2017
TRADE LOGISTICS SA	2012 – 2017 (*)
HOUSEMARKET SA	2012 – 2017 (*)
HM HOUSEMARKET (CYPRUS) LTD	2012 – 2017
HOUSE MARKET BULGARIA AD	2013 – 2017
RENTIS SA	2012 – 2017 (*)
INTERSPORT ATHLETICS (CYPRUS) LTD	2006 – 2017
WYLDES LTD	2009 – 2017
INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.	2016 – 2017

Assosiate companies have not been audited by the tax authorities for the years noted below:

COMPANY	YEARS
VYNER LTD	2009 – 2017
SW SOFIA MALL ENTERPRISES LTD	2015 – 2017

(*) For the fiscal years 2011, 2012 and 2013 all companies of the Group located in Greece, have been subjected to tax audit by Certified Audit Accountants in compliance with the provisions of Article 82 par. 5 of Law 2238/1994 and for the fiscal years 2014, 2015, 2016 and 2017 in compliance with the provisions of Article 65 a of Law 4174/2013 and received a Tax Compliance Certificate for fiscal years 2011, 2012, 2013, 2014, 2015 and 2016 while tax audit for the fiscal year 2017 is in progress. Upon completion of the audit, the Management of the Company and Group does not expect any significant liabilities to occur, other than those recorded in the Financial Statements. In order for the years 2011, 2012 and 2013 to be considered integrated, provisions specified in par. 1a of Article 6 POL 1159/2011 should apply. The integration of the years 2014 and 2015 is implemented based on POL 1124/2015.

On 31/12/2017, the years until 2011 were integrated in compliance with provisions of par. 1 article 36 L. 4174/2013 as announced with POL 1208/2017.

In September 2014 the tax audit for the financial years 2007-2010 of the subsidiary HOUSEMARKET S.A. was completed and taxes of amount € 1.841 thousand, as well as fines and surcharges of amount € 2.022 thousand were assessed. On 24/10/2014 an administrative appeal was submitted, according to art. 63 of the Law 4174/2013, seeking for the review of the assessment acts of the Tax Authorities, and half of the amount disputed, i.e. € 1.937 thousand was paid. On 24/2/2015 the company was informed of the decision of the Authority for the Settlement of Disputes, regarding the aforementioned administrative appeal, which reduced the taxes assessed to € 1.632 thousand and the fines and surcharges to € 1.761 thousand. On 3/4/2015 two (2) appeals (regarding VAT and income tax) were submitted to the Administrative Courts, against the decision of the Authority for the Settlement of Disputes. On 29/4/2015, based on the L. 4321/2015, the full payment of the amount of the main tax was made with a decrease of additional taxes and surcharges attributable. 22/9/2015 was the date set for the discussion of the appeal of the subsidiary HOUSEMARKET SA in the Administrative Court of Appeals, which was postponed for 1/12/2015. On 1/12/2015 the case was discussed at the Administrative Court of Appeals and the resolution 1406/2016 was issued regarding the appeal versus assesments of income tax and the resolution 1405/2016 regarding the appeal versus assesments of VAT. Based on the resolution

1406/2016, the relative Appeal conducted versus assesments of income tax of the fiscal year 2007 was, at a highly significant extent, accepted and the trial of the years 2008, 2009 and 2010 was conducted on 6/12/2016, while the relevant resolutions were announced within the year 2017. Based on the resolution 1405/2016, the Judicial Appeal of VAT was rejected. The resolutions 1406/2016 and 1405/2016 were served on 25/7/2016. Against the 1406/2016 resolution of the Administrative Court of Appeals, the appeal of 14/11/2016 was lodged on behalf of the State, the trial date of which has not yet been determined. On 20/9/2017, resolutions 4501/2017, 4502/2017 and 4503/2017 of Administrative Court of Appeals were issued, based on which the Court accepted total accounting differences of amount € 2.244 for the years 2008, 2009 and 2010. The accumulated tax provision for the unaudited tax years of the subsidiary HOUSEMARKET SA on 31/12/2017 amounts to € 0 th. (31/12/2016: 1.796 th.).

For the period 1/1 - 31/12/2017:

- the audit of HM HOUSEMARKET (CYPRUS) LTD was completed for the years 2006-2011 and audit differences arised of amount € 45 th.,
- the audit of HOUSEMARKET BULGARIA AD was completed for the years 2010-2012 and audit differences arised of amount € 33 th. arised,
- the audit of GENCO BULGARIA EOOD was completed on July for the years 2012-2016 and audit differences, fines and surcharges arised of amount € 64 th.

The income tax expense for the year 2017 and the relative year 2016 is as follows:

	Group		Company	
	2017	2016	2017	2016
Income Tax	**2.119**	**2.742**	**0**	**0**
Tax Audit Differences	228	41	0	0
Deferred Taxes:				
Differences of fixed assets	731	1.134	-1	-4
Provisions for employee benefits	-86	-96	-11	-15
Supplier adjustment	0	3	0	3
Provisions	272	-27	2	0
Accrued Taxes	1.110	-2.149	14	109
Inventory Write Off Provision	120	38	0	0
Total Deferred taxes	**2.147**	**-1.097**	**4**	**93**
Income Tax Expense	**4.493**	**1.686**	**4**	**93**

The reconciliation between the nominal tax rate and the effective tax rate is analyzed as follows:

	Group		Company	
	2017	2016	2017	2016
Profit before taxes	**14.532**	**7.695**	**4.033**	**7.243**
Income tax based on nominal tax rate	2.083	4.959	1.170	2.095
Tax on tax free income	0	-3.625	-1.450	-2.465
Tax on non deductible expenses	696	321	36	0
Tax on tax losses	1.542	-399	221	479
Tax audit differences	228	0	0	0
Write off receivables	0	359	0	0
Miscellaneous timing differences	-56	71	27	-16
Tax in statement of comprehensive income	**4.493**	**1.686**	**4**	**93**

Deferred taxes on 31/12/2017, which appear in the Statement of Comprehensive Income and compose income due to valuation of cash flow hedging at the fair value, amount to € 25 th. (31/12/2016: € 18 th.) and income due to defined benefits plans, amount to € 23 th. (31/12/2016: € 148 th.).

Deferred taxes as at 31 December 2017 and 31 December 2016 which appear in other Financial Statements are analysed as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Liabilities:				
Depreciation Difference	417	221	0	0
Employee retirement benefits	-199	-174	0	0
Expenses Provision	63	44	0	0
Total	**282**	**91**	**0**	**0**
Assets:				
Depreciation calc. difference	-4.194	-3.768	6	5
Employee retirement benefits	1.003	920	139	120
Stock devaluation	295	415	0	0
Provisions	-146	101	12	14
Provision for doubtful debts	1.087	1.087	0	0
Income Provision	0	-53	0	0
Deferred Income tax	6.846	8.134	557	571
Total	**4.890**	**6.836**	**714**	**710**

Deferred income taxes result from temporary differences between assets and liabilities tax recognition and financial statements composition.

On 31/12/2017, the Group had accumulated carried forward tax losses in its subsidiaries on part of which a provision was made for deferred tax asset of amount € 6.846 thousand (31/12/2016: € 8.134 thousand) as the Management considered that the recognition criteria were met. For the part of tax losses on which a deferred tax asset has been recognized, the Management estimates that they will be covered against taxable profits before their expiration date.

Given that some of the Group companies have not been audited by the tax authorities for a few years, as mentioned above, it is considered by the Group that adequate provisions for current and future tax audit differences have been made. On 31/12/2017, the cumulative Group's provision for unaudited tax years amounts to € 139 thousand (€ 2.054 th. on 31/12/2016) and to € 20 thousand for the Company as at 31/12/2017 (€ 20 th. on 31/12/2016) which is displayed in Income Tax Payable.

24.Earnings/Losses per share

The basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares during the period. The weighted average number of shares as at 31 December 2017 is 51.643.688 (31/12/2016: 51.330.410).

	Group	
	31/12/2017	31/12/2016
(Loss)/Profit after tax attributable to owners of the parent	10.039	6.009
Number of issued shares	51.643.688	51.330.410
SOP Impact	731.933	1.101.261
Effect from purchase of own shares	0	0
Weighted average number of shares	**52.375.621**	**52.431.671**
Basic (Losses)/Earnings per share (in Euro)	0,1944	0,1171
Diluted (Losses)/Earnings per share (in Euro)	0,1917	0,1146

On 16/1/2017 the trading of the 338.088 new common nominal shares started, which came from the share capital increase due to exercise of options (stock option plan).

25.Treasury Shares

On 31/12/2017, the Company does not hold treasury shares. It is noted that following the resolution of the ordinary General Assembly of the shareholders on 17/6/2016, a stock option plan has been established until the maximum number of 2.549.616 shares (5% of the paid share capital) which is in force until 17/6/2018, namely 24 months since the approval of the General Assembly.

26.Commitments and Contingencies

26.1 Commitments

The Group's contingent liabilities for the period 1/1 - 31/12/2017 are analyzed as follows:

- The parent Company has issued letters of guarantee for the associate company's loan and participation in tenders amounting to € 9.568 th.
- The parent Company has issued letters of guarantee for its subsidiaries guaranteeing liabilities amounting to € 90.469 th.
- The parent Company has contracted as a guarantor with the amount of € 2.100 th. for future leases and loan liabilities from investment of an associate company.
- Subsidiaries have issued letters of guarantee for indirect subsidiaries guaranteeing liabilities amounting to € 26.919 th.
- A subsidiary company of the Group mortgage its property to secure a bond loan amounting to € 11.005 th.
- A subsidiary company of the Group mortgage its property to secure a bond loan amounting to € 45.372 th.
- A subsidiary company of the Group mortgage its property to secure bond loans amounting to € 22.700 th.
- A subsidiary company of the Group mortgage its property to secure liabilities amounting to € 15.000 th.
- A subsidiary of the Group has a contractual obligation of Inventory of at least € 25.000 th.
- A subsidiary company has provided fluctuating guarantee on assets amounting to € 6.800 th. to secure bilateral loans.

26.2 Operating Lease

Group as Lessee: The Group has leasing contracts for plant and equipment in order to cover its operating needs. This is accomplished through finance and operating leasing contracts. Concerning the finance leasing contracts see above in paragraph "Borrowings".

Concerning operating leasing contracts, the total future dues for rents as below:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Up to 1 year	24.633	25.915	200	212
Between 1-5 years	85.953	88.425	676	729
More than 5 years	117.865	127.975	351	494
Total	**228.451**	**242.316**	**1.227**	**1.434**

The expense for operating leasing of financial year 2017, that was recorded in the income statement amounted to € 23.254 thousand (€ 23.031 thousand for the year 2016).

Group as Lessor: The future leasing contracts of the Group as a lessor are as below:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Up to 1 year	1.069	1.343	0	0
Between 1-5 years	4.765	4.080	0	0
More than 5 years	3.273	6.688	0	0
Total	**9.107**	**12.111**	**0**	**0**

26.3 Litigation

There are no litigation or arbitration proceedings as well as resolutions of judicial institutions (note 23) that might have a material impact on the assets of the Group's companies.

27.Related parties

Related parties of the Group include the Company, subsidiary and associated companies, the management and the first line managers. The parent company provides advice and services to its subsidiaries in the areas of IT, HR, financial planning and controlling, treasury and social responsibility.

The analysis of the related party receivables and payables as at 31 December 2017 and 2016 are as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Reiceivables from:				
HOUSE MARKET SA	0	0	5.248	8.500
INTERSPORT SA	0	0	631	508
TRADE LOGISTICS SA	0	0	21	29
GENCO BULGARIA	0	0	10	22
INTERSPORT (CYPRUS) LTD	0	0	3	8
HOUSE MARKET (CYPRUS) LTD	0	0	14	17
SPEEDEX SA	0	0	0	0
RENTIS SA	0	0	2	2
HOUSE MARKET BULGARIA AD	0	0	111	91
GENCO TRADE SRL	0	0	25	73
SERVICE ONE	0	0	0	0
INTERSPORT ATLETIK	0	0	323	193
TRADE STATUS SA	132	135	132	135
Total	**132**	**136**	**6.520**	**9.579**

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Payables to:				
HOUSE MARKET SA	0	0	0	926
INTERSPORT SA	0	0	0	96
TRADE LOGISTICS SA	0	0	1	8
GENCO BULGARIA	0	0	0	10
INTERSPORT (CYPRUS) LTD	0	0	0	9
HOUSE MARKET (CYPRUS) LTD	0	0	0	38
SPEEDEX SA	181	181	1	15
HOUSE MARKET BULGARIA AD	0	0	0	46
GENCO TRADE SRL	0	0	0	49
SERVICE ONE SA	0	35	0	0
INTERSPORT ATLETIK	0	0	0	26
TRADE STATUS SA	1	4	0	3
SOFIA SOUTH RING MALL AED	4	0	0	0
Management Members	24	29	24	29
Total	**210**	**249**	**26**	**1.255**

Related party transactions as at 31 December 2017 and 2016 are as follows:

	Group		Company	
	2017	2016	2017	2016
Revenue	107	127	4.114	3.950
Other Operating Income	21	41	784	1.048
Dividends	0	0	5.000	8.500
Total	**128**	**168**	**9.898**	**13.498**

	Group		Company	
	2017	2016	2017	2016
Administrative expenses	265	278	13	15
Distribution expenses	476	724	0	0
Total	**742**	**1.001**	**13**	**15**

During 2017 and 2016, transactions and fees of management members were as follows:

	Group		Company	
	2017	2016	2017	2016
Transactions and fees of management members	**2.452**	**2.610**	**546**	**525**

There are no other transactions between the Group and the Company with the management. The transactions with related parties are arm's length.

28. Transactions with Subsidiaries

During financial years 2017 and 2016, between the parent company and its subsidiaries the following transactions occurred:

	Group		Company	
	2017	2016	2017	2016
Revenue	36.958	29.005	4.019	3.839
Cost of Sales	29.678	22.800	3.721	3.686
Other Income	1.906	2.110	746	804
Administrative Expenses	4.863	4.590	7	9
Distribution expenses	4.356	3.520	0	0
Other Operating Expenses	2	18	0	0
Dividends	8.000	12.500	5.000	8.500

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade Receivables	16.625	19.463	6.388	9.444
Inventory	281	310	0	0
Creditors	14.125	16.963	1	1.208

The Group has issued letters of guarantee for its subsidiary and associated companies guaranteeing liabilities. The analysis of such letters of guarantee is disclosed in which appears in Note «Commitments and Contingencies».

29. Significant Additions in Consolidated Data

The most significant changes recorded in the Consolidated and Separate Statement of Financial Position as of 31/12/2017 in comparison with the corresponding data as at 31/12/2016 are the following:

- Increase in the amount of “Cash and cash equivalents” is due to the improvement of the Group’s operational profitability.
- Decrease in the amount of “Investments/Financial data available for sale” is due to the sale of shares held.
- Increase in the amount of “Other debtors” is due to the credit cards discounting program of a subsidiary.
- Decrease in the amount of current loan liabilities and increase in the amount of non-current loan liabilities are due to the improvement of loan terms.

30. Subsequent events

There are no other significant events following the date of 31/12/2017 that may affect the financial position and results of the Group other than those mentioned in Paragraph 4 regarding the share capital increase of a subsidiary and Note 19 regarding the exercise of stock options of the Stock Option Plan.

Information pursuant to article 10 of Law 3401/ 2005

Protocol Number	Date - Time	Subject
2017/EXAE/H/62	04/01/2017 15:53	Document providing information under L. 3401/2005 (article 4 par. 2.f.)
2017/EXAE/H/236	12/01/2017 18:26	New shares trading derived from the exercise of Stock Option Rights
2017/EXAE/H/303	16/01/2017 15:22	Trade Notification
2017/EXAE/H/304	16/01/2017 15:23	Trade Notification
2017/EXAE/H/305	16/01/2017 15:25	Trade Notification
2017/EXAE/H/306	16/01/2017 15:26	Trade Notification
2017/EXAE/H/371	17/01/2017 17:43	Announcement for the share capital and the number of issued shares
2017/EXAE/H/542	24/01/2017 18:21	Publication date FY16 financial results
2017/EXAE/H/616	27/01/2017 14:54	Trade Notification
2017/EXAE/H/698	31/01/2017 17:25	Announcement according to L. 3556/2007
2017/EXAE/H/1198	17/02/2017 17:29	Trade Notification
2017/EXAE/H/1199	17/02/2017 17:30	Trade Notification
2017/EXAE/H/1323	22/02/2017 17:25	Financial Calendar 2017
2017/EXAE/H/1319	22/02/2017 17:13	Announcement according to L. 3556/2007
2017/EXAE/H/1550	03/03/2017 12:22	Announcement according to L. 3556/2007
2017/EXAE/H/1847	14/03/2017 16:43	Financial Statement in PDF format
2017/EXAE/H/1845	14/03/2017 16:33	Financial Statement in PDF format
2017/EXAE/H/1846	14/03/2017 16:41	Financial Statement
2017/EXAE/H/1842	14/03/2017 16:18	Consolidated Financials FY16 (IFRS)
2017/EXAE/H/1871	15/03/2017 13:04	Corporate Presentation for FY 2016 Financial Results
2017/EXAE/H/1870	15/03/2017 13:01	Announcement regarding the presentation to Sale Side and Institutional Investorsinvestors
2017/EXAE/H/4192	04/05/2017 15:12	Publication date Q1FY17 financial results
2017/EXAE/H/4802	23/05/2017 16:29	INVITATION TO THE ANNUAL ORDINARY GENERAL MEETING OF THE SHAREHOLDERS
2017/EXAE/H/4803	23/05/2017 16:31	Consolidated Financials Q1FY17 (IFRS)
2017/EXAE/H/4812	23/05/2017 16:39	Corporate presentation on the financial results Q1FY16
2017/EXAE/H/4813	23/05/2017 16:44	EXPLANATORY NOTE ON THE AGENDA OF THE ANNUAL ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF 16/06/2017
2017/EXAE/H/4884	24/05/2017 17:46	Revised Financial Calendar 2017
2017/EXAE/H/5728	16/06/2017 17:25	New Stock Option Program Announcement
2017/EXAE/H/5724	16/06/2017 17:05	Announcement: Appointment of new members of the Audit Committee
2017/EXAE/H/5723	16/06/2017 16:25	ANNOUNCEMENT: Election of the new Board of Directors
2017/EXAE/H/5722	16/06/2017 16:08	Resolution of the Annual General Meeting of the Shareholders of the company, held on 16.06.2017
2017/EXAE/H/6117	27/06/2017 17:46	Trade Notification
2017/EXAE/H/6188	29/06/2017 09:51	Trade Notification
2017/EXAE/H/7103	27/07/2017 18:03	Publication date H1FY17 financial results
2017/EXAE/H/6690	13/07/2017 15:56	Announcement for the reduction of the share capital of the Company and capital return to the shareholders
2017/EXAE/H/7530	10/08/2017 11:18	ANNOUNCEMENT ACCORDING TO LAW 3556/2007
2017/EXAE/H/7610	16/08/2017 10:43	Announcement of regulated information
2017/EXAE/H/7699	21/08/2017 10:32	Trade Notification
2017/EXAE/H/8123	05/09/2017 17:19	Financial Statement in PDF format
2017/EXAE/H/8122	05/09/2017 17:17	Financial Statement in PDF format
2017/EXAE/H/8130	05/09/2017 17:31	Financial Statement
2017/EXAE/H/8121	05/09/2017 17:12	Corporate Presentation H1FY17
2017/EXAE/H/8120	05/09/2017 17:05	Consolidated Financials H1 2017 (IFRS)
2017/EXAE/H/10008	18/10/2017 10:11	Publication date Q3FY17 financial results
2017/EXAE/H/10478	06/11/2017 12:29	Announcement for the Tax Certificate of the fiscal year 2016
2017/EXAE/H/10666	13/11/2017 17:39	Invitation for the Exercise of Stock Option Rights
2017/EXAE/H/10900	21/11/2017 17:40	Q3FY17 Corporate presentation
2017/EXAE/H/10894	21/11/2017 17:02	Consolidated Financials 9MFY17 (IFRS)
2017/EXAE/H/11378	08/12/2017 17:21	Stake dispose of an affiliate
2017/EXAE/H/11428	12/12/2017 10:24	Trade Notification
2017/EXAE/H/11429	12/12/2017 10:25	Trade Notification
2017/EXAE/H/11591	18/12/2017 18:38	Announcement for the exercise of stock option rights
2017/EXAE/H/11613	19/12/2017 13:25	Trade Notification
2017/EXAE/H/11614	19/12/2017 13:28	Trade Notification
2017/EXAE/H/11615	19/12/2017 13:29	Trade Notification
2017/EXAE/H/11616	19/12/2017 13:34	Announcement for the exercise of stock option rights
2017/EXAE/H/11629	19/12/2017 17:28	Announcement according to L. 3556/2007

Web site for the publication of the Annual Financial Statements

The Annual Financial Report of the Group (Consolidated and Separate), The Independent Auditors Report and the Board of Directors Report for the year 2017 has been published by posting on the internet at the web address http://www.fourlis.gr. At the same web address, all Annual Financial Statements, Audit Reports and Board of Directors Reports of the companies which are consolidated and they are not listed and which cumulatively represent a percentage higher than 5% of consolidated revenues or assets or operating results after the deduction of minority shares proportion, are published.

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