SPORTSWEAR MARKET SINGLE MEMBER COMMERCIAL COMPANY SOCIETE ANONYME

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

GENERAL ELECTRONIC COMMERCIAL REGISTRY NO: 121753801000

OFFICES : 25, ERMOU STR. – 14564

KIFISSIA, ATTICA

ANNUAL FINANCIAL REPORT

For the period

1/1/2025 to 31/12/2025

(TRANSLATED FROM THE GREEK ORIGINAL)

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Statements of Members of the Board of Directors

The undersigned

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

WE DECLARE THAT

We confirm that to the best of our knowledge:

a. The Company's Financial Statements for the period from 1/1 - 31/12/2025, prepared in accordance with the applicable International Financial Reporting Standards, as adopted by the European Union, accurately reflect the assets and liabilities, net position and results of use of SPORTSWEAR MARKET SINGLE-MEMBER COMMERCIAL SOCIETE ANONYME.

b. The Annual Management Report of the Board of Directors depicts in a true manner the development, performance and position of SPORTSWEAR MARKET SINGLE-MEMBER COMMERCIAL COMPANY S.A., including a description of the main risks and uncertainties they face.

Kifissia, 5 June 2026

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

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY SPORTSWEAR MARKET SINGLE-MEMBER COMMERCIAL SOCIÉTÉ ANONYME ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2025

TO THE SHAREHOLDERS ANNUAL GENERAL ASSEMBLY OF YEAR 2026

Dear Shareholders,

This report of the Board of Directors concerns the period of twelve months of the closed financial year (1/1-31/12/2025). The report has been prepared and is in accordance with the relevant provisions of Law 4548/2018 as it was in force until 31/12/2025. We submit to you for approval the financial statements for the financial year 1/1 – 31/12/2025 of the Company SPORTSWEAR MARKET SINGLE-MEMBER COMMERCIAL SOCIÉTÉ ANONYME (hereinafter referred to as the Company).

1. THE COMPANY – Business Segment

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

The Company has a direct shareholding at the following companies:

- SPORTSWEAR MARKET (CYPRUS) LTD which operates in Cyprus and the Company has a shareholding of 100%.
- GENCO BULGARIA EOOD which operates in Bulgaria and the Company has a shareholding of 100%.
- GENCO TRADE SRL which operates in Romania and the Company has a shareholding of 99.10% and the parent company FOURLIS HOLDINGS S.A. has the remaining shareholding of 0.99%.
- SPORTSWEAR MARKET HELLAS SINGLE MEMBER LTD, with its registered office in Greece, in which the Company has a shareholding of 100%.
- SPORTSWEAR MARKET ROMANIA S.R.L., a company incorporated in Romania, in which the Company has a shareholding of 100%.

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

2. FINANCIAL DATA

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

The Company's sales for the year 2025 amounted to EUR 178.5 million (2024: EUR 153.8 million), and EBITDA reached EUR 18.6 million (2024: EUR 16.6 million). Pre-tax profits amounted to EUR 4.5 million, compared to EUR 4 million in 2024.

Below, we present comparative figures for the period 1/1 – 12/31/2025 with the corresponding period 1/1 – 12/31/2024, of the Company's results, with the aim of highlighting the true picture of the progress of its activities as it unfolded during the reporting period (Amounts are in thousands of euros).

	1/1-31/12/2025	1/1-31/12/2024	Change
Revenue	178,505	153,805	1.16
EBITDA (*)	18,585	16,558	1.12
EBIT (*)	8,280	6,671	1.24
Profit/(Loss) before Tax	4,472	4,000	1.12

3. Basic Financial Indicators

In this section we present key financial indicators relating to the Company's financial structure and profitability, according to the data included in the Annual Report, for the fiscal year 2025 compared to the previous fiscal year 2024.

Financial Structure Indicators:

	31/12/2025	31/12/2024
Total Current assets/Total Assets	37.16%	43.83%
Total Liabilities/TOTAL SHAREHOLDERS EQUITY & LIABILITIES	79.19%	83.52%
Total Shareholders Equity/TOTAL SHAREHOLDERS EQUITY & LIABILITIES	20.81%	16.48%
Total Current assets/Total Current Liabilities	79.40%	99.35%

Performance & Efficiency basic Indicators:

	31/12/2025	31/12/2024
Operating Profit/Revenue	4.64%	4.34%
Profit/(Loss) before Tax/Total Shareholders Equity	10.77%	14.91%

We note that the total equity attributed to the Company's shareholders as of 31/12/2025 amounts to EUR 41.5 million, compared to the amount of EUR 26.8 million. on 31/12/2024.

4. Operating Performance – Important developments:

During the period 1/1 – 31/12/2025 the following share capital changes were realised at the parent Company and at the subsidiaries:

A. SPORTSWEAR MARKET SINGLE-MEMBER PUBLIC LIMITED COMPANY

Pursuant to a resolution of the company's General Meeting of Shareholders held on March 24, 2025, the company's share capital was increased by the amount of eleven million five hundred thousand five euros and five cents (11,500,005.05), through a cash payment, by issuing 391,823 new common registered shares, with a par value of 29.35 euros each. The sole shareholder, FOURLIS HOLDING COMPANY, participated in the total amount of this share capital increase by exercising its preemptive right.

The above change was recorded in the General Commercial Registry (GCR) on April 9, 2025 (Reg.No. 5348155), pursuant to Announcement No. 3601296/09.04.2025 issued by the GCR Service of the Athens Chamber of Commerce and Industry.

Following the aforementioned increase, the company's share capital amounts to thirty-two million five hundred eighty-five thousand two hundred twenty-one euros and fifteen cents (32,585,221.15), divided into one million one hundred ten thousand two hundred twenty-nine (1,110,229) shares, with a par value of 29.35 euros each.

B. SPORTSWEAR MARKET HELLAS SINGLE-MEMBER LIMITED LIABILITY COMPANY

Pursuant to the resolution of the Partners' Meeting dated December 22, 2025, and Deed No. 7.371/12.22.2025 executed by Athens Notary Eleni Karkanopoulou, the company's capital was increased by the amount of seven million five hundred sixty-three thousand nine hundred sixty euros (7,563,960.00), through the issuance of 252,132 new shares, each with a par value of thirty euros (30.00). This increase in the company's capital was carried out in its entirety through the capitalization (set-off) of an equivalent portion of the company's existing debt—which is not past due, not due and payable, and not subject to any condition - debt of the company to "SPORTSWEAR MARKET Single-Member Commercial Corporation" (trading as "SPORTSWEAR MARKET S.A.") arising from transactions with it (specifically: purchase of goods), and therefore all of the company's shares issued were acquired by SPORTSWEAR MARKET S.A., which is the company's sole shareholder.

The above change was recorded in the General Commercial Registry (G.C.R.) on January 28, 2026 (Reg.No. 5919706), as per the relevant announcement No. 3984922/28.01.2026 issued by the GCR Service of the Athens Chamber of Commerce and Industry.

Following the above change, the company's capital now amounts to seven million eight hundred thirteen thousand nine hundred eighty euros (7,813,980.00), divided into 260,466 shares, each with a par value of thirty euros (30.00), in which SPORTSWEAR MARKET S.A. holds a 100.00% stake.

C. GENCO BULGARIA EOOD

Pursuant to a resolution of the company's General Meeting of Shareholders held on December 12, 2025, the company's share capital was increased by the amount of eleven million seven hundred thirty-four thousand nine hundred twenty leva (BGN 11,734,920.00), through the issuance of 1,173,492 new common registered voting shares, with a par value of ten leva (BGN 10.00) per share. The share capital increase was fully covered by the sole shareholder, "SPORTSWEAR MARKET Single-Member Public Limited Commercial Company" (trading as "SPORTSWEAR MARKET S.A."), pursuant to the decision of the latter's Board of Directors dated November 27, 2025. Following the aforementioned share capital increase, the share capital amounts to thirty-one million nine hundred sixty-five thousand eight hundred ninety leva (31,965,890.00), divided into 3,196,589 shares, each with a par value of ten leva (10.00).

D. GENCO TRADE S.C. S.R.L.

Pursuant to a resolution of the company's General Meeting of Shareholders held on December 15, 12/2025, the company's share capital was increased by the amount of fifty million five hundred eighty-seven thousand eight hundred eighty-eight lei (50,587,888.00), through the issuance of 236,392 new common registered voting shares, with a par value of two hundred fourteen lei (214.00) per share. The share capital increase was carried out in its entirety through the capitalization (set-off) of an equivalent portion of the company's existing due and payable debt to "SPORTSWEAR MARKET Single-Member Public Limited Commercial Company" (trading as "SPORTSWEAR MARKET S.A."), arising from the sale of merchandise; consequently, all of the shares issued were acquired by SPORTSWEAR MARKET S.A., an existing shareholder, in accordance with the decision of the latter's Board of Directors dated November 27, 2025. Following the aforementioned increase, the share capital of S.C. GENCO TRADE S.R.L. amounts to one hundred eighteen million five hundred eighty-four thousand two hundred forty-eight lei (118,584, 248.00), divided into 554,132 common registered shares, with a par value of RON 214.00 per share, in which SPORTSWEAR MARKET S.A. holds a 99.10% stake and FOURLIS S.A. HOLDINGS.

5. Information about Company's plan of development

During the 2025 fiscal year, the Company continued its growth trajectory in its sector by further expanding its network while simultaneously optimizing its existing infrastructure.

The sector in which the Company operates is directly affected by the country's economic conditions, making it necessary to continuously monitor macroeconomic and geopolitical developments and flexibly adapt its business strategy with the aim of sustaining growth and strengthening its operations. The Greek economy has entered a stable growth trajectory, with GDP growth projected at 2.1% in 2025 and 2.2% in 2026, according to the European Commission. This positive momentum is driven by continued growth in consumption and significant investments funded by the Recovery and Resilience Facility (RRF). The Bank of Greece confirms this outlook, forecasting steady growth of around 2.1% for the period 2025–2027, driven by private consumption, investment, and exports. Meanwhile, the OECD forecasts 2.1% growth for 2026, highlighting the positive impact of the RRF and the increase in disposable income.

A key factor is the upgrade of Greece's credit rating by international agencies (S&P, Moody's), a development that contributes to improving the investment climate and strengthening financial stability. These developments bolster the investment climate and create a more favorable environment for the company to implement its strategic plans for 2026 in order to offer even greater value to its consumers and strengthen its competitiveness in a recovering market.

Despite the clear improvement in several economic indicators, uncertainty in the international environment remains high, as geopolitical tensions and global macroeconomic shifts continue to create an unstable environment.

The ongoing conflicts in Ukraine and tensions in the Middle East, including recent developments in Iran, directly affect the supply of energy and raw materials, driving up costs and disrupting supply chains, which in turn are fueling inflationary pressures.

At the same time, the revision of the long-term outlook for the economies of China and the United States is creating additional uncertainty in international markets.

Overall, the international environment remains uncertain, with significant impacts on energy prices, transportation costs, raw material availability, and financing conditions. These factors are increasing volatility and necessitate closer monitoring of developments and flexible adaptation of business strategies. Businesses are called upon to adapt strategically and strengthen their resilience to maintain their competitiveness in this uncertain global competitive environment.

In fiscal year 2025, continuing its growth trajectory, the company completed the acquisition of Foot Locker's operations in Greece and Romania in April 2025, marking a significant milestone in its strategic partnership with Foot Locker. The acquisition includes the transfer of three existing Foot Locker stores and its online store in Greece, as well as three existing Foot Locker stores in Romania, which are now operated under the management of the FOURLIS Group. The acquisition is part of the licensing agreements signed between the Company and Foot Locker in August 2024, under which the Company, and by extension the Group, holds the exclusive rights to develop the Foot Locker store network in eight countries in Southeast Europe: Greece, Romania, Bulgaria, Cyprus, Slovenia, Croatia, Bosnia and Herzegovina, and Montenegro.

During the 2025 fiscal year, the Company proceeded with the implementation of its investment plans by adding five (5) new stores to its network: in Ioannina (2/27/2025), in Athens (Football Rentis) (March 20, 2025), in Heraklion, Crete (June 6, 2025), in Thessaloniki (October 15, 2025), and in Patras (October 6, 2025).

As of 12/31/2025, the Company operates sixty-six (66) stores in Greece.

At the same time, the Company continues to invest with the aim of opening ten (10) new stores by 2026.

Over the next five years, the Company aims to achieve high levels of growth in this sector, as there is growing demand for lifestyle products and athletic footwear.

At the same time, "Integrity," "Mutual Respect," and "Effectiveness" continue to be the values through which the Company seeks to achieve its goals.

6. Major Risks & Uncertainties faced by the Company

Risk management is handled by the portfolio management service of the parent company FOURLIS SA HOLDINGS, which operates under specific rules set by the Board of Directors.

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

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

- *Risk related to the Sustainability* category: The possibility of the business strategy not aligning with ESG (Environmental, Social and Corporate Governance) obligations such as Climate & Sustainability and corporate governance expectations and the related impact on the Group's financial results and reputation.
- *Risk related to the Sustainability category:* The possibility of an increase in energy prices for any reason would have a negative impact on the Group's financial indicators.

- *Risk related to the People, Health and Safety category:* The likelihood of encountering difficulties in attracting, developing (including training) and retaining the required skills and talents (including new skills in digital technologies) and the related impact on the Group's performance.
- *Risk related to the Strategy category:* The possibility of failure to clearly define the strategy and align it with the Group's business objectives and related impact on the Group's growth.
- *Risk related to the Strategy category:* The likelihood of failure to adopt cutting-edge technology / align the IT strategy with the business strategy and new business models as well as the associated impact on the Group's reputation and revenues.
- *Risk related to the Profitability and Liquidity category:* The possibility of ineffective liquidity management, as well as the unclear liquidation strategy and the related impact on the Group's profits and liquidity.
- *Profitability and Liquidity* Related Risk: The Possibility of Adverse Global Macroeconomic Events and the Related Impact on the Group's Earnings
- *Risk related to the Growth & Competition* category: The probability of the emergence of new competitors (e-shops or physical stores) and the relative impact on the loss of market share.
- *Risk related to the category Growth & Competition*: The probability of entry of international digital markets (marketplaces) and the relative impact on the loss of market share.
- *Risk related to the Information Systems Technology and Security category:* The possibility of high costs of information systems platforms and the impact on the Group's profits.
- *Risk related to the Information Technology and Security category:* The likelihood of a cyber attack and the associated impact on the Group's profits, performance and reputation.
- *Risk related to the Operations category:* The possibility of poor inventory management and the associated impact on the Group's performance and revenues
- *Category Related Risk Customers*: The likelihood of not meeting customer quality expectations and the associated effect on loss of reputation and market share.
- *Risk related to the Regulatory Compliance category:* The possibility of the absence of policies and procedures to prevent incidents such as corruption, harassment, human rights, child labor, diversity, inclusion and discrimination issues.

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

a) Financial Risk Management

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

Foreign exchange risks

The Company is exposed to foreign exchange risks arising from commercial transactions in foreign currencies (RON, USD) with suppliers who invoice the Company in currencies other than the local currency. To minimize foreign exchange risks in accordance with current needs, the Company assesses the need to purchase foreign currency in advance.

Interest Rate and Liquidity Risks

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

Liquidity risk is kept at low levels by maintaining adequate bank credit lines as well as significant cash reserves.

Risk from the energy crisis and inflationary pressures

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

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

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

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

b) Non-financial risks:

In addition to financial risks, the Company also focuses on non-financial risks related to specific issues, which have been identified as essential in the context of sustainable development. These issues concern full compliance with the legislation and the implementation of corporate governance policies, human resources, the environmental impact of the company's activity, the supply chain and the evolution of the companies within the market in which they operate. Risk management presupposes the definition of objective objectives on the basis of which the most important events that may affect the Company are recognized, the relevant risks are evaluated and its response to them is decided.

c) Important Legal Issues

There are no disputed cases whose outcome may have significant effects on the Company's Annual Financial Statements for the year from 1/1 - 31/12/2025.

7. Selected alternative performance measurement indicators

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

Definition of **EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization & Impairment)**/ **Operating profit before tax, financial result, investment result and total depreciation/impairment** = Profit before tax +/- Financial and investment result (Total financial expenses + Total financial income + Share of losses of associates) + Total depreciation/impairment (tangible and intangible assets).

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

	1/1-31/12/2025	**1/1-31/12/2024**
Profit /(Loss) before tax	**4,472**	**4,000**
Financial (income)/expenses	3,808	4,046
(Profit)/Loss from Affiliates	0	(1,375)
Total depreciation/amortization	10,305	9,886
Earnings before interest, taxes /impairment (EBITDA)	**18,585**	**16,558**

8. Social Responsibility

The FOURLIS Group has a Sustainable Development and Social Responsibility Policy that concerns all its companies and, by extension, the Company, which has been approved by the Board of Directors. The Sustainable Development strategy is based on the material issues, as they arise through the materiality analysis, which is carried out on the basis of the GRI Standards 2021. The "Non-Financial Information Report (Status)", is included in the consolidated Management Report of the Board of Directors of its parent company FOURLIS S.A. HOLDINGS, which was published in March 2026 and is available on www.fourlis.gr website.

9. Privacy Policy (GDPR)

The Company complies with both European and local laws regarding the protection of personal data of individuals with whom it does business. Respect for privacy is a fundamental element of the Code of Conduct and the policies governing the operations of the FOURLIS Group and its subsidiaries.

The Company values the trust of all those who do business with it and implements a policy for the protection of personal data and sensitive personal data for all individuals (visitors, partners, customers, suppliers, current and former employees, as well as job applicants). Personal information collected for business purposes and following lawful consent is securely protected with due diligence to ensure all rights of natural persons, in accordance with applicable legislation and the guidelines of the General Data Protection (GDPR) in all countries where FOURLIS Group companies operate. It is worth noting that all FOURLIS Group employees in all countries where the Group operates have been trained on GDPR issues, either through in-person or remote (e-learning) seminars. GDPR training is also part of the induction program for all new employees.

10. Related parties transactions

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

Detailed information on the related parties' receivables/ payables for the Company for the period 31 December 2025 and 31 December 2024 is analysed as follows (all amounts in th. euros):

		31/12/2025	31/12/2024
Receivables from:	FOURLIS HOLDINGS SA	13	0
	SPORTSWEAR MARKET (CYPRUS) LTD	783	1,026
	GENCO TRADE SRL	7,714	9,118
	GENCO BULGARIA EOOD	4,657	7,822
	TRADE LOGISTICS SA	0	1
	TRADE ESTATES REIC	3	0
	TRADE STATUS S.A.	2	1
	SPORTSWEAR MARKET LTD	1,646	0
	SPORTSWEAR MARKET ROMANIA S.R.L.	61	0
	Total	**14,879**	**17,968**
Payables to:	FOURLIS HOLDINGS SA	1,410	319
	TRADE LOGISTICS AEBE	792	308
	SPORTSWEAR MARKET (CYPRUS) LTD	173	70
	HOUSEMARKET S.A.	67	23
	GENCO TRADE SRL	741	350
	GENCO BULGARIA EOOD	3	3
	TRADE ESTATES REIC	22	77
	ΓΥΑΛΟΥ ΜΑΕ	0	55
	TRADE STATUS S.A.	0	3
	SPORTSWEAR MARKET Ε.Π.Ε	168	0
	WELLNESS MAE	78	26
	Total	**3,455**	**1,234**

Third Parties transactions for the period 1/1/2025 to 31/12/2025 and for the period 1/1/2024 to 31/12/2024 are analyzed as follows:

	1/1 - 31/12/2025	1/1 - 31/12/2024
Revenue	51,366	41,719
Other income	1,510	818
Total	**52,876**	**42,537**

	1/1 - 31/12/2025	1/1 - 31/12/2024
Administrative expenses	3,697	2,633
Distribution expenses	6,894	5,111
Other Expenses	20	0
Total	**10,611**	**7,744**

11. Human Recourses of the Company

The total number of employees of the Company on 31/12/2025 is 1,062 people (866 on 31/12/2024).

12. Management members' transactions and remuneration

During periods 2025 and 2024, transactions and fees with the management members were as follows:

	1/1 - 31/12/2025	1/1 - 31/12/2024
Transactions and fees of management members	291	291

13. Subsequent Events after the date of preparation of the Annual Financial Statements for the financial year from 1/1/2025 to 31/12/2025

With regard to recent developments in Iran, our company has no business exposure in the countries involved; however, these developments are expected to have indirect implications, which are outlined below:

i. In terms of inventory availability, it should be noted that the company has already taken steps to ensure sufficient inventory levels to fully cover planned sales. Therefore, no impact on product availability is expected.

ii. Inflationary trends emerging in the broader market are expected to have a negative impact on consumer trade (including the impact of tourist traffic).

iii. Changes in energy prices may increase operating costs during the year.

iv. An increase in transportation and logistics costs is expected, which may lead to a squeeze on profit margins.

v. An increase in financing costs, primarily due to pressures arising from changes in the EURIBOR; however, the Company has already ensured that the impact is limited through the use of financial instruments.

It should be noted that the Company has the procedures, tools, and mechanisms in place to effectively manage the above impacts, thereby limiting their effect on its operations.

In addition, in January 2026, a disbursement of twenty million euros (20,000,000) was made, pursuant to the bond loan agreement signed on December 19, 2025, between the subsidiary "SPORTSWEAR MARKET SINGLE-MEMBER SOCIETE ANONYME" and "NATIONAL BANK OF GREECE S.A." .

There are no other events subsequent to December 31, 2025 that significantly affect the Company's financial position and results.

This Management Report of the Board of Directors as well as the Annual Financial Statements for the year 1/1 - 31/12/2025, the Notes on the Annual Financial Statements and the Audit Report of the Independent Statutory Auditors, are published at the e-mail address of the FOURLIS Group http://www.fourlis.gr.

Kifissia, 5 June 2026

The Board of Directors

The Financial Statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, were approved by the Board of Directors on June 5, 2026, and are signed by:

Chairman of the Board of Directors	CEO
Vassilis S. Fourlis ID No. A03181064	Evaggelos D. Batris ID No. A03437222
	Chief Accountant
	Athanassia Sp. Katsantoni ID No. AZ 073708 Ch. Acct. Lic. No. 30674 A Class

Independent Auditor's Report

To the Shareholders of SPORTSWEAR MARKET SINGLE MEMBER S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of SPORTSWEAR MARKET SINGLE MEMBER S.A. ("the Company"), which comprise the statement of financial position as at December 31st, 2025, statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements that include significant accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company SPORTSWEAR MARKET SINGLE MEMBER S.A. as at December 31st, 2025, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company within the entire course of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to the audit of 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.

Other Information

Management is responsible for the other information. The other information is included in the Board of Director's Report, the reference to which is made in the "Report on Other Legal and Regulatory Requirements", but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management's intention is to proceed with liquidating the Company or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as an aggregate, 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, incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

1. **Board of Directors' Report**

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, management has the responsibility for the preparation of the Board of Directors' Report, the following is to be noted:

a) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 150, Law 4548/2018 and the content of the Report is consistent with the accompanying financial statements for the year ended 31.12.2025.

b) Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company SPORTSWEAR MARKET SINGLE MEMBER S.A. and its environment.

Athens, June 05, 2026

The Certified Public Accountant

Dimitris Panterlis

Registry Number SOEL 38651

Grant Thornton

Chartered Accountants Management Consultants
58, Katehaki Av., 115 25 Athens, Greece
Registry Number SOEL 127

Statement of Financial Position as at December 31,2025 and at December 31,2024

(In thousands of Euros, unless otherwise stated)

Assets	**Note**	**31/12/2025**	**31/12/2024**
Non-current Assets			
Property plant and equipment	6	12,112	12,222
Right of use assets	7	39,138	38,819
Intangible Assets	8	2,822	2,134
Investments	9	61,275	26,099
Net investment in the subleases	7	3,103	3,841
Long Term receivables		1,476	1,600
Deferred Taxes	22	5,502	6,722
Total non-current assets		**125,426**	**91,437**
Current assets			
Inventory	10	44,846	31,082
Income tax receivable		773	754
Trade receivables	11	15,387	16,231
Other receivables	12	3,913	8,712
Cash & cash equivalent	13	9,239	14,567
Total current assets		**74,159**	**71,347**
Total Assets		**199,585**	**162,784**
SHAREHOLDERS EQUITY & LIABILITIES			
Shareholders equity			
Share Capital	14	32,585	21,085
Share premium reserve		(236)	(201)
Reserves	15	4,031	3,432
Retained earnings		5,153	2,518
Total Shareholders' equity (a)		**41,533**	**26,834**
LIABILITIES			
Non Current Liabilities			
Non - current loans	19	24,928	23,904
Lease liabilities	20	38,787	39,218
Employee retirement benefits	17	935	1,016
Total non current Liabilities		**64,650**	**64,138**
Current Liabilities			
Short term loans for working capital	19	5,656	0
Current portion of non-current loans and borrowings	19	20,952	16,971
Short-term portion of non-current lease	20	6,659	5,970
Income Tax Payable	22	94	94
Accounts payable and other current liabilities	21	60,041	48,778
Total current Liabilities		**93,402**	**71,812**
Total Liabilities (b)		**158,052**	**135,950**
SHAREHOLDERS EQUITY & LIABILITIES		**199,585**	**162,784**

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

Income Statement for the period 1/1 to 31/12/2025 and 1/1 to 31/12/2024

(In thousands of Euros, unless otherwise stated)

	Note	1/1 - 31/12/2025	1/1 - 31/12/2024
Revenue		178,505	153,805
Cost of Goods Sold	10	(116,275)	(98,635)
Gross Profit		**62,230**	**55,170**
Other income	5	4,982	2,384
Distribution expenses	5	(51,164)	(44,155)
Administrative expenses	5	(7,396)	(6,497)
Other operating expenses	5	(371)	(230)
Operating Profit		**8,280**	**6,671**
Total finance cost	5	(4,145)	(4,245)
Total finance income	5	337	199
(Losses)/Profits from selling affiliates		0	(125)
Dividend income		0	1,500
Profit / (Loss) before Tax		**4,472**	**4,000**
Profit before Tax / (Loss)	22	(1,195)	304
Profit / (Loss) after Tax		**3,277**	**4,304**

Revenue is meant as income from contacts with customers

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

Statement of Comprehensive Income for the period 1/1 to 31/12/2025 and 1/1 to 31/12/2024

(In thousands of Euros, unless otherwise stated)

	Note	1/1 - 31/12/2025	1/1 - 31/12/2024
Profit (A) / Net (Loss)		**3,277**	**4,304**
Other comprehensive income / (loss)/ not transferred to the income statement			
Actuarial gains / (losses) on defined benefit pension plan	17,22	88	(201)
Total other comprehensive income / (loss) not transferred to the income statement		**88**	**(201)**
Other comprehensiveincome / (loss) after tax (B)		**88**	**(201)**
Total comprehensive income/ (loss) after tax (A) + (B)		**3,365**	**4,103**

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

Statement of Changes in Equity for the period 1/1 to 31/12/2025 and 1/1 to 31/12/2024

(In thousands of Euros, unless otherwise stated)

	Note	Share Capital	Share premium reserves	Reserves	Retained earnings / (Accumulated losses)	Total Equity
Balance at 1.1.2024		**21,085**	**(201)**	**2,923**	**(1,585)**	**22,222**
Total comprehensive income / (loss) for the period						
Net profit					4,304	**4,304**
Effective portion of changes in fair value of cash flow hedges	17,22	0	0	0	(201)	**(201)**
Total comprehensive income/(loss)		**0**	**0**	**0**	**(201)**	**(201)**
Total comprehensive income/(loss) after taxes		**0**	**0**	**0**	**4,103**	**4,103**
Transactions with shareholders recorded directly in equity						
Stock option reserves	17			509		**509**
Total transactions with shareholders		**0**	**0**	**509**	**0**	**509**
Balance at 31.12.2024		**21,085**	**(201)**	**3,432**	**2,518**	**26,834**
Balance at 1.1.2025		**21,085**	**(201)**	**3,432**	**2,518**	**26,834**
Total comprehensive income/(loss) for the period						
Net profit		0	0	0	3,277	**3,277**
Effective portion of changes in fair value of cash flow hedges	17,22	0	0	0	88	**88**
Total comprehensive income/(loss)		**0**	**0**	**0**	**88**	**88**
Total comprehensive income/(loss) after taxes		**0**	**0**	**0**	**3,365**	**3,365**
Transactions with shareholders recorded directly in equity		**0**	**0**	**0**	**3,365**	**3,365**
Share Capital Increase	14	11,500	0	0	0	**11,500**
Net income recognized directly in the statement of changes in equity		0	(35)	299	(299)	**(35)**
Dividends	16	0	0	0	(431)	**(431)**
Stock option reserves	17	0	0	300		**300**
Total transactions with shareholders		**11,500**	**(35)**	**599**	**2,635**	**14,699**
Balance on 31.12.2025		**32,585**	**(236)**	**4,031**	**5,153**	**41,533**

The accompanying notes are an integral part of Financial Statements.

Statement of Cash Flows for the period 1/1 to 31/12/2025 and 1/1 to 31/12/2024

(In thousands of Euros, unless otherwise stated)

	Note	1/1 - 31/12/2025	1/1 - 31/12/2024
Operating Activities			
Profit / (Loss) before taxes		4,472	4,000
Adjustments for			
Depreciation / Amortization	5,6,7,8	10,305	9,886
Provisions		332	518
Foreign exchange differences		29	46
Results and profits from investment activity			
Loss on investment activity		132	(1,519)
Interest Expense		3,907	4,140
Plus/less adj for changes in working capital related to the operating activities			
(Increase) / decrease in inventory		(13,765)	(4,709)
(Increase) / decrease in trade and other receivables		(11,422)	(9,352)
Increase / (decrease) in liabilities (excluding banks)		9,355	11,693
Less			
Interest paid and interest on leases		(3,774)	(4,136)
Income taxes paid		0	64
Net cash generated from operations (a)		**(428)**	**10,631**
Investing Activities			
Acquisition or increase of MK subsidiaries, associates, joint ventures and other investments		(15,704)	(55)
Purchase of tangible and intangible fixed assets	6,8	(4,438)	(3,044)
Proceeds from sales of subsidiaries, associates of joint ventures		47	0
Interest received		23	19
Dividends received	16	0	1,500
Total (outflow) / inflow from investing activities (b)		**(20,071)**	**(1,580)**
Financing Activities			
Proceeds from issued loans	19	35,500	14,990
Share Capital Increase	14	11,500	0
Payment of expenses related to the share capital increase		(35)	0
Repayment of loans	19	(25,000)	(12,061)
Dividends	16	(431)	0
Repayment of leasing	20	(6,363)	(5,698)
Total inflow / (outflow) from financing activities (c)		**15,171**	**(2,769)**
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)		**(5,328)**	**6,282**
Cash and cash equivalents at the beginning of the period		14,567	8,285
Closing balance, cash and cash equivalents		**9,239**	**14,567**

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

Notes to the annual financial statements as of December 31, 2025

1. Corporate information

1.1 General Information

The Company's headquarters and offices are located at 25 Ermou Street, Kifissia, Attica. It is registered in the General Commercial Register of the Ministry of Economy, Development and Tourism with registration number NO. MAE 46209/01AT/B/00/424(2013) and G.C.R. number 121753801000.

The Company under the name "SPORTSWEAR MARKET SINGLE MEMBER SOCIETE ANONYME" and with the distinctive title "SPORTSWEAR MARKET S.A." was founded in June 2000 and the duration of the Company, according to its Articles of Association, has been set at 50 years, i.e. until June 2050. The Company is a direct subsidiary of FOURLIS S.A. HOLDINGS which holds 100% of its share capital.

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

1. Vassilios S. Fourlis, Chairman
2. Dafni A. Fourlis, Vice Chairman
3. Evaggelos D. Batris, CEO
4. Lyda St. Fourlis, Director
5. Theodoulidou I. Maria, Director
6. Antonios A. Makris, Director
7. Ioannis D. Vassilakos Director

The number of the Company's employed human resources on 31/12/2025 is 1,062 people (866 on 31/12/2024).

1.2 Activities

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

The companies in which SPORTSWEAR MARKET SA has a direct shareholding are the following:

Name	Location	% Holding
GENCO BULGARIA EOOD	Bulgaria	100.00
SPORTSWEAR MARKET (CYPRUS) LTD	Cyprus	100.00
GENCO TRADE SRL	Romania	99.10
SPORTSWEAR MARKET HELLAS S.M.LTD	Greece	100.00
SPORTSWEAR MARKET ROMANIA	Romania	100.00

2. Basis of presentation of the Financial Statements

2.1 Basis of preparation

The attached Corporate Financial Statements (hereinafter referred to as the Financial Statements) have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The Board of Directors of the Company approved the Financial Statements for the fiscal year 2025, on June 5, 2026. The Financial Statements are subject to the approval of the Annual General Meeting of the Company's Shareholders.

The Financial Statements have been prepared on the basis of the principle of historical costs. The Management has examined the impact of geopolitical developments up to the date of approval of the Financial Statements and has concluded that the principle of continuing business is the appropriate basis for their preparation. Reaching this conclusion, the Management is closely monitoring the developments and is ready to take all necessary measures to address any consequences to its operating activities.

The Management has concluded that the Company is able to meet all its obligations in a timely manner, at least for a period of 12 months from the date of the Balance Sheet and that there are no material uncertainties that may call into question its ability to operate on the basis of the continuing business principle.

As of December 31, 2025, the Company has negative net working capital, as its current liabilities exceed its current assets by EUR 19.2 million. Management assessed the impact of this situation on the Company’s ability to continue as a going concern and took into account, among other factors, projected operating cash flows, available cash balances, available bank credit lines, as well as the ongoing financial support provided by the Fourlis Group.

Specifically, as of December 31, 2025, the Company had cash and cash equivalents of EUR 9.2 million, unutilized bank credit lines of EUR 17.5 million, while in January 2026, a EUR 20 million bond loan was disbursed by a subsidiary of the Group. At the same time, the Company is a member of a strong business group that actively supports its financial and operational needs.

In light of the above, Management estimates that the Company has sufficient financial resources to continue its operations smoothly and meet its obligations in the ordinary course of business for a period of at least twelve months from the date of approval of the financial statements. Therefore, the financial statements have been prepared on a going concern basis.

Financial Statements are presented in thousands of euros, unless otherwise stated and variations in amounts are due to rounding.

2.2 Significant accounting judgments and estimates

The preparation of financial statements based on IFRS requires Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates. Estimates are based on management's previous experience including expectations of future events under normal conditions. The aforementioned judgments, estimates and assumptions are periodically re - assessed in order to be in line with current available data and reflect current risks.

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

Estimates:

• **Deferred Tax assets:** deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward unused tax losses can be used. The recognition of deferred tax assets requires significant judgments and estimates to be made in relation to the future activities and prospects of the Group companies and as to the level and timing of future taxable profits (Note 3.14 and 22 of Financial Statements).

• **Impairment test of investments in subsidiaries:** at each reporting date, the Company examines whether there are impairment indicators in relation to its investments in subsidiaries. Such assessment requires management to make significant judgements with respect to the existence of internal or external factors and the extent to which they affect the recoverable amount of these investments. If impairment indicators exist, the Company determines the recoverable amount of these investments. The determination of the recoverable amount requires estimates to be made with respect to the expected future cash flows of the investment, the business plans of the subsidiaries, and the determination of the applicable discount and growth rates. Moreover, details regarding the impairment test of investments in subsidiaries are included in Note 3.1 and 9 of the Financial Statements.

• **Impairment test of property, plant and equipment, right of use assets:** Tangible assets are regularly audited in order to determine whether there are indications that their book value is not recoverable. The Company considers for impairment control purposes that (a) each store is essentially a cash flow unit, and (b) on a case-by-case basis, Assets or a group of assets classified as going for sale may constitute a Cash Generating Unit (CGU). In cases where tangible assets are part of a cash-generating unit and indications of impairment have been identified, the recoverable amount of the cash-generating unit shall be determined as the higher between the value in use or fair (market) value. The value in use is calculated by applying a cash flow discounting method taking into account the estimates of the Management (business plans 5-7 years) and any impairment is determined by comparing the book value with the value in use. Fair value is calculated from reports by independent valuers in accordance with generally accepted valuation principles. An indication of a possible impairment in value was considered the loss-making operating result for the Branches. Additional details on the impairment test of tangible assets are included in Note 6 and 7 to the Financial Statements.

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

• **Employee benefits:** the obligation to provide benefits to employees after leaving the service is calculated using actuarial methods. The actuarial study requires significant estimates to be made which may differ from actual developments in the future. These estimates include the determination of the discount rate, future wage increases, disability, mortality and departure rates. The obligation to provide defined benefits is particularly sensitive to changes in these assumptions. Actuarial gains and losses resulting from a diversification of actuarial assumptions are recognised in the Statement of Other Income. Actuarial assumptions are subject to periodic review by the Management. Additional details are included in Note 3.15 and 17.1 to the Financial Statements.

• **Benefits that depend on the value of the shares:** The estimation of the fair value of the benefits that depend on the value of the share requires the use of the appropriate valuation method, which depends on the terms and conditions of the benefits. This valuation also requires the use of the appropriate data, including the expected life of the stock options; the expected volatility of the stock, the expected dividend yield, and making assumptions about them. The assumptions and models used to estimate the fair value of benefits in equity securities are presented in Note 17 to the Financial Statements.

• **Stock forecasts**: in the Group's companies, stocks are regularly reviewed for their traffic speed and forecasts are made for real estate, slow-moving and depreciated stocks that will be destroyed within the next period. In addition, estimates are made for the seasonality of stocks and their future sale price, as well as forecasts for inventory differences, which are considered during their valuation and are presented in Note 10 to the Financial Statements.

• **Revenue from contracts with customers:** The Company estimates the fair value of unredeemed points using historical data and evaluating the likelihood of exercising them.

<u>Crises:</u>

• **Assets with right of use:** On the date of the beginning of the lease period, an asset with a right of use and an obligation is recognized by calculating the present value of the rents which remain unpaid discounted at the interest rate of the lease (the interest rate that the lessee would accept in order to borrow the necessary funds on similar terms). The Company determines the duration of the lease as the contractual term of the lease; including the period covered by (a) the right to extend the lease if it is relatively certain that it will be exercised, or (b) the right to terminate the contract if it is relatively certain that it will not be exercised. The Company applies a uniform discount rate to each category of leases with similar characteristics (such as leases with a similar duration, for similar fixed assets and in a corresponding economic environment). Subsequently, the asset is measured at costs reduced on depreciation and any impairment losses, while the liability is measured by increasing the carrying amount with interest on the liability and decreasing the carrying amount by paying rents. Additional details are included in Note 7 and 20 to the Financial Statements.

- **Provisions for bad customers**: provisions for bad customers are based on historical data of receivables and consider the expected credit risk. The bad loan analysis of the Financial Position is included in Note 3.7 to the Financial Statements.

For trade receivables, the Group applies the simplified approach for the calculation of ECL credit losses. As such, the Group does not track changes in credit risk but recognizes a loss rate based on ECL over the lifetime in each reporting period. The Group has prepared a forecast table based on the historical experience of credit losses, adjusted with future factors appropriate for debtors and the economic environment.

2.3 Changes in accounting policies and disclosures

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

The following new Standards, Interpretations, and amendments to Standards have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and are mandatory effective January 1, 2025, or later.

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of Convertibility (effective for annual periods beginning on or after January 1, 2025).

In August 2023, the IASB issued amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates," which require entities to provide more useful information in their financial statements when a currency cannot be exchanged for another currency. The amendments include the introduction of a definition of currency convertibility, as well as the process by which an entity should assess such convertibility. In addition, the amendments provide guidance on how an entity should calculate the spot rate (spot rate) in cases where the currency is not convertible and require additional disclosures in cases where an entity has calculated an exchange rate due to lack of convertibility. The above have been adopted by the European Union with an effective date of January 1, 2025. The amendments have no impact on the Company's Financial Statements.

2.3.2 New Standards, Interpretations, Revisions, and Amendments to Existing Standards that have not yet become effective or have not been adopted by the European Union

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

IFRS 9 & IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" (effective for annual periods beginning on or after January 1, 2026)

In May 2024, the IASB issued amendments to the classification and measurement requirements of IFRS 9 "Financial Instruments" and corresponding disclosures in IFRS 7 "Financial Instruments: Disclosures." Specifically, the new amendments clarify when a financial liability should be derecognized when it is settled via electronic payment. Additionally, further guidance is provided on assessing the characteristics of contractual cash flows for financial assets linked to ESG (environmental, social, and governance) criteria. Furthermore, the disclosure requirements regarding investments in equity securities measured at fair value through other comprehensive income have been amended, and disclosure requirements have been added for financial instruments with contingent features not directly related to core risks and borrowing costs The Company will assess the impact of all of the above on its Financial Statements. The above have been adopted by the European Union with an effective date of January 1, 2026.

Amendments to IFRS 9 and IFRS 7 – "Contracts for Nature-dependent Electricity" (effective for annual periods beginning on or after January 1, 2026)

On December 18, 2024, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures," with the aim of helping companies better report the financial impacts of natural resource-dependent electricity contracts, also known as Power Purchase Agreements (PPAs). These contracts are used by companies to secure the supply of electricity from renewable sources, such as wind and solar power. However, the amount of energy generated may vary due to external factors, such as weather conditions. The amendments aim to ensure the optimal presentation of these contracts in financial statements by: a) clarifying the requirements for applying the concept of "own-use," b) permitting hedge accounting in cases where these contracts are used as hedging instruments, and c) adding new disclosure requirements so that investors can better understand the impact of these contracts on companies' financial results and cash flows. The amendments are effective for accounting periods beginning on or after January 1, 2026, with early adoption permitted. The Company will assess the impact of all of the above on its Financial Statements. The above have been adopted by the European Union with an effective date of January 1, 2026.

Annual Improvements to IFRSs—Volume 11 (effective for annual periods beginning on or after January 1, 2026)

In July 2024, the IASB issued "Annual Improvements to IFRS," which include minor amendments to the following accounting Standards: IFRS 1 "First-time Adoption of International Financial Reporting Standards," IFRS 7 "Financial Instruments: Disclosures," IFRS 9 "Financial Instruments," IFRS 10 "Consolidated Financial Statements," and IAS 7 "Statement of Cash Flows." The amendments are effective for accounting periods beginning on or after January 1, 2026. The Company will assess the impact of all the above on its Financial Statements. The above have been adopted by the European Union with an effective date of January 1, 2026.

IFRS 18 "Presentation and Disclosure in Financial Statements" (effective for annual periods beginning on or after January 1, 2027)

In April 2024, the IASB issued a new Standard, IFRS 18, which replaces IAS 1 "Presentation of Financial Statements." The purpose of the Standard is to improve the way information is presented in an entity's financial statements, particularly in the income statement and the notes to the financial statements. Specifically, the Standard will improve the quality of financial reporting due to: a) the requirement for specific line items in the income statement, b) the requirement to disclose, in a separate note to the financial statements, the performance measures defined by the entity's management (Management-defined Performance Measures) c) the new principles for aggregating and disaggregating information. The Company will assess the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

IFRS 19 "Subsidiaries without Public Liability: Disclosures" (effective for annual periods beginning on or after January 1, 2027)

In May 2024, the IASB issued a new Standard, IFRS 19 "Subsidiaries without Public Liability: Disclosures." The new standard allows eligible entities that meet its requirements to choose to apply the reduced disclosure requirements of IFRS 19 instead of the disclosure requirements set out in other IFRSs. IFRS 19 operates in conjunction with the other IFRSs, as subsidiaries must apply the measurement, recognition, and presentation requirements set out in the other IFRSs and the reduced disclosure requirements described in IFRS 19. This simplifies the preparation of financial statements for subsidiaries that meet the criteria for applying this standard, while maintaining their usefulness to users. IFRS 19 is effective for accounting periods beginning on or after January 1, 2027, with early adoption permitted. The Company will assess the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

Amendments to IFRS 19 "Subsidiaries without Public Liability: Disclosures" (effective for annual periods beginning on or after January 1, 2027)

IFRS 19 "Subsidiaries without Public Liability: Disclosures" was developed based on the disclosure requirements of other IFRSs as they were in effect on February 28, 2021. At the time of its issuance, IFRS 19 did not include reduced disclosure requirements for standards introduced or amended after that date. In August 2025, the IASB amended IFRS 19 to include reduced disclosure requirements for new or amended IFRSs issued between February 2021 and May 2024. IFRS 19 will continue to be updated as new or amended IFRSs are issued. The Company will assess the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Translation into the presentation currency of a hyperinflationary economy (effective for annual periods beginning on or after January 1, 2027)

In November 2025, the International Accounting Standards Board (IASB) issued amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates," with the aim of clarifying how entities should translate financial statements from a functional currency that is not hyperinflationary to the presentation currency of a hyperinflationary economy. According to the amendments, all amounts in the financial statements (assets, liabilities, equity, revenue, and expenses, including comparative figures) must be translated at the closing rate as of the date of the most recent statement of financial position. Previously, assets and liabilities were translated at the closing rate, while revenue and expenses were translated at the rates prevailing on the transaction dates. In addition, when an entity applies IAS 29 "Financial Reporting in Hyperinflationary Economies" to a foreign operation whose functional currency is not hyperinflationary, the comparative amounts for that foreign operation are restated using a general price index rather than the closing rate. The amendments also introduce additional disclosure requirements, including disclosures regarding the application of the new translation requirements, instances in which the presentation currency ceases to be hyperinflationary, as well as the provision of summary financial information for the affected foreign operations. The Company will assess the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

3. Essential Accounting Policies

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

3.1 Investments in subsidiaries

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

3.2 Foreign currency translation

(a) Functional currency and reporting currency

The amounts in the Company's financial statements are measured using the currency of the economic environment in which the Company operates (functional currency). The financial statements are presented in euros.

(b) Transactions and balances

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

3.3 Property, plant and equipment

Property, plant and equipment of the Company are measured, by category, as follows:

- All categories of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.
- Cost includes all directly attributable costs for the acquisition of the items of property, plant and equipment. These costs include borrowing costs of loans drawn to finance the acquisition or construction of assets, until the date of their intended use.

Significant additions and improvements are recognized as part of the cost of the asset when the recognition criteria are met. All other costs (repairs and maintenance) are recognised in the statement of comprehensive income as an expense as incurred.

Upon disposal of an item of property, plant and equipment, the difference between the consideration received and the carrying value is recorded as gain or loss in the Income Statement.

Depreciation is calculated on a straight - line basis over the estimated useful economic life of the assets. Useful lives are reviewed on an annual basis.

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

Category	Useful life
Buildings on third party land	10 - 36 years
Mechanical equipment	9 - 10 years
Motor vehicles	6 - 9 years
Miscellaneous equipment	4 - 10 years

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

3.4 Intangible assets

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

- **Software - Other intangible assets**

Software licenses are valued at acquisition cost minus depreciation. Depreciation is carried out using the fixed method during the useful life of these assets and the depreciation coefficient is 15%.

Expenses required to maintain the software are recorded as expenses when they are incurred. Expenditures incurred for the development of specific software controlled by the Company (in-house developments) are recorded as intangible assets when the following conditions apply: a) a specific asset is created, b) it is probable that the created asset will bring future economic benefits and c) the development costs can be reliably determined. Such costs include staff fees and a proportion of overheads. In case of replacement of software by a new program, if the old one is not used, it is deleted from the Fixed Assets Register and its intangible value is charged to the results of use.

In the case of a software upgrade, this cost is added to the acquisition value and depreciation is calculated on the new acquisition value.

3.5 Impairment of non - financial assets except Goodwill

Property, plant and equipment is constantly tested in order to define if there are indications which show that its book value exceeds the recoverable price. The Company considers, for impairment test purposes, that each store is a cash generating unit (CGU). In cases that property, plant and equipment is part of CGU, such as the store and there are impairment indications which could lead to the conclusion that its book value exceeds the recoverable price, the recoverable amount of the CGU is determined by the calculation of value in use. Value in use is calculated by implementing the cash flow discount method, taking into consideration Management's estimations, as presented in business plans of timeline 5-7 years. Any contingent impairment is determined as the excess amount of book value compared to value in use and is registered in income statement.

The carrying amounts of assets are reviewed for possible impairment when there is indication that the book value can not be recovered i.e. when the book value is higher than the recoverable amount from their use or sale.

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

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

3.6 Current / Non-current assets and liabilities: classification

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

An asset is classified in category when it:

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

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

All other assets are classified as non-current.

An obligation is current when:

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

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

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

The Company classifies all other liabilities as non-current.

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

3.7 Financial instruments - initial recognition and measurement

IFRS 9 Financial Instruments

Classification and measurement of financial assets:

In accordance with IFRS 9, a financial asset or a financial liability is initially recognized at its fair value, adjusted for any direct transaction costs, on the date on which the Company becomes a party to the terms of the financial instrument.

A financial asset is derecognized from the Statement of Financial Position when the contractual rights to the asset's cash flows expire or when the Company transfers the financial instrument and substantially all the risks and rewards associated with ownership. Similarly, a financial liability (or part thereof) is derecognized from the Statement of Financial Position when, and only when, the contractual obligation is discharged, canceled, or expires.

Classification and measurement of financial assets:

Except for those trade receivables that do not contain a significant financing component and are measured at their transaction price in accordance with IFRS 15, financial assets are initially measured at fair value plus transaction costs, except for financial assets measured at fair value through profit or loss.

Financial assets, other than those that are designated and effective hedging instruments, are classified into the following categories:

a. financial assets at amortized cost,

b. financial assets at fair value through profit or loss, and

c. financial assets at fair value through other comprehensive income.

The classification is determined based on the Company's business model regarding the management of financial assets and the characteristics of their contractual cash flows.

All income and expenses related to financial assets and recognized in the Income Statement are included in the line items "Financial expenses" and "Financial income," except for the impairment of trade receivables, which is included in operating results.

Subsequent measurement of financial assets:

A financial asset is subsequently measured at fair value through profit or loss, at amortized cost, or at fair value through other comprehensive income.

The classification is based on two criteria:

i. the business model for managing a financial asset, i.e., whether the objective is to hold the asset to collect contractual cash flows, as well as to sell financial assets, and

ii. if the contractual cash flows of the financial asset consist solely of principal and interest payments on the outstanding balance (SPPI criterion).

The amortized cost measurement category includes non-derivative financial assets such as loans and receivables with fixed or determinable payments that are not traded in an active market. After initial recognition, they are measured at amortized cost using the effective interest method. In cases where the impact of discounting is immaterial, discounting is omitted.

For financial assets measured at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income in the Statement of Comprehensive Income and reclassified to the Statement of Income upon derecognition of the asset. The Company's investments in equity securities are classified at fair value through other comprehensive income, without re-recognizing gains or losses in profit or loss upon derecognition. The Company intends to hold these equity securities for the foreseeable future and has irrevocably decided to classify them at fair value through other comprehensive income after initial recognition or reclassification. In accordance with IFRS 9, equity securities measured at fair value through other comprehensive income are not subject to impairment testing.

For financial assets measured at fair value through profit or loss, changes in fair value are recognized directly in profit or loss in the income statement.

3.8 Impairment of financial assets

At each balance sheet date, the Company recognizes impairment provisions for expected credit losses on all financial assets, except those measured at fair value through profit or loss.

The objective of the impairment requirements in IFRS 9 is to recognize expected credit losses over the entire life of a financial instrument whose credit risk has increased since initial recognition, regardless of whether the assessment is made at a collective or individual level, using all information that can be gathered, based on both historical and current data, as well as data relating to future estimates.

To apply the above approach, a distinction is made between:

▪ financial assets whose credit risk has not increased significantly since initial recognition or that do not have low credit risk as of the reporting date (Stage 1),

▪ those whose credit risk has deteriorated significantly since initial recognition and which do not have low credit risk (Stage 2), and

▪ assets for which there is objective evidence of impairment as of the reporting date (Stage 3).

For financial assets classified in Stage 1, expected credit losses are recognized for the next twelve-month period, while for those classified in Stage 2 or Stage 3, expected credit losses are recognized for the entire remaining life of the financial asset.

Expected credit losses are based on the difference between the contractual cash flows and the cash flows the Company expects to receive. The difference is discounted using the financial asset's original effective interest rate.

The Company applies the simplified approach of the Standard for trade receivables, calculating expected credit losses over the entire life of the assets. These losses are based on expected shortfalls in contractual cash flows, taking into account the probability of default at any point during the life of the financial instrument.

The Company uses historical experience to determine the risk of default, as well as available information regarding future conditions affecting debtors and the economic environment at the end of each reporting period. When calculating expected credit losses, changes in credit risk are not tracked; instead, a loss rate is recognized that reflects expected credit losses over the entire life of the receivables in each reporting period.

The Company has prepared a forecast table, grouping financial instruments based on the nature and maturity of the balances, taking into account available historical data regarding the debtors, adjusted for future factors affecting them and the broader economic environment.

The assessment of expected credit losses for transactions with related parties is based on their financial position and the Company's strategic intention to support them. As a result, credit risk is considered negligible and the expected loss is immaterial.

3.9 Inventory

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

3.10 Trade receivables

The majority of the Company's sales are made through retail channels, with transactions primarily settled in cash or via debit and credit cards. As a result, credit risk from customers is limited.

Accounts receivables are initially recognized at fair value, while balances exceeding normal credit limits or for which there are indications that the Company is unable to collect are assessed for impairment.

For these receivables, the Company recognizes impairment provisions for expected credit losses in accordance with the simplified approach of IFRS 9, calculating losses over the entire life of the assets. Impairment losses are recognized in the period's results.

Trade and other receivables are subsequently measured at amortized cost using the effective interest method, taking into account any impairment provisions.

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

3.11 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, as well as short term (up to 3 months) investments of high liquidation and low risk.

3.12 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.

3.13 Loans

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

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

Otherwise, in order to determine the part of the loan related with that fixed asset, a method is implemented to determine the proportion of the capitalized interest and the proportion of the interest which will be recorded in the statement of comprehensive income as an expense. In case of revenues occurred as a result of investing part of a loan taken for construction of a fixed asset, reduce the amount of borrowing costs capitalized.

Loan expenses paid upon signing of new credits are recognized as loan expenses if part or total of the new credit line is received. In that case, they are registered as future loan expenses until the loan is received. If the new loans are not used, partly or fully, then these expenses are included in prepaid expenses and are recognized in income statement during the period of the relevant credit line.

3.14 Current and Deferred Tax

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

Current income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. Current income taxes include the current liabilities and/ or assets, to or from the tax authorities, relating to the taxes payable on the taxable income of the period. Current taxes are increased by any income taxes related to provisions for tax differences or additional taxes which are imposed by the tax authorities upon audit of the unaudited tax years.

Deferred tax assets and liabilities are measured at the tax rates which are expected to apply in the year where the asset or liability will be settled, taking into account the tax rates (and tax laws) that have been enacted or are virtually applicable at the reporting date.

Deferred taxes arise on temporary differences between the recognition of assets and liabilities for tax purposes and those for the purposes of preparation of the financial statements. Deferred tax is calculated using the liability method on all taxable temporary differences at the reporting date, between the tax basis and book value of assets and liabilities.

The expected tax effects of temporary tax differences are recognized either as deferred tax liabilities or as deferred tax assets. In case of an inability to accurately measure temporary tax differences, the initial recognition is made based on estimation of the reversal time and such estimation is reviewed each year.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses, to the extent that it is probable that sufficient future taxable income will be available against which the unused tax losses and tax credits can be used or sufficient taxable deductible temporary differences that incur in the same company and will be recovered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is unlikely that sufficient taxable income will be generated in order to recover the deferred tax asset.

The Company sets off deferred tax assets and deferred tax liabilities only if:

- it has a legal right to set off current tax receivables against current tax payables and
- deferred tax assets and deferred tax liabilities relate to income tax imposed by the same tax

authority.

As a result, deferred tax assets and liabilities are presented at an offset amount.

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

The tax rate used by the Company is 22%.

3.15 Employee Benefits

Employee benefits are:

a) Short term benefits

Short term benefits to employees in money or in kind are recorded as an expense as they accrue.

b) Post - retirement benefits

The Company pays compensation to retirees, the amount of which depends on the years of service and the level of remuneration. The plan is considered a defined benefit plan. Compensation obligations are calculated at the discounted value of future benefits accrued at the end of the year based on the recognition of employees' benefit entitlement over their expected working lives. The above liabilities are calculated based on economic and actuarial assumptions and determined using the actuarial valuation method of the Projected Unit Method. The net pension costs for the year are included in the Statement of Comprehensive Income and consist of the present value of benefits accrued during the year, interest on the benefit obligation and actuarial gains or losses which are recognised directly in other comprehensive income and are not transferred to the income statement in a subsequent period. The Full Yield Curve method is used for discounting. The Company applies Article 8(221 a) of Law 3198/1955.

c) State insurance programs

The Company's human resources are mainly covered by the main State Insurance Institution concerning the private sector (EFKA) which grants pension and medical benefits. Each employee is obliged to contribute part of his monthly salary to the fund, while part of the total contribution is covered by the employer. At retirement, the pension fund is responsible for paying pension benefits to employees. Consequently, the Company has no legal or presumed obligation to pay future benefits under this program. The accrued cost of contributions is recorded as an expense in the period concerned. This program is considered and accounted for as fixed contributions.

d) Private insurance programs

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

e) Stock awards (IFRS 2)

The Company intends to attract, retain and incentivize the executives of the Company and the executives of its subsidiaries and affiliated companies, as through the Stock Options plan, the participants have a direct equity interest for the parent Company FOURLIS HOLDINGS S.A. which link their performance to the Company's future performance and the increase of shareholder value. This program regards equity shares transactions.

The parent company FOURLIS HOLDINGS S.A. makes decisions regarding the implementation of the Stock Option Plan – to executives of the Company and its subsidiaries and affiliates in compliance with par.5 of Art.42e of Law 2190/20.

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

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

3.16 Contingent liabilities and Provisions

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

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

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

3.17 Revenue and expense recognition

Revenue is measured at the fair value of sales of goods and provision of services, net of Value Added Tax, discounts and returns. Inter - company revenues are eliminated.

The recognition of revenue is accounted for as follows:

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

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

The standard is based on the principle that revenue is recognized when control of a good or service is transferred to the customer. The Company is engaged in the retail sale of sporting goods. In accordance with IFRS 15 'Revenue from contracts with customers', the Company recognizes revenue when control of the goods is transferred, i.e. when the goods are delivered to the customer. Therefore, the adoption of IFRS 15 had no impact on the timing of revenue recognition. Net sales revenue is measured at the fair value of the consideration received. Net sales revenue does not include amounts received from third parties, such as value added taxes, as the latter are not included in the transaction price.

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

- *Provision of services:* The income from provision of services is recorded in the period in which the services are provided, based on the stage of completion of the provided service.
- *Interest income:* Interest income is recognized proportionally in time and by using the effective interest rate.
- *Dividends:* Dividends are recorded as income when the right to collect vests which is upon the decision of the General Assembly of Shareholders (ordinary or extraordinary). Expenses are recognized in the statement of comprehensive income as accrued.

- *Advertising costs:* Advertising costs are expensed as incurred and are included in distribution expenses.
- *Borrowing costs:* Underwriters costs, legal and other direct costs incurred during the issue of long term loans are deducted from the loan balances and are recorded to the statement of comprehensive income based on the effective interest rate method over the duration of the loan. Borrowing cost is recognized as an expense during the issue period, except of the case that Company capitalizes borrowing costs according to IAS 23.
- *Credit card expenses:* Credit card expenses shall be accounted for under distribution operating expenses.

3.18 Leases and Net Investment from Subleases

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

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

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

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

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

The accounting for a sublease is as follows:

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

3.19 Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognized from the Statement of Financial Position when the contractual rights to the asset's cash flows expire or when the Company transfers the financial instrument and substantially all the risks and rewards associated with ownership of the instrument.

Financial Liabilities

A financial liability (or part thereof) is derecognized from the Statement of Financial Position when, and only when, the contractual obligation is discharged, canceled, or expires.

4. Financial Risk Management

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

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

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

- *Risk related to the Sustainability* category: The possibility of the business strategy not aligning with ESG (Environmental, Social and Corporate Governance) obligations such as Climate & Sustainability and corporate governance expectations and the related impact on the Company's financial results and reputation.
- *Risk related to the People, Health and Safety category:* The likelihood of encountering difficulties in attracting, developing (including training) and retaining the required skills and

talents (including new skills in digital technologies) and the related impact on the Company's performance.

- *Risk related to the Strategy category:* The likelihood of failure to clearly define the strategy and align it with the Company's business objectives and related impact on the Company's growth.
- *Risk related to the Strategy category:* The possibility of failure to adopt cutting-edge technology / align the IT strategy with the business strategy and new business models as well as the related impact on the Company's reputation and revenues.
- *Risk related to the Profitability and Liquidity category:* The possibility of ineffective liquidity management, as well as the unclear liquidation strategy and the related impact on the Company's profits and liquidity.
- *Risk related to the Profitability and Liquidity* category: The possibility of adverse global macroeconomic events and the related impact on the Company's earnings.
- *Risk related to the Growth & Competition* category: The probability of the emergence of new competitors (e-shops or physical stores) and the relative impact on the loss of market share.
- *Risk related to the category Growth & Competition*: The probability of entry of international digital markets (marketplaces) and the relative impact on the loss of market share.
- *Risk related to the category Information Systems Technology and Insecurity:* The possibility of high costs of information systems platforms and the impact on the Company's profits.
- *Risk related to the category Information Technology and Security:* The possibility of a cyber-attack and the related impact on the Company's profits, performance and reputation.
- *Risk related to the Operations category:* The possibility of poor inventory management and the related impact on the Company's performance and revenues.
- *Category Related Risk Customers*: The likelihood of not meeting customer quality expectations and the associated effect on loss of reputation and market share.
- *Risk related to the Regulatory Compliance category:* The possibility of the absence of policies and procedures to prevent incidents such as corruption, harassment, human rights, child labor, diversity, inclusion and discrimination issues.

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

α) Financial risk management

The Company is exposed to financial risks such as foreign exchange risk, interest rate risk, and liquidity risk. The Finance Department identifies, assesses, and hedges these financial risks in collaboration with the FOURLIS Group.

Foreign Exchange Risks

The Company is exposed to foreign exchange risks arising from commercial transactions in foreign currencies (RON, USD) with suppliers who invoice the Company in currencies other than the local currency. To minimize foreign exchange risks in accordance with its current needs, the Company assesses the need to purchase foreign currency in advance.

Interest Rate and Liquidity Risks

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

Liquidity risk is kept at low levels by maintaining adequate bank credit lines as well as significant cash reserves.

Risk from the energy crisis and inflationary pressures

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

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

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

b) Non-financial risks:

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

c) Legal Issues

There are no litigations or legal issues that might have a material impact on the Company's Annual Financial Statements for the period 1/1 - 31/12/2025.

5. Analysis of expenses and other operating income

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

	1/1 - 31/12/2025	1/1 - 31/12/2024
Distribution expenses	51,164	44,155
Administrative expenses	7,396	6,497
Other operating expenses	371	230
Total	**58,931**	**50,882**

The main categories of expenses are analyzed below:

	1/1 - 31/12/2025	1/1 - 31/12/2024
Payroll Expenses	19,210	16,163
Third party services	16,452	13,028
Taxes-duties	561	529
Depreciation/Amortisation	10,305	9,886
Other operating expenses	12,402	11,277
Total	**58,931**	**50,882**

Payroll expenses are analyzed as follows:

	1/1 - 31/12/2025	1/1 - 31/12/2024
Salaries and wages	14,890	12,371
Social security contributions	3,067	2,588
Miscellaneous grants	1,221	1,196
Personnel retirement benefits	32	8
Total	**19,210**	**16,163**

(b) Other operating income is analyzed as follows:

	1/1 - 31/12/2025	1/1 - 31/12/2024
Management Fees	287	423
Revenue from prior year and non-use of provisions	1,051	320
Other Income	3,644	1,628
Income from Lease	0	13
Total	**4,982**	**2,384**

Other revenue includes revenue from building rentals in the amount of EUR 230 thousand (2024: EUR 404 thousand), shipping revenue in the amount of EUR 258 thousand (2024: 275 thousand), allocation of expense invoices to subsidiaries amounting to EUR 1,021 thousand (2024: 382 thousand), revenue from promotional activities amounting to EUR 1,025 thousand (2024: 414 thousand), and other revenue amounting to EUR 1,110 thousand (2024: 154 thousand).

(c) Net Financial Results are analyzed as follows:

	1/1 - 31/12/2025	1/1 - 31/12/2024
Interest - expenses	1,786	2,049
Credit card expenses	9	10
Other bank expenses	116	131
Foreign exchange differences (expense)-realized	238	105
Interest of lease liabilities	1,995	1,950
Total finance cost	**4,145**	**4,245**
Interest and related income	(23)	(19)
Interest on leases	(105)	(120)
Exchange differences (revenue)	(209)	(59)
Total finance income	**(337)**	**(199)**
Financial result	**3,808**	**4,046**

6. Property, plant and equipment

Property, plant and equipment for the period 1/1 – 31/12/2025 are analyzed as follows:

	Buildings and installations	Machinery /Installations	Furniture	Immobilizations under execution	Total
Acquisition cost at 31.12.2024	**28,098**	**4,383**	**18,269**	**66**	**50,816**
Accumulated depreciation/amortization at 31.12.2024	**(21,179)**	**(4,124)**	**(13,291)**	**0**	**(38,593)**
Net book value at 31.12.2024	**6,919**	**259**	**4,978**	**66**	**12,222**
1.1 - 31.12.2025					
Additions	1,879	21	1,246	11	**3,157**
Other changes in acquisition cost	0	0	(2)	(66)	**(68)**
Depreciation/ amortization	(1,379)	(258)	(1,564)	0	**(3,202)**
Other changes in depreciation	0	0	2	0	**2**
Acquisition cost at 31.12.2025	**29,977**	**4,404**	**19,513**	**11**	**53,905**
Accumulated depreciation/amortization at 31.12.2025	**(22,558)**	**(4,382)**	**(14,853)**	**0**	**(41,794)**
Net book value at 31.12.2025	**7,419**	**22**	**4,659**	**11**	**12,112**

The movement of property, plant and equipment for the financial year 1/1 - 31/12/2024 is as follows:

	Buildings and installations	Machinery /Installations	Furniture	Immobilizations under execution	Total
Acquisition cost at 31.12.2023	**26,604**	**4,383**	**17,368**	**0**	**48,355**
Accumulated depreciation/amortization at 31.12.2023	**(19,806)**	**(3,684)**	**(11,780)**	**0**	**(35,270)**
Net book value at 31.12.2023	**6,798**	**699**	**5,588**	**0**	**13,086**
1.1 - 31.12.2024					
Additions	1,505	0	948	55	**2,508**
Other changes in acquisition cost	(11)	0	(47)	11	**(47)**
Depreciation/ amortization	(1,373)	(440)	(1,558)	0	**(3,371)**
Other changes in depreciation	0	0	46	0	**46**
Acquisition cost at 31.12.2024	**28,098**	**4,383**	**18,269**	**66**	**50,816**
Accumulated depreciation/amortization at 31.12.2024	**(21,179)**	**(4,124)**	**(13,291)**	**0**	**(38,593)**
Net book value at 31.12.2024	**6,919**	**259**	**4,978**	**66**	**12,222**

During the fiscal year from January 1 to December 31, 2025, five (5) new stores were added in Ioannina, Athens (Football Rentis), Heraklion, Crete, Patras, and Thessaloniki.

The addition of EUR 3.1 million relates primarily to the setup of the new stores.

Depreciation of tangible and intangible assets totaling EUR 3,834 thousand was recorded in the amount of EUR 3,135 thousand under distribution expenses and EUR 700 thousand under administrative expenses.

As of December 31, 2025, the Company assessed whether there were any indications of impairment for its self-used tangible assets and right-of-use assets related to stores.

As of December 31, 2025, the Company reviewed the value of its tangible assets and found no indication of impairment. The net book value of the tangible assets related to the INTERSPORT stores amounts to EUR 10,778 thousand (EUR 10,858 thousand in 2024).

7. Right of use assets and Net Investment from Subleases

The movement of the Company's Right of use Assets as of 1/1-31/12/2025 was as follows:

	Leasing Buildings	Leasing Vehicles	Total
Acquisition cost at 31.12.2024	**67,881**	**735**	**68,616**
Accumulated depreciation/amortization at 31.12.2024	**(29,278)**	**(519)**	**(29,797)**
Net book value at 31.12.2024	**38,603**	**216**	**38,819**
Additions	6,661	129	**6,790**
Other changes in the value of acquisition	0	(129)	**(129)**
Depreciation/ amortization	(6,353)	(118)	**(6,471)**
Other changes in depreciation and amortization	0	129	**129**
Acquisition cost at 31.12.2025	**74,542**	**735**	**75,277**
Accumulated depreciation at 31.12.2025	**(35,631)**	**(508)**	**(36,139)**
Net book value at 31.12.2025	**38,911**	**227**	**39,138**

The additions to right-of-use assets for the fiscal year primarily relate to renewals and rent adjustments for existing leases totaling EUR 2.7 million, as well as lease agreements for new stores totaling EUR 4 million in Crete, Ioannina, Patras, Vari, and Kalamaria in Thessaloniki.

As of December 31, 2025, the Company assessed whether there were any indications of impairment for its property and right-of-use assets related to stores.

On December 31, 2025, the Company reviewed the value of its right-of-use assets and found no indication of impairment. The net book value of the Right-of-Use Assets related to the INTERSPORT stores amounts to EUR 37,790 thousand (EUR 38,603 thousand in 2024).

The movement of the Company's right of use assets for the period 1/1-31/12/2024 is as follows:

	Leasing Buildings	Leasing Vehicles	Total
Acquisition cost at 31.12.2023	**63,169**	**701**	**63,870**
Accumulated depreciation/amortization at 31.12.2023	**(23,751)**	**(393)**	**(24,144)**
Net book value at 31.12.2023	**39,418**	**309**	**39,726**
Additions	5,029	33	**5,063**
Other changes in the value of acquisition	(317)	0	**(317)**
Depreciation/ amortization	(5,844)	(126)	**(5,970)**
Other changes in depreciation and amortization	317	0	**317**
Acquisition cost at 31.12.2024	**67,881**	**735**	**68,616**
Accumulated depreciation at 31.12.2024	**(29,278)**	**(519)**	**(29,797)**
Net book value at 31.12.2024	**38,603**	**216**	**38,819**

The movement of the Net Investment from Subleases for fiscal year 2025 and 2024 is as follows:

	1/1-31/12/2025	1/1-31/12/2024
Net value of investments from subleases	**3,841**	**4,234**
Receipts from sublease rentals	(500)	(513)
Interest on sublease rentals	105	120
End of lease	(344)	0
Net value balance from subleases	**3,103**	**3,841**

8. Intangible assets

The intangible assets for the financial year 1/1 -31/12/2025 are analyzed as follows:

	Software	Miscellaneous	Total
Acquisition cost at 31.12.2024	**6,428**	**296**	**6,724**
Accumulated depreciation at 31.12.2024	**(4,294)**	**(296)**	**(4,590)**
Net book value at 31.12.2024	**2,134**	**0**	**2,134**
1.1 - 31.12.2025			
Additions	1,280	0	**1,280**
Other changes in acquisition cost	20	0	**20**
Depreciation/ amortization	(633)	0	**(633)**
Other changes in accumulated depreciation	20	0	**20**
Acquisition cost at 31.12.2025	**7,728**	**296**	**8,025**
Accumulated depreciation at 31.12.2025	**(4,906)**	**(296)**	**(5,203)**
Net book value at 31.12.2025	**2,822**	**0**	**2,822**

The largest item in the year's additions to intangible assets relates to the development of the e-shop software, amounting to EUR 426 thousand.

The intangible assets for the financial year 1/1 -31/12/2024 are analyzed as follows:

	Software	Miscellaneous	Total
Acquisition cost at 31.12.2023	**5,892**	**296**	**6,188**
Accumulated depreciation at 31.12.2023	**(3,751)**	**(295)**	**(4,045)**
Net book value at 31.12.2023	**2,141**	**2**	**2,143**
1.1 - 31.12.2024			
Additions	536	0	**536**
Depreciation/ amortization	(543)	(2)	**(545)**
Acquisition cost at 31.12.2024	**6,428**	**296**	**6,724**
Accumulated depreciation at 31.12.2024	**(4,294)**	**(296)**	**(4,590)**
Net book value at 31.12.2024	**2,134**	**0**	**2,134**

9. Investments

Investments are as analyzed as follows:

	COUNTRY	SHAREHOLDING 2025	31/12/2025	SHAREHOLDING 2024	31/12/2024
SUBSIDIARIES					
SPORTSWEAR MARKET (CY) LTD	Cyprus	100%	174	100%	174
GENCO BULGARIA EOOD	Bulgaria	100%	10,526	100%	4,526
GENCO TRADE SRL	Romania	99.10%	31,398	98.43%	21,398
SPORTSWEAR MARKET HELLAS LTD	Greece	100%	17,062	0%	0
SPORTSWEAR MARKET ROMANIA	Romania	100%	2,114	0%	0
Total			**61,275**		**26,099**

During the 2025 fiscal year, the Company completed the acquisition of Footlocker’s operations in Greece and Romania, thereby increasing its investments in subsidiaries by EUR 19,176 thousand.

For the purposes of the Company’s separate financial statements, the transaction is accounted for as an investment in subsidiaries in accordance with the Company’s accounting policies. The accounting treatment of the acquisition and the recognition of the acquired assets and liabilities are presented in the consolidated financial statements of the Fourlis Group.

At the same time, its stake in GENCO TRADE SRL increased by 0.67%, thereby increasing its ownership interest.

As of December 31, 2025, the Company assessed whether there were any indications of impairment of its investments in subsidiaries, in accordance with the provisions of IAS 36 “Impairment of Assets.” Where such indications were identified, an assessment of the recoverable amount of the investments was performed, which was determined as the higher of fair value less costs to sell and value in use.

The value in use was determined using the discounted cash flow (DCF) method, based on the approved business plans of the relevant subsidiaries. The key assumptions used are summarized as follows:

- **Valuation method**: Value in use
- **Discount Rate (WACC):** 10.7% - 11.2%
- **Forecast horizon**: 5 years
- **Growth rate in perpetuity**: 1.0%

Based on the results of the above audits, there was no need to recognize impairment loss for the Company's holdings in subsidiaries on the reference date.

10. Inventory

Inventory is analyzed as follows:

	31/12/2025	**31/12/2024**
Inventory	44,846	31,082
Total	**44,846**	**31,082**

The cost of the Company’s inventory, which was recorded as an expense in cost of goods sold, amounted to EUR 116,275 thousand in the current fiscal year, compared to EUR 98,635 thousand in 2024.

The value of inventories written off or impaired during the fiscal year amounts to EUR 305 thousand (EUR 0 thousand in 2024). During the current fiscal year, there was no need to create a provision for impairment and destruction of inventories, compared to EUR 276 thousand and EUR 99 thousand, respectively, in 2024.

11. Trade receivables

Trade receivables are analyzed as follows:

	31/12/2025	31/12/2024
Trade receivables	15,387	16,231
Total	**15,387**	**16,231**

The above customer balance for the 2025 fiscal year consists of trade receivables from affiliates in the amount of EUR 14,733 thousand (EUR 15,868 thousand in 2024), and from domestic customers in the amount of EUR 655 thousand (EUR 744 thousand in 2024). There are no past-due receivables.

12. Other receivables

Other receivables are analyzed as follows:

	31/12/2025	31/12/2024
Credit Cards receivable	868	662
Other debtors	3,046	8,051
Total	**3,913**	**8,712**

Other debtors in fiscal 2025 and fiscal 2024 are analyzed as follows:

	31/12/2025	31/12/2024
Accruals	2,072	6,373
Suppliers advances	375	765
Other debtors	599	912
Total	**3,046**	**8,051**

The accruals as of December 31, 2025, primarily relate to a provision for revenue of EUR 0.3 million for the 2025 fiscal year (2024: EUR 2.4 million), provisions for purchases pending delivery amounting to EUR 1.0 million for the 2025 fiscal year (2024: EUR 3.2 million), and provisions from other expense accounts amounting to EUR 0.7 million (2024: EUR 0.7 million).

13. Cash & cash equivalents

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

	31/12/2025	31/12/2024
Cash in hand	446	498
Bank Deposits	8,792	14,069
Total	**9,239**	**14,567**

The weighted average deposit interest rate for the 2025 fiscal year was 1.51%.

14. Share capital

The share capital as of December 31, 2025, amounted to EUR 32,585,221.00, divided into 1,110,229 shares with a par value of EUR 29.35 each. The share capital as of December 31, 2024, amounted to EUR 21,085,216, divided into 718,406 shares with a par value of EUR 29.35 each.

More specifically, pursuant to a resolution of the company's General Meeting of Shareholders held on March 24, 2025, the company's share capital was increased by the amount of eleven million five hundred thousand five euros and five cents (11,500,005.05), through a cash payment, by issuing 391,823 new common registered shares, with a par value of 29.35 euros each. The sole shareholder, FOURLIS HOLDING SOCIETE ANONYME, participated in the total amount of this share capital increase by exercising its preemptive right.

15. Reserves

The movement of the reserves is analyzed as follows:

	31/12/2025	31/12/2024
Statutory Reserves	2,040	1,741
Extraordinary /Taxfree Reserves	(209)	(209)
SOP Reserve	2,200	1,900
Total	**4,031**	**3,432**

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.

16. Dividends

In fiscal year 2025, the Company paid its shareholder a dividend of EUR 431 thousand, while it did not receive any dividends from its subsidiaries during 2025; however, between January 1 – 31/12/2024, the Company received dividends from a subsidiary in the amount of EUR 1.5 million.

17. Employee retirement benefits

17.1 Liabilities due to termination of service

The liability for severance pay under Law 2112/20, 4093/12 for the Company, is reflected in the Financial Statements in accordance with IAS 19 and is based on an actuarial study prepared by AON Hewitt as of December 31, 2025.

Basic assumptions of the actuarial study are the following:

	2025	2024
Average annual increase in staff payroll	3.00%	3.00%
Discount Rate	4.11%	3.43%
Inflation	2.00%	2.00%
Program Duration Years	19	19

If the average annual increase in employee payroll were to rise by 0.50%, bringing it to 3.5%, then the Company's total employee benefits would increase by 9.20%. If the discount rate were to increase by 0.50%, then the total employee benefits of the Company would decrease by 8.34%.

The expenditure for the provision of staff compensation, due to retirement, recognized in the results, is:

	2025	2024
Service Cost	69	25
Interest Cost	35	47
Cost reduction/settlement/termination service	101	(63)
Total amount allocated in Income statement	**205**	**8**
Balance of liability at the beginning	**1,016**	**749**
Compensation due to retirement	205	8
Actuarial gains/losses	(286)	258
Balance of liability in the end	**935**	**1,016**

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

17.2 Share based payments

The Company participates in a share-based compensation plan, through its parent company FOURLIS S.A. Holdings, which is offered to the Company's executives. The related expense is recognized in the income statement over the vesting period in accordance with IFRS 2 "Share-based Payment."

More specifically:

A. The Extraordinary General Meeting of the Company's shareholders "FOURLIS HOLDING S.A." held on July 22, 2021, resolved, in accordance with the provisions of Article 113 of Law 4548/2018, to implement a Stock Option Plan for senior executives of the Company and its affiliated companies within the meaning of Article 32 of Law 4308/2014, as currently in force, and authorized the Board of Directors to regulate procedural matters and details. During the program and in accordance with its terms, the Board of Directors issues share subscription rights certificates to the beneficiaries who exercised their rights and issues and delivers the shares to the aforementioned beneficiaries, thereby increasing the Company's share capital and certifying the capital increase. These increases in share capital do not constitute amendments to the Articles of Incorporation. The Board of Directors is required, during the last month of the fiscal year in which the capital increases took place, as specified above, to amend, by resolution, the article of the Articles of Association concerning capital, so as to provide for the amount of capital resulting from the aforementioned increases, in compliance with the disclosure requirements of Article 13 of Law 4548/2018.

As part of the implementation of the aforementioned Program, 125,200 stock options (hereinafter "the Options") were exercised during the 2025 fiscal year.

B. The Annual General Meeting of the Company's shareholders of "FOURLIS HOLDING S.A." held on June 16, 2023, approved, in accordance with the provisions of Article 113 of Law 4548/2018, the implementation of a Stock Option Plan for senior executives of the Company and its affiliated companies within the meaning of Article 32 of Law 4308/2014, as currently in force, and authorized the Board of Directors to regulate procedural matters and details. During the program and in accordance with its terms, the Board of Directors issues share subscription rights certificates to the beneficiaries who exercised their rights and issues and delivers the shares to the aforementioned beneficiaries, thereby increasing the Company's share capital and certifying the capital increase. These increases in share capital do not constitute amendments to the Articles of Incorporation. The Board of Directors is required, during the last month of the fiscal year in which the capital increases took place, as specified above, to amend, by resolution, the article of the Articles of Association concerning capital, so as to provide for the amount of capital resulting from the aforementioned increases, in compliance with the disclosure requirements of Article 13 of Law 4548/2018.

As part of the implementation of the aforementioned Program, 629,200 stock options (hereinafter "the Options") were exercised during the 2025 fiscal year.

2. By resolution of the Annual General Meeting of Shareholders of the Company "FOURLIS HOLDING S.A." dated June 16, 2023, as amended by the resolutions of the Ordinary General Meetings of June 21, 2024, and June 20, 2025, and currently in effect, a performance stock grant program to executives of the Company and its affiliated companies in accordance with Article 114 of Law 4548/2018, and the Board of Directors was authorized to regulate procedural matters and details.

Through this performance stock grant program, the company aims in particular to:

(a) The Program should incentivize and reward the implementation of the long-term business strategy and align shareholders' interests with the Company's long-term performance, by recognizing and rewarding long-term value creation, setting long-term performance targets, and providing shares. The Plan focuses on achieving sustainable long-term performance for the Company, and the limits set forth in the Company's Compensation Policy for executive members of the Board of Directors apply in all cases.

b) The duration of the Program must fully align with the Group's Strategic Plan (Vision), as communicated to the investment community and shareholders, covering the period 2025–2027, setting ambitious sales targets (EUR 750 million) and profitability (adjusted EBITDA of 8–10% of sales).

c) The targets that will be taken into account and will serve as the criteria for the achievement of the

Strategic Plan for the period 2025 – 2027 (EUR 750 million in sales and adjusted EBITDA of 8–10% of sales) must be categorized and prioritized, objectively measurable either based on published financial and non-financial data (Annual Financial Reports and Sustainability Reports) or using internationally accepted evaluation methods. The calculation of target achievement is clearly set out in the Annual Remuneration Report. The categories and weightings of the targets to be approved by the General Meeting are as follows:

Category / Objective	**weight**
A. Financial Performance	**50%**
A1. Total Shareholder Return (TSR) relative to a benchmark (Relative TSR)	25%
A2. Earnings per Share (EPS)	25%
B. Customer Experience (CX)	**25%**
Γ. Sustainability	**25%**

The minimum threshold for achieving the targets in each category is 80%.

The targets will be quantified annually by the Board of Directors upon the recommendation of the Nomination and Compensation Committee, and performance against these targets will be evaluated annually.

(d) To identify the senior executives of the Company and its affiliated companies, their roles, and their total number in accordance with the Group's structure, with the aim of engaging and motivating them to pursue the objectives of the Group's Strategic Plan. More specifically, in accordance with the current structure, the Program may include 33 to 40 senior executives of the Company and its affiliated companies, including the executive members of the Board of Directors, the Chief Executive Officers, and senior executives who report directly to the Chief Executive Officers.

The Performance Stock Grant Program will be implemented in four (4) annual Series, with a maximum number of free stock options granted for each Series as set forth in the table below, and with the Board of Directors having the option to decide to carry forward up to 15% of the stock grants to be awarded under Article 114 of Law 4548/2018 from the First, Second and Third Series of the aforementioned Program to subsequent Series.

Series	Date of Granting Free Share Rights Based on Performance (Article 114 Law 4548/2018)	Mandatory Shareholding Period Based on Performance (lock-up period)	Maximum Number of Shares Based on Series Performance
First Series	Apr-24	Two (2) years from the grant date	433,333 with transferability of up to 65,000 shares to subsequent Series
Second Series	Apr-25	Three (3) years from the grant date	33,333 with transferability of up to 65,000 shares to subsequent Series
Third Series	Apr-26	Three (3) years from the grant date	216,667 plus any shares transferred from previous Series, with transferability of up to 32,500 shares to the next Series
Fourth Series	Apr-27	Three (3) years from the grant date	216,667 plus any shares transferred from previous Series
MAXIMUM NUMBER OF SHARES IN THE PROGRAM			**1,300,000**

There is a three-year lock-up period starting from the date of grant of the Second, Second, Third, and Fourth Series, in order to ensure the long-term commitment and dedication of the eligible executives to the objectives of the Strategic Plan.

Only selected senior executives of the Company and its affiliates are eligible to participate, including the executive members of the Board of Directors, the Chief Executive Officers and senior executives who report directly to the Chief Executive Officers and hold positions of responsibility for the day-to-day operations and strategic development of the Group's companies in accordance with its current organizational structure, specifically 33 to 40 senior executives who will be selected for each Cohort of the Program at the reasonable discretion of the Board of Directors, taking into account their contribution to the achievement of the FOURLIS Group's strategic plans for the period 2025 – 2027 (Vision) by setting ambitious sales targets (750 million euros) and profitability targets (adjusted EBITDA of 8–10% of sales). Specifically with regard to the Third and Fourth Series of the Program, the following objectives will be taken into account when evaluating the contribution of senior executives of the Company and its affiliates, divided into three categories, with the corresponding weighting factors:

Category / Target	Weighting
A. Financial Performance	**50%**
A1. Total Shareholder Return (TSR) relative to a benchmark (Relative TSR)[1]	25%
A2. Earnings per Share (EPS)[2]	25%
B. Customer Experience (CX)[3]	**25%**
Γ. Sustainability[4]	**25%**

<u>1. Total Shareholder Return (TSR)</u>: The metric that measures a stock's return over a specific time period (in this case, the annual period corresponding to a specific annual Series of the Program) and demonstrates the total benefit a shareholder derives from a stock. It includes both capital gains and dividends received by the shareholder. It is calculated as the percentage change (%) from (a) the Company's share price at the end of the previous year (starting price) to (b) the share price at the end of the current year, increased by the sum of dividends per share or by any other distribution made to shareholders (e.g., distribution of bonus shares, capital repayment, etc.) during the same period (expiration price).

In order to smooth out volatility in the event of circumstances beyond management's control (e.g., geopolitically driven fluctuations), the TRS formula will be calculated as follows in such cases: TSR is defined as the percentage change (%) from (a) the average price of the Company's share during the month of December of the previous year (starting price) to (b) the average price of the share during the month of December of the current year, increased by the sum of dividends per share or any other distribution made to shareholders (e.g., distribution of bonus shares, capital repayment, etc.) during the same period (closing price).

Selection of the Benchmark Index

The Company's performance based on TSR will be evaluated either:

- against a relevant stock market index, such as the **FTSE/ATHEX Consumer Discretionary Index** or the **FTSE/ATHEX Mid Cap Index**, or
- against a group of listed companies in the retail and consumer goods sectors.

The selection of the benchmark (index or group of companies) will be made by the Board of Directors and will remain fixed for the duration of the Fund, subject to reasonable adjustments in the event of delistings, mergers, or other significant corporate actions.

Vesting Criteria

The vesting of the portion of the plan based on the TSR will depend on the Company's relative performance against the selected benchmark, based on a scale to be approved by the Board of Directors. This scale may be structured as follows:

- **Percentile ranking** within the benchmark group, or
- **Percentage point outperformance** relative to the selected stock market index.

In any case, the award is contingent upon achieving a **minimum acceptable level of performance**, which will be determined by the Board of Directors.

Discretion and Adjustments

The Board of Directors reserves the right to adjust the peer group, the methodology, or the outcome of the assessment, with the aim of ensuring fair application and avoiding undesirable results due to extraordinary or non-recurring events. The peer group shall remain stable throughout the measurement period, subject to reasonable adjustments in cases of delistings, mergers, or other significant corporate actions.

2. Earnings per Share (EPS): A measure of the Company's profitability, calculated by dividing the Company's net income by the total number of shares outstanding, excluding treasury shares. For the purposes of the Program, earnings resulting from real estate revaluations are excluded (Earnings per Share excl. real estate revaluations).

3. Customer Experience (CX): Customer experience is measured using internationally accepted methodologies and key performance indicators (KPIs) designed to assess customer satisfaction and loyalty. The Company uses, for example: a) to evaluate the Customer Experience in the Home Furnishings and Furniture Retail Sector (IKEA stores), the "Happy Customer" methodology, and b) to evaluate the Customer Experience in the Sports Goods Retail Sector (INTERSPORT and FOOT LOCKER stores), the "Net Promoter Score (NPS)" methodology, which measures the likelihood that customers will recommend the company to others.

4. Sustainability: To measure this indicator, the targets published in the Annual Sustainability Report in accordance with the CSRD are considered, as well as employee engagement, which is measured through employee satisfaction surveys.

The duration of the Program is sixty (60) months, beginning in March 2024.

To implement the Program and in accordance with its terms, the Company will carry out capital increases for the purpose of issuing new shares to be delivered to the beneficiaries. For these increases, the Company has the option, pursuant to Article 114(2) of Law 4548/2018, either to allocate treasury shares acquired or already held in accordance with paragraph 49 of the same law, or to issue new shares through the capitalization of undistributed profits, distributable reserves, or the share premium account.

By a decision of the Board of Directors dated April 7, 2025, the beneficiaries of the Second Series of the Program were designated based on the proposal of the Nomination and Compensation Committee dated March 28, 2025, to whom 381,783 rights to free common voting shares (stock grants) were granted.

For the issuance of the 381,783 new shares, pursuant to a resolution of the company's Annual General Meeting of Shareholders on June 20, 2025, an increase in the share capital by the amount of three hundred eighty-one thousand seven hundred eighty-three euros (381,783.00), through the capitalization of an equivalent portion of distributable reserves (specifically: an amount of 381,783.00 from the share premium reserve).

It should be noted that the maximum number of performance shares granted under the Performance Stock Grant Program (performance stock grants) approved and implemented by resolution of the Annual General Meeting of June 16, 2023, as proposed to be amended by the Annual General Meeting of June 20, 2025, and have not been granted, corresponded on June 20, 2025 (date of the 2025 Annual General Meeting) to 1.80% of the Company's share capital (excluding any treasury shares held by the Company).

For the fiscal year 1/1–12/31/2025, an amount of EUR 300 thousand (2024: EUR 509 thousand) was recorded as an expense in the Company's financial statements

18. Financial Instruments and Risk Management Policies

18.1 Credit Risk

Exposure to Credit Risk

The company has significantly reduced its exposure to credit risk because payment for the sale of merchandise is made primarily in cash or via credit cards that are settled immediately.

The maximum exposure to credit risk as of the date of the Statement of Financial Position, excluding any hedging or insurance methods, was:

	Book Value	
	2025	**2024**
Trade receivables	15,387	16,231
Other Debtors	3,046	8,051
Credit Cards receivable	868	662
Cash & cash equivalent	9,239	14,567
Total	**28,539**	**39,511**

18.2 Liquidity Risk

Liquidity risk is kept low by maintaining adequate bank credit limits and cash reserves. The contractual maturities of financial liabilities, including interest payments and excluding netting agreements, are set out in Note 19.

31/12/2025	**Immediate termination**	**3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
Credit lines	5,656	0	0	0	0	**5,656**
Long-term loans	0	0	20,952	24,928	0	**45,880**
Total	**5,656**	**0**	**20,952**	**24,928**	**0**	**51,537**

	Immediate termination	**3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
31/12/2024						
Long-term loans	0	0	16,971	23,904	0	40,875
Total	**0**	**0**	**16,971**	**23,904**	**0**	**40,875**

18.3 Foreign exchange risk

The company is exposed to foreign exchange risks arising from commercial transactions in foreign currencies (e.g., RON, USD) with suppliers who invoice in currencies other than the local currency. To minimize foreign exchange risk in accordance with its current needs, the company assesses the need to purchase foreign currency in advance.

18.4 Interest Rate Fluctuation Exposure

Profile

The Company is exposed to cash flow risks, which, due to a possible future change in floating interest rates, may positively or negatively differentiate the cash inflows and/or outflows associated with the Company's assets and/or liabilities. Although in an environment of prolonged global slowdown, the risk of interest rate increases remains low.

As of the date of the Financial Position Statement, the profile of the Company's financial instruments is analyzed in the Loans section.

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

A 1% fluctuation of the Company’s borrowing rate at December 31, would increase/(decrease) equally Net Equity and Operating Results by 515 thousand euros in fiscal year 2025 (409 thousand in fiscal year 2024).

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

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

18.5 Fair value of financial instruments

There is no difference between the fair values and the corresponding accounting of financial assets and liabilities (ie trade and other receivables, cash, suppliers and other liabilities, derivative financial instruments, loans and leases). The fair value of a financial asset is the amount received for the sale of an asset or paid for the settlement of a liability in a normal transaction between two traders at the valuation date. The fair value of the financial elements of the Financial Statements as of December 31, 2025 was determined with the best possible estimate by the Management. In cases where there is no available data or it is limited by active financial markets, the valuations of fair values have arisen from the assessment of the Management according to the available information.

The three levels of the fair value hierarchy are as follows:

- Level 1: Market prices from active markets for identical tradable items,
- Level 2: Values that are not Level 1 but can be identified or determined directly or indirectly through market prices from active markets,
- Level 3: Fair values for assets or liabilities that are not based on quoted prices in active markets.

The following methods and assumptions were used to estimate fair value for each category of financial asset:

- Cash and cash equivalents, trade and other receivables, accounts payable and other liabilities: The carrying amount is nearly equal to fair value because either the maturity of these financial assets is short-term or there is no foreign exchange risk affecting fair value.
- Loans: The carrying amount is nearly equal to fair value because these loans are denominated in local currency and bear interest at a floating rate.

19. Borrowings

Borrowings are analyzed as follows:

	31/12/2025	31/12/2024
Total long-term loan liabilities	**45,880**	**40,875**
Short-term part of long-term loan obligations	20,952	16,971
Long-term loan obligations	24,928	23,904
Short-term working capital loan obligations	5,656	0
Total loan liabilities	**51,537**	**40,875**

The Company's average effective interest rate on long-term loans for the fiscal year from January 1, 2025, to December 31, 2025, was 3.54% (5.24% for the corresponding fiscal year of 2024). The Company's average effective interest rate on short-term loans for the fiscal year from January 1, 2025, to December 31, 2025, was 3.94% (5.84% for the corresponding fiscal year of 2024). Loan proceeds for the current fiscal year amounted to EUR 35,500 thousand (2024: EUR 14,990 thousand), and repayments amounted to EUR 25,000 thousand (2024: EUR 12,061 thousand).

Long-term loans for the 2025 fiscal year, including the portion due within 12 months, are primarily used to fund the Company's growth needs and are broken down as follows:

	Amount in thousand euro	Date of Issue	Duration
Bonded	28,904	21/2/2022	8 years from the date of issue (EUR 3,976 thousand payable in the following fiscal year)
Bonded	10,000	21/6/2025	(EUR 10,000 thousand payable in the following fiscal year)
Bonded	6,976	21/6/2025	16 months from the date of issue (EUR 6,976 thousand payable in the following fiscal year)
Total	**45,880**		

Accordingly, the long-term loans for the fiscal year 2024, including their part that is payable within 12 months, mainly covered the Company's development needs and are analyzed as follows:

	Amount in thousand euro	Date of Issue	Duration
Bonded	30,880	21/2/2022	8 years from the date of issue (EUR 6,976 thousand payable in the following fiscal year)
Bonded	9,995	21/06/2024	(9,995 thousand euros payable in the next fiscal year)
Total	**40,875**		

Some of the Company's loans contain restrictive covenants. As of December 31, 2025, the Company was in compliance with the terms of the loans.

The Company has sufficient open lines of credit with domestic financial institutions to cover its working capital needs. As of December 31, 2025, the balance of the open lines of credit was EUR 17.5 million.

20. Leasing liabilities

On 31/12/2025, leasing liability for the Company is analyzed as follows:

	Lease liabilities	
	31/12/2025	**31/12/2024**
Opening balance	45,188	45,823
Additions	6,790	5,063
Termination of contract due to early expiration/store closure	(168)	0
Repayment of leasing	(6,363)	(5,698)
Total	**45,446**	**45,188**

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

	31/12/2025	**31/12/2024**
Up to 1 year	6,659	5,970
Between 2-5 years	22,925	22,309
More than 5 years	15,861	16,909
Total	**45,446**	**45,188**

The additions to assets held under lease agreements for the current fiscal year primarily relate to renewals and rent adjustments for existing leases totaling EUR 2.7 million, as well as lease agreements for new stores totaling EUR 4 million in Crete, Ioannina, Patras, Vari, and Kalamaria in Thessaloniki.

21. Trade and other payables

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

	31/12/2025	31/12/2024
Trade payables	48,669	40,309
Accrued expenses	2,722	2,454
Other payables	3,604	2,005
Taxes liability	3,614	2,669
Customers advances	652	626
Insurance Organizations	781	714
Total	**60,041**	**48,778**

22. Taxes

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

The Company for the financial years 2011, 2012, 2013 has been subject to the tax audit of the regular Certified Public Accountants based on the provisions of article 82 par. 5 of Law 2238/1994 and for the financial years 2014, 2015, 2016, 2017 based on the provisions of article 65a of Law 4174/2013. Received a Certificate of Tax Compliance for the financial years 2011 – 2024 while, the audit for the fiscal year 2025 is ongoing. Upon completion of the audit, the Company's Management does not expect significant liabilities to arise, other than those recorded and reflected in the Financial Statements. The fiscal years up to 2019 are closed.

The income tax that was charged to the results of the year 1/1 - 31/12/2025 compared to the period 1/1 - 31/12/2024 is as follows:

	1/1 - 31/12/2025	1/1 - 31/12/2024
Income tax	**0**	**(30)**
Deferred Taxes:		
Differences of fixed assets	84	116
Provisions for employee benefits (IAS 19)	7	2
Differences from the application of IFRS 16	151	159
Provisions	11	57
Deferred tax from tax loss recognition	(1,449)	0
Total Deferred taxes	**(1,195)**	**334**
Income Tax Expense	**(1,195)**	**304**

The reconciliation between the nominal tax rate and the effective tax rate for the year 2025 compared to the year 2024 is analyzed as follows:

	1/1 - 31/12/2025	1/1 - 31/12/2024
Profit before taxes	**4,472**	**4,000**
Income tax based on nominal tax rate	(984)	(880)
Tax on tax free income	0	330
Tax on non deductible expenses	(131)	(48)
Tax on tax losses	0	(30)
Income tax difference of previous year	0	1,044
Miscellaneous timing differences	(80)	(112)
Tax in statement of comprehensive income	**(1,195)**	**304**

The Deferred taxes as of December 31, 2025, reported in the Statement of Comprehensive Income and relating to actuarial losses on defined benefit plans, represent an expense of EUR 25 thousand (2024: income of EUR 57 thousand).

Deferred taxes as at 31 December 2025 and 31 December 2024 appearing in the accompanying Financial Statements are analyzed as follows:

	1/1 - 31/12/2024	Tax amount through PnL	Tax amount through OCI	1/1 - 31/12/2023
Assets:				
Depreciation calc. difference	(31)	84	0	53
Employee retirement benefits (IAS 19)	223	7	(25)	206
Stock devaluation	54	(12)	0	42
Provisions	221	24	0	245
Deferred income tax	5,700	(1,449)	0	4,251
Lease Differences (IFRS 16)	554	151	0	705
Assets:	**6,722**	**(1,195)**	**(25)**	**5,502**

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

The recognition of a deferred tax asset related to tax loss carryforwards is based on management's assessment that sufficient future taxable income will be generated, against which these tax losses can be offset within the time period provided for by applicable tax legislation. This assessment is based on approved business plans and profitability forecasts for the Company and its operations, taking into account current market conditions, expected future performance, and other available information as of the reporting date. Management reviews the recoverability of recognized deferred tax assets at each reporting date.

Given that tax audits are pending for certain fiscal years of the Company as mentioned above, the Company, based on the tax authorities' approach and interpretation for determining the final tax liability, believes it has established an adequate provision for potential differences arising from future tax audits. The accumulated amount of the tax provision for unaudited fiscal years as of December 31, 2025, as well as December 31, 2024, amounts to EUR 94 thousand, which is reflected in the income tax line.

23. Commitments and Contingencies

23.1 Commitments

Letters of guarantee have been given by the Company for rents, for a total amount of 1,669 thousand euros.There are no commitments of the Company on 31/12/2025.

23.2 Litigation

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

24. Transactions with Related Parties

Related parties of the Company include the parent Company, its subsidiaries, the Management and its first line managers. The analysis of the related party receivables and payables as at 31 December 2025 and at 31 December 2024 are as follows:

		31/12/2025	31/12/2024
Receivables from:	FOURLIS HOLDINGS SA	13	0
	SPORTSWEAR MARKET (CYPRUS) LTD	783	1,026
	GENCO TRADE SRL	7,714	9,118
	GENCO BULGARIA EOOD	4,657	7,822
	TRADE LOGISTICS SA	0	1
	TRADE ESTATES REIC	3	0
	TRADE STATUS SA	2	1
	SPORTSWEAR MARKET LTD	1,646	0
	SPORTSWEAR MARKET ROMANIA SRL	61	0
	Total	**14,879**	**17,968**
Payables to:			
	FOURLIS HOLDINGS SA	1,410	319
	TRADE LOGISTICS SA	792	308
	SPORTSWEAR MARKET (CYPRUS) LTD	173	70
	HOUSEMARKET SA	67	23
	GENCO TRADE SRL	741	350
	GENCO BULGARIA EOOD	3	3
	TRADE ESTATES REIC	22	77
	YALOU SA	0	55
	TRADE STATUS SA	0	3
	SPORTSWEAR MARKET LTD	168	0
	WELLNESS SMSA	78	26
	Total	**3,455**	**1,234**

Related party transactions during the year 01/01/2025 - 31/12/2025 and the year 01/01/2024 - 31/12/2024 are as follows:

	1/1 - 31/12/2025	1/1 - 31/12/2024
Revenue	51,366	41,719
Other income	1,510	818
Total	**52,876**	**42,537**

	1/1 - 31/12/2025	1/1 - 31/12/2024
Administrative expenses	3,697	2,633
Distribution expenses	6,894	5,111
Other Expenses	20	0
Total	**10,611**	**7,744**

In the fiscal years 2025 and 2024, remuneration was given to managers and members of the Management for their services to the Company as follows:

	1/1 - 31/12/2024	1/1 - 31/12/2023
Transactions and fees of management members	291	291

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

The transactions with related parties are arm's length.

25. Subsequent events

With regard to recent developments in Iran, our company has no business exposure in the countries involved; however, these developments are expected to have indirect implications, which are outlined below:

i. In terms of inventory availability, it should be noted that the company has already taken steps to ensure sufficient inventory levels to fully cover planned sales. Therefore, no impact on product availability is expected.

ii. Inflationary trends emerging in the broader market are expected to have a negative impact on consumer trade (including the impact of tourist traffic).

iii. Changes in energy prices may increase operating costs during the year.

iv. An increase in transportation and logistics costs is expected, which may lead to a squeeze on profit margins.

v. An increase in financing costs, primarily due to pressures arising from changes in the EURIBOR; however, the Company has already ensured that the impact is limited through the use of financial instruments.

It should be noted that the Company has the procedures, tools, and mechanisms in place to effectively manage the above impacts, thereby limiting their effect on its operations.

In addition, in January 2026, a disbursement of twenty million euros (20,000,000) was made, pursuant to the bond loan agreement signed on December 19, 2025, between the subsidiary "SPORTSWEAR MARKET SINGLE-MEMBER SOCIETE ANONYME" and "NATIONAL BANK OF GREECE S.A.".

There are no other events subsequent to December 31, 2025 that significantly affect the Company's financial position and results.

Web site for the publication of the Annual Financial Report

The Annual Financial Report, The Independent Auditors Report and the Board of Directors Report for the period 1/1 – 31/12/2025 has been published by posting on the Internet at the web address of the Company http://www.fourlis.gr.