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

1/1/2024 to 31/12/2024

(TRANSLATED FROM THE GREEK ORIGINAL)

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Statements of Members of the Board of Directors

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

The 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 - 31/12/2024, 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 SOCIÉTÉ 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, 16 June 2025

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 2024

(In accordance with L. 3556/ 2007)

TO THE SHAREHOLDERS ANNUAL GENERAL ASSEMBLY OF YEAR 2025

Dear Shareholders,

This report of the Board of Directors concerns the period of twelve months of the closed financial year (1/1-31/12/2024). The report has been prepared and is in accordance with the relevant provisions of Law 4548/2018 as it was in force until 31/12/2024. We submit to you for approval the financial statements for the financial year 1/1 – 31/12/2024 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 98.43% and the parent company FOURLIS HOLDINGS S.A. has the remaining shareholding of 1.57%.

The aforementioned companies are included in the consolidated financial statements of the parent company FOURLIS HOLDINGS 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 euros unless otherwise stated)

The sales of the Sporting Goods Retail Company (INTERSPORT Stores) in Greece for the year 2024 amounted to 153.8 million euros (2023: amount of EUR 141.1 million) and EBITDA reached EUR 16.6 million (2023: amount of EUR 13.2 million). Profit before tax amounted to EUR 4 million compared to losses of EUR 0.4 million in 2023.

During the fiscal year 2024, the Company proceeded with the implementation of its investment plans by adding to its network three (3) new stores in Mytilene (5/4/2024), Athens Airport Commercial Park (16/5/2024) and Galatsi (21/12/2024).

Below, we present comparative data of the Company's results for the financial year 1/1-31/12/2024 with the corresponding financial year 2023:

	2024	2023	2024/2023
Revenue	153,805	141,056	1.09
EBITDA (*)	16,558	13,241	1.25
EBIT (*)	6,671	3,547	1.88
Profit/(Loss) before Tax	4,000	373	10.72

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 2024 compared to the previous fiscal year 2023.

Financial Structure Indicators:

	31/12/2024	31/12/2023
Total Current assets/Total Assets	43.83%	35.12%
Total Liabilities/TOTAL SHAREHOLDERS EQUITY & LIABILITIES	83.52%	84.54%
Total Shareholders' Equity/TOTAL SHAREHOLDERS EQUITY & LIABILITIES	16.48%	15.46%
Total Current assets/Total Current Liabilities	99.35%	92.54%

Performance & Efficiency basic Indicators:

	2024	2023
Operating Profit/Revenue	4.34%	2.51%
Profit/(Loss) before Tax/Total Shareholders' Equity	14.91%	1.68%

We note that the total equity attributed to the Company's shareholders as of 31/12/2024 amounts to EUR 26.8 million, compared to the amount of EUR 22.2 million. on 31/12/2023.

4. Operating Performance – Important developments:

During the period 1/1 – 31/12/2024 the following share capital changes were realised at the parent Company and at the subsidiaries:

GENCO BULGARIA EOOD:

Pursuant to the decision of the General Meeting of the shareholders of the company on 2/9/2024, the share capital of the company was increased by the amount of one hundred and eight thousand BGN (BGN 108,000.00) by issuing 10,800 new common nominal shares with voting rights, with a nominal value of ten leva (BGN 10.00) each. The share capital increase was fully covered by the shareholder INTERSPORT ATHLETICS S.A., formerly under the name "SPORTSWEAR MARKET SINGLE-MEMBER COMMERCIAL SOCIÉTÉ ANONYME", in execution of the decision of the Board of Directors of the latter dated 29/8/2024. After the above-mentioned share capital increase, the share capital amounts to twenty million two hundred and thirty thousand nine hundred and seventy BGN (BGN 20,230,970.00), divided into 2,023,097 shares, with a nominal value of ten BGN (BGN 10.00) each.

5. Information about Company's plan of development

The company during the fiscal year 2024, continuing its development course, on August 28, 2024 announced the collaboration with Foot Locker which introduces the FOURLIS group in the athleisure (lifestyle & fashion) sector of the sports goods market and will further expand its presence in the region of Southeast Europe and specifically Romania, Bulgaria, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Cyprus and Greece. Within the first half of 2025, three (3) Foot Locker stores in Greece and three (3) stores in Romania are planned to be added to the Group's network.

As of 31/12/2024, one hundred and seventeen (117) INTERSPORT Stores were operating in Greece, Romania, Bulgaria and Cyprus, while two new stores in Greece and two new stores in Romania are scheduled to open in the first half of 2025.

As announced on December 2, 2024, the Fourlis Group faced a malicious external cybersecurity attack on November 27, which temporarily affected digital systems in all countries of its operation. The management immediately activated the incident response plan and, in cooperation with specialized partners, contained and successfully solved the problem. All the group's actions followed the procedures for mitigating the impact provided for by the General Data Regulation (GDPR) and Law 4624/2019 and the disclosure and cooperation obligations with the competent supervisory authorities. The temporary unavailability of some data affected by the cyberattack was restored almost immediately, while the technical report (Forensic) did not prove the leakage of personal data.

The incident caused temporary disruptions to store replenishment, as well as e-commerce operations, during December 2024 to February 2025.

However, the group's rapid adjustment to costs and flexibility allowed it to absorb the impact and even exceed its profitability forecasts for the year.

As of March 2025, all systems and data have been fully restored and trading has returned to normal operational performance. The group continues to invest in cybersecurity and IT resilience while maintaining a focus on sustainable development and operational excellence.

At the beginning of 2025, the international economic environment remains highly fluid, as intense geopolitical instability continues and competition between the world's strongest nations intensifies. However, despite the uncertainties and significant challenges, the Group's high performance in 2024 lays a strong starting point for achieving our targets.

The Management's orientation towards the exploitation of synergies within the Group will continue for the first half of 2025. "Integrity", "Mutual Respect" and "Effectiveness" continue to be the values through which the Group 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.

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.

Interest rate risk:

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

Liquidity risk is kept at low levels by maintaining adequate bank credit limits and significant cash and cash equivalents. The Group also uses derivative financial products to manage these risks.

Risk from the energy crisis and inflationary pressures

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

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

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

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

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.

b) 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 - 31/12/2024.

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/amortization/impairment. Operating profit is presented in the line item of the Income Statement and depreciation/amortization/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:

	1/1-31/12/2024	**1/1-31/12/2023**
Profit /(Loss) before tax	**6,671**	**3,547**
Total depreciation/amortization - Net gain/loss on revaluation of investments Real estate at fair value	9,886	9,695
Earnings before interest, taxes /impairment (EBITDA)	**16,558**	**13,241**

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 April 2025 and is available on www.fourlis.gr website.

9. Related parties transactions

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

Detailed information on the related parties' receivables/ payables for the Company for the period 31 December 2024 and 31 December 2023 is analyzed as follows (all amounts in th. euros):

		31/12/2024	31/12/2023
Receivables from:	FOURLIS HOLDINGS SA	0	512
	HOUSEMARKET SA	0	7
	SPORTSWEAR MARKET (CYPRUS) LTD	1,026	272
	HOUSE MARKET BULGARIA EAD	0	1
	GENCO TRADE SRL	9,118	4,064
	GENCO BULGARIA LTD	7,822	6,139
	TRADE LOGISTICS SA	1	1
	TRADE STATUS SA	1	1
	Total	**17,968**	**10,997**
Payables to:	FOURLIS HOLDINGS SA	319	0
	TRADE LOGISTICS SA	308	172
	HOUSEMARKET SA	23	9
	SPORTSWEAR MARKET (CYPRUS) LTD	70	322
	RENTIS SA	0	15
	GENCO TRADE SRL	350	103
	GENCO BULGARIA LTD	3	3
	TRADE ESTATES REIC	77	80
	YALOU SA	55	9
	TRADE STATUS SA	3	0
	WELLNESS SA	26	5
	Total	**1,234**	**718**

Third Parties transactions for the period 1/1/2024 to 31/12/2024 and for the period 1/1/2023 to 31/12/2023 are analyzed as follows:

	1/1 - 31/12/2024	1/1 - 31/12/2023
Revenue	41,719	34,773
Other income	818	961
Total	**42,537**	**35,735**

	1/1 - 31/12/2024	1/1 - 31/12/2023
Administrative expenses	2,633	1,866
Distribution expenses	5,111	4,523
Other Expenses	0	5
Total	**7,744**	**6,394**

10. Human Recourses of the Company

The total number of employees of the Company on 31/12/2024 is 866 people (831 on 31/12/2023).

11. Management members' transactions and remuneration

During periods 2024 and 2023, transactions and fees with the management members were as follows:

	1/1 - 31/12/2024	1/1 - 31/12/2023
Transactions and fees of management members	291	290

12. Subsequent Events after the date of preparation of the Annual Financial Statements for the financial year from 1/1/2024 to 31/12/2024

There are no other events after 31/12/2024 that significantly affect the Company's financial situation and results other than the following:

- **Completion of the acquisition of Foot Locker operations in Greece and Romania**

On April 15, 2025, the Fourlis Group announced the completion of the acquisition of Foot Locker's activities in Greece and Romania, through the company SPORTSWEAR MARKET SMCSA, marking an important milestone in its strategic partnership with Foot Locker.

The acquisition includes the transfer of six existing Foot Locker stores - three in Greece and three in Romania - and the online store in Greece, which are now managed by the Fourlis Group. The acquisition is part of the licensing agreements signed between the Fourlis Group and Foot Locker in August 2024 under which the group has 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.

This development follows the successful launch of the first three Foot Locker stores in Bulgaria at the end of 2024. With the completion of the acquisition of the existing stores in Greece, the Fourlis Group creates the foundations for uniform operating standards, brand development and further geographical expansion.

The group's long-term plan includes the development of more than 100 physical Foot Locker stores and eight online stores.

The acquired business is expected to contribute positively to the Group's consolidated revenues and operating EBITDA profits from the financial year 2025. Over a five-year horizon, the Group aims for annual sales of 250 million euros. Boosted by growing demand for lifestyle products and sports footwear in the region, as well as an EBITDA margin of 8–10%.

The integration of the new stores is fully supported by the existing infrastructure of the Fourlis Group, which includes offices in Athens, Sofia, Bucharest and Nicosia, a state-of-the-art and automated logistics center in Attica and shared business services. These synergies are expected to boost efficiency, reduce operating costs and enable the scalability of the Foot Locker network in Southeast Europe.

The successful completion of the acquisition further strengthens the Fourlis Group's position as a key player in the fast-growing sporting goods market in Southeast Europe, supporting its commitment to sustainable and profitable growth through international partnerships and deep expertise.

- **Share Capital Increase SPORTSWEAR MARKET S.M.C.S.A.**

Following the decision of the Extraordinary General Meeting of the shareholders of SPORTSWEAR MARKET S.M.S.A., which was held on March 24, 2025, the share capital was increased by the amount of eleven million five hundred thousand five euros and five cents (11,500,005.05), with the issuance of three hundred and ninety-one thousand eight hundred and twenty-three (391,823) new common registered voting shares, with a nominal value of twenty-nine euros and thirty-five cents (29.35) each.

This Management Report of the Board of Directors as well as the Annual Financial Statements for the year 1/1 - 31/12/2024, 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, 16 June 2025

The Board of Directors

The annual Financial Statements included in pages 19 to 64 are in accordance with the IFRS as applied in the European Union and approved by the Board of Directors on 16/6/2025 and are signed by the following:

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

Grant Thornton

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, 2024, 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, 2024, 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 Matter

The separate and consolidated financial statements of the Company for the previous financial year ended 31/12/2023 were audited by another auditing firm. For the said financial year, the Certified Public Accountant issued an Unqualified Opinion Independent Auditor's Report as at 14/06/2024.

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 31.12.2024.

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 16, 2025

The Certified Public Accountant

Dimitris Panterlis

Registry Number SOEL 38651

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

INTERSPORT

Statement of Financial Position as at December 31,2024 and at December 31,2023

(In thousands of Euros, unless otherwise stated)

Assets	Note	31/12/2024	31/12/2023
Non-current Assets			
Property plant and equipment	6	12,222	13,086
Right of use assets	7	38,819	39,726
Intangible Assets	8	2,134	2,143
Investments	9	26,099	26,043
Net investment in the subleases	7	3,841	4,234
Long Term receivables		1,600	1,722
Deferred Taxes	22	6,722	6,331
Total non-current assets		**91,437**	**93,286**
Current assets			
Inventory	10	31,082	26,373
Income tax receivable		754	484
Trade receivables	11	16,231	11,254
Other receivables	12	8,712	4,093
Cash & cash equivalent	13	14,567	8,285
Total current assets		**71,347**	**50,489**
Total Assets		**162,784**	**143,775**
SHAREHOLDERS EQUITY & LIABILITIES			
Shareholders equity			
Share Capital	14	21,085	21,085
Share premium reserve		(201)	(201)
Reserves	15	3,432	2,923
Retained earnings		2,518	(1,585)
Total Shareholders' equity (a)		**26,834**	**22,222**
LIABILITIES			
Non Current Liabilities			
Non - current loans	19	23,904	25,913
Lease liabilities	20	39,218	40,331
Employee retirement benefits	17	1,016	749
Total non current Liabilities		**64,138**	**66,994**
Current Liabilities			
Short term loans for working capital	19	0	28
Current portion of non-current loans and borrowings	19	16,971	11,955
Short-term portion of non-current lease	20	5,970	5,492
Income Tax Payable	21	94	0
Accounts payable and other current liabilities	22	48,778	37,085
Total current Liabilities		**71,812**	**54,560**
Total Liabilities (b)		**135,950**	**121,553**
SHAREHOLDERS EQUITY & LIABILITIES		**162,784**	**143,775**

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

Income Statement for the period 1/1 to 31/12/2024 and 1/1 to 31/12/2023

(In thousands of Euros, unless otherwise stated)

	Note	1/1 - 31/12/2024	1/1 - 31/12/2023
Revenue		153,805	141,056
Cost of Goods Sold	10	(98,635)	(91,925)
Gross Profit		**55,170**	**49,131**
Other income	5	2,384	2,268
Distribution expenses	5	(44,155)	(42,740)
Administrative expenses	5	(6,497)	(4,862)
Other operating expenses	5	(230)	(251)
Operating Profit		**6,671**	**3,547**
Total finance cost	5	(4,245)	(4,740)
Total finance income	5	199	317
(Losses)/Profits from selling affiliates	9	(125)	250
Dividend income	16	1,500	1,000
Profit / (Loss) before Tax		**4,000**	**373**
Profit before Tax / (Loss)	22	304	1,548
Profit / (Loss) after Tax		**4,304**	**1,921**

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 31/12/2024 and 1/1 to 31/12/2023

(In thousands of Euros, unless otherwise stated)

	Note	1/1 - 31/12/2024	1/1 - 31/12/2023
Profit (A) / Net (Loss)		**4,304**	**1,921**
Other comprehensive income / (loss)			
Other comprehensive income / (loss) transferred to the income statement			
Total comprehensive income / (loss) transferred to the income statement		**0**	**0**
Other comprehensive income / (loss)/ not transferred to the income statement			
Actuarial gains / (losses) on defined benefit pension plan	16,21	(201)	(27)
Total other comprehensive income / (loss) not transferred to the income statement		**(201)**	**(27)**
Other comprehensive income / (loss) after tax (B)		**(201)**	**(27)**
Total comprehensive income/ (loss) after tax (A) + (B)		**4,103**	**1,894**

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

Statement of Changes in Equity for the period 1/1 to 31/12/2024 and 1/1 to 31/12/2023

(In thousands of Euros, unless otherwise stated)

	Note	Share Capital	Share premium reserves	Reserves	Retained earnings / (Accumulated losses)	Total Equity
Balance at 1.1.2023		**21,085**	**(201)**	**2,462**	**(3,479)**	**19,866**
Total comprehensive income / (loss) for the period						
Net profit		**0**	**0**	**0**	**1,921**	**1,921**
Effective portion of changes in fair value of cash flow hedges	**17,22**	**0**	**0**	**0**	**(27)**	**(27)**
Total comprehensive income/(loss)		**0**	**0**	**0**	**(27)**	**(27)**
Total comprehensive income/(loss) after taxes		**0**	**0**	**0**	**1,894**	**1,894**
Transactions with shareholders recorded directly in equity						
Stock option reserves	**17**	**0**	**0**	**461**	**0**	**461**
Total transactions with shareholders		**0**	**0**	**461**	**0**	**461**
Balance at 31.12.2023		**21,085**	**(201)**	**2,923**	**(1,585)**	**22,222**
Balance at 1.1.2024						
Total comprehensive income/(loss) for the period		**21,085**	**(201)**	**2,923**	**(1,585)**	**22,222**
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 on 31.12.2024		**21,085**	**(201)**	**3,432**	**2,518**	**26,834**

The accompanying notes are an integral part of Financial Statements.

Statement of Cash Flows for the period 1/1 to 31/12/2024 and 1/1 to 31/12/2023

(In thousands of Euros, unless otherwise stated)

	Note	1/1 - 31/12/2024	1/1 - 31/12/2023
Operating Activities			
Profit / (Loss) before taxes		4,000	373
Adjustments for			
Depreciation / Amortization	5,6,7,8	9,886	9,695
Provisions		518	434
Foreign exchange differences		46	19
Results and profits from investment activity			
Loss on investment activity		(1,519)	(1,006)
Interest Expense		4,140	4,543
Plus/less adj for changes in working capital related to the operating activities			
(Increase) / decrease in inventory		(4,709)	3,310
(Increase) / decrease in trade and other receivables		(9,352)	845
Increase / (decrease) in liabilities (excluding banks)		11,693	95
Less			
Interest paid and interest on leases		(4,136)	(4,463)
Income taxes paid		64	(848)
Net cash generated from operations (a)		**10,631**	**12,996**
Investing Activities			
Acquisition or increase of MK subsidiaries, associates, joint ventures and other investments		(55)	(550)
Purchase of tangible and intangible fixed assets	6,8	(3,044)	(2,941)
Proceeds from sales of subsidiaries, associates of joint ventures	9	0	614
Interest received		19	6
Dividends received	17	1,500	1,000
Total (outflow) / inflow from investing activities (b)		**(1,580)**	**(1,871)**
Financing Activities			
Proceeds from issued loans	20	14,990	6,500
Repayment of loans	20	(12,061)	(16,505)
Repayment of leasing	21	(5,698)	(5,479)
Total inflow / (outflow) from financing activities (c)		**(2,769)**	**(15,484)**
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)		**6,282**	**(4,359)**
Cash and cash equivalents at the beginning of the period		8,285	12,645
Closing balance, cash and cash equivalents		**14,567**	**8,285**

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

Notes to the annual financial statements as of December 31, 2024

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 "INTERSPORT ATHLETICS S.A." and with the distinctive title "INTERSPORT ATHLETICS 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.

On 24/09/2024, the decision of the General Commercial Register (G.C.R.), with Registration Code Number 4456377, was registered in the General Commercial Register (G.C.R.), with Registration Number , the decision of the G.C.R. of our Chamber of Commerce (ADA: ΨΔΧΕ469ΗΕΘ-ΡΨ2), which approved the amendment of article 1 of the Articles of Association, of the Société Anonyme under the name "INTERSPORT ATHLETICS S.A.", the distinctive title "INTERSPORT ATHLETICS S.A." and the number G.C.R. 121753801000, as in force in accordance with the decision of the General Meeting of the company's shareholders dated 18/09/2024. The company's name was formed as "SPORTSWEAR MARKET SINGLE-MEMBER COMMERCIAL S.A." and its distinctive title as "SPORTSWEAR MARKET S.A.".

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. Dimitris E. Valachis, Director
5. Lyda St. Fourlis, Director
6. Theodoulidou I. Maria, Director
7. Antonios A. Makris, Director

The number of the Company's employed human resources on 31/12/2024 is 866 people (831 on 31/12/2023).

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	98.43

For the fiscal year from 1/1/2024 to 31/12/2024, there was no change in the share capital in the Company.

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 2024, on June 16, 2025. 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. 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 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 to the Financial Statements.

• **Useful lives of property plant and equipment and intangible assets:** Management makes estimate Forecasts for slow moving stocks 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 recognized in the Statement of Other Income. Actuarial assumptions are subject to periodic review by the Management. Additional details are included in Note 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 17.2 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.

Crises:

- **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 14 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

The accounting policies adopted are consistent with those adopted during the previous financial year except for the following standards which the Company has adopted as of January 1, 2024.

Amendments to IAS 1 "Classification of Liabilities as Short Term or Long Term" (applicable for annual periods beginning on or after 1/1/2024)

The amendments provide guidance on IAS 1 requirements for the classification of liabilities as short-term or long-term. The amendments clarify the concept of the right to defer settlement of a liability, which should exist at the reference date. The intention of management or the counterparty's right to settle the obligation through the transfer of equity does not affect the short-term or long-term classification. In addition, it clarifies that only clauses that an entity must comply with on or before the reference date affect the classification of an obligation. Amendments to the Standard require that information relating to these clauses be disclosed in the notes to the financial statements. The amendments apply for annual accounting periods starting on or after 1 January 2024, with their early adoption allowed. The Company has evaluated the disclosures of the accounting policies and they have no impact on the Company's financial statements.

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Supplier Financing Arrangements (applicable for annual periods commencing on or after 1/1/2024)

In May 2023, the IASB issued amendments ('Supplier Finance Arrangements'), which amended IAS 7 'Statement of Cash Flow' and IFRS 7 'Financial Instruments: Disclosures'. The new amendments require an entity to provide additional disclosures on supplier financing arrangements. Those disclosures are intended to assist users of financial statements (a) to assess how supplier funding arrangements affect an entity's liabilities and cash flow, and (b) to understand the impact of supplier funding arrangements on liquidity risks and how the entity could be affected if those financial instruments are no longer available. The amendments to IAS 7 and IFRS 7 apply to the accounting period on or after 1 January 2024. The Company's Management is in the process of assessing the impact on the financial statements.

Amendments to IFRS 16 "Leases: Lease Obligation in a Single Sale and Release" (applicable for annual periods beginning on or after 1/1/2024)

In September 2022, the IASB issued limited-purpose amendments to IFRS 16 "Leases" that add requirements for how a company accounts for a sale and leaseback after the date of the transaction. A sale and release is a transaction in which a company sells an asset and leases the same asset back for a period of time from the new owner IFRS 16 includes requirements relating to the accounting handling of a sale and release on the date the transaction takes place. However, the Standard did not specify how the transaction would be measured after that date, in particular when some or all of the payments are variable payments that do not depend on an index or interest rate. The adopted amendments are in addition to IFRS 16 requirements on sale and releasing, thereby supporting the consistent application of the accounting standard. These amendments will not change the accounting treatment for leases other than those resulting from a sale and release transaction. The Company's Management is in the process of assessing the impact on the financial statements.

New Standards, Interpretations, Revisions and Amendments of existing Standards that have not yet entered into force 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 entered into force or have not been adopted by the European Union.

Amendments to IAS 21 "The Effects of Exchange Price Changes": Lack of Exchangeability (applicable for annual periods starting on or after 1/1/2025)

In August 2023, the IASB issued amendments to IAS 21 'The effects of exchange price changes' requiring entities to provide more useful information in their financial statements when one currency cannot be exchanged for another currency. The amendments include the introduction of the definition of the exchangeability of a currency, as well as the process by which the entity should assess that exchangeability. In addition, the amendments provide guidance on how the entity should calculate the spot rate in cases where the currency is not exchangeable and require additional disclosures in cases where an entity has calculated an exchange rate due to a lack of interchangeability. The amendments to IAS 21 apply to the accounting period on or after 1 January 2025.

The Company's Management is in the process of assessing the impact on the financial statements.

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

In May 2024, the IASB adopted amendments to the classification and measurement requirements of IFRS 9 Financial Instruments and corresponding IFRS 7 Financial Instruments: Disclosures. In particular, the new amendments clarify when a financial obligation must be derecognized when it is repaid via electronic payment. It also provides additional guidance on the assessment of contractual cash flow characteristics for financial assets linked to ESG (environmental, social and corporate governance) criteria. In addition, the disclosure requirements relating to investments in equity securities determined at fair value through other comprehensive income have been amended and disclosure requirements have been added for financial instruments with possible characteristics not directly related to key risks and borrowing costs. The amendments apply to accounting periods starting on or after 1 January 2026. The Company's Management is in the process of assessing the impact on the financial statements.

IFRS Annual Improvements-Volume 11 (applicable for annual periods beginning on or after 1/1/2026)

In July 2024, the IASB issued IFRS Annual Improvements, which include minor amendments to the following accounting standards: IFRS 1 "First Application 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 apply to accounting periods on or after January 1, 2026. The Company's Management is in the process of assessing the impact on the financial statements.

Amendments to IFRS 9 and IFRS 7 – "Reference Contracts for Nature-dependent Electricity" (applicable for annual periods starting on or after 1/1/2026)

On 18 December 2024, the International Accounting Standards Board (IASB) adopted amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', with the aim of helping companies better report the financial impact of nature-dependent electricity reference 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 energy. However, the amount of energy produced can vary due to exogenous factors, such as weather conditions. The amendments aim to best reflect these contracts in the financial statements by: (a) clarifying the requirements for the application of the concept of 'own-use', (b) allowing hedge accounting in cases where such contracts are used as hedging instruments, and (c) adding new disclosure requirements in order for investors to better understand the impact of these contracts on finances results and cash flows of the companies. The amendments apply to accounting periods starting on 1 January 2026, with their early adoption allowed. The Company's Management is in the process of assessing the impact on the financial statements.

IFRS 18 "Presentation and Disclosure of the Financial Statements" (applicable for annual periods beginning on or after 1/1/2027)

In April 2024, the IASB adopted 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 provided in an entity's financial statements, in particular the statement of profit and loss and disclosures on the financial statements. The Standard will improve the quality of financial reporting due to: a) the requirement of defined subsets in the income statement, b) the requirement to disclose in a separate note to the financial statements the performance indicators defined by the company's management (Management-defined Performance Measures), c) the new principles for aggregation – disaggregation. The Company's Management is in the process of assessing the impact on the financial statements.

IFRS 19 "Non-Publicly Responsible Subsidiaries: Disclosures" (applicable for annual periods beginning on or after 1/1/2027)

In May 2024, the IASB issued a new Standard, IFRS 19 "Non-Publicly Liable Subsidiaries: Disclosures". The new standard allows eligible economic entities that meet its requirements to choose to apply the reduced disclosure requirements of IFRS 19 instead of the disclosure requirements set out in the other IFRS. IFRS 19 works in parallel with the other IFRS as subsidiaries will have to apply the measurement, identification and presentation requirements set out in the other IFRS and the reduced disclosure requirements described in IFRS 19. This simplifies the preparation of financial statements for subsidiaries that meet the conditions for the application of this standard while maintaining their usefulness for users. IFRS 19 applies to accounting periods starting on or after 1 January 2027, with their early adoption allowed. The Company's Management is in the process of assessing the impact on the financial statements.

3. Significant Accounting Policies

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

3.1 Investments in subsidiaries

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

3.2 Foreign currency translation

(a) Functional currency and reporting currency

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

(b) Transactions and balances

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

3.3 Property, plant and equipment

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

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

Significant additions and improvements are recognized as part of the cost of the asset when the recognition criteria are met. All other costs (repairs and maintenance) are recognized 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 where 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 for a timeline of 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 cannot be recovered i.e. when the book value is higher than the recoverable amount from their use or sale.

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

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

3.6 Current / Non-current assets and liabilities: classification

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

An asset is classified in category when it:

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

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

All other assets are classified as non-current.

An obligation is current when:

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

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

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

The Company classifies all other liabilities as non-current.

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

3.7 Financial instruments - initial recognition and measurement

IFRS 9 Financial Instruments

Classification and measurement of financial assets:

According to IFRS 9, financial assets are measured at fair value plus, in the case of financial assets not measured at fair value through profit and loss (Fair Value through Profit and Loss – FVPL), the transaction cost. Debt instruments are subsequently measured at fair value, through profit and loss, at amortized cost or fair value through other comprehensive income (Fair Value through Other Comprehensive Income – FVOCI). Classification criteria of financial assets are two: a) business model of financial assets management implemented by the Company and b) whether the financial asset (as a whole) give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding (SPPI test - Solely Payments for Principal and Interest).

Other financial assets are classified and subsequently measured as follows:

Company's investments in equity instruments are classified at fair value through other comprehensive income, without re-recognition of earnings or losses in profit and loss with the de-recognition. The Company's aims to maintain these equity instruments for the near future and irrevocably decided to classify them at fair value through other comprehensive income after the initial recognition or transaction. According to IFRS 9, equity instruments measured at fair value through other comprehensive income are not subject to impairment tests.

3.8 Impairment of financial assets

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

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). Cash flows are discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

The present value of the financial asset is reduced through the use of a provision and the impairment loss is recognized in profit or loss. The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Trade receivables (Note 11)

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

3.9 Inventory

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

3.10 Trade receivables

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

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

3.11 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 Assets held for sale

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

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

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

3.13 Share Capital

Direct costs incurred for increases in share capital are recorded, net of related income taxes against the share premium reserve. The cost of treasury shares net of any related income tax is recorded as a reduction of equity, until these shares are sold or cancelled. Any gain or loss on sale of treasury shares, net of direct transaction costs and any related income tax is recorded as a reserve account under equity.

3.14 Loans

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

Interest and associated loan costs incurred on the purchase or construction of fixed assets are capitalized. From the beginning of the productive operation of the fixed assets, the interest on the loan is borne by the results of the Company. In case of borrowing specifically for the purpose of constructing or acquiring an asset, the borrowing costs related to the loan agreement are directly capitalized. Otherwise, in order to determine the part of the loan related with that fixed asset, a method is implemented to determine the proportion of the capitalized interest and the proportion of the interest which will be recorded in the statement of comprehensive income as an expense. In case of revenues occurred as a result of investing part of a loan taken for construction of a fixed asset, reduce the amount of borrowing costs capitalized.

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

3.15 Current and Deferred Tax

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

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

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

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

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

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

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

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

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

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

The tax rate used by the Company is 22%.

3.16 Employee Benefits

Employee benefits are:

a) Short-term benefits

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

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

3.17 Contingent liabilities and Provisions

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

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

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

3.18 Revenue and expense recognition

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

The recognition of revenue is accounted for as follows:

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

  IFRS 15 establishes a five-step model that applies to revenue arising from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or industry. The standard also applies to the recognition and measurement of gains and losses on the sale of non-financial assets that are not part of the Company's ordinary activities (e.g. sales of property, plant and equipment or intangible assets). It requires entities to allocate the transaction price of contracts to individual discrete promises to give, i.e. performance obligations, based on stand-alone sales prices in accordance with the five-step model. Subsequently, revenue is recognized 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 service provided.
- *Interest income:* Interest income is recognized proportionally in time and by using the effective interest rate.
- *Dividends:* Dividends are recorded as income when the right to collect vests which is upon the decision of the General Assembly of Shareholders (ordinary or extraordinary). Expenses are recognized in the statement of comprehensive income as accrued.
- *Advertising costs:* Advertising costs are expensed as incurred and are included in distribution expenses.
- *Borrowing costs:* Underwriters costs, legal and other direct costs incurred during the issue of long-term loans are deducted from the loan balances and are recorded to the statement of comprehensive income based on the effective interest rate method over the duration of the loan. Borrowing cost is recognized as an expense during the issue period, except of the case that Company capitalizes borrowing costs according to IAS 23.
- *Credit card expenses:* Credit card expenses shall be accounted for under distribution operating expenses.

3.19 Leases and Net Investment from Subleases

Leases in which all the risks and benefits of the property remain with the lessor are 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 derecognize 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 recognizes 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 recognized in the income statement.

3.20 Offsetting of financial assets and liabilities

Financial assets and liabilities are not offset in the financial statements unless there is a legal right of set-off and intention for settlement of the net amount or settlement of the asset and liability simultaneously.

3.21 Derecognition of financial assets and liabilities

Financial Assets

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

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

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company´s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

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

4. Financial Risk Management

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

Risk from the energy crisis and inflationary pressures

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

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

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

Non-financial risks:

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

b) Legal Issues

There are no litigations or legal issues that might have a material impact on the Company’s Annual Financial Statements for the period 1/1 - 31/12/2024.

5. Analysis of expenses and other operating income

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

	1/1 - 31/12/2024	1/1 - 31/12/2023
Distribution expenses	44,155	42,740
Administrative expenses	6,497	4,862
Other operating expenses	230	251
Total	**50,882**	**47,853**

The main categories of expenses are analyzed below:

	1/1 - 31/12/2024	1/1 - 31/12/2023
Payroll Expenses	16,163	15,464
Third party services	13,028	12,011
Taxes-duties	529	474
Depreciation/Amortisation	9,886	9,695
Other operating expenses	11,277	10,209
Total	**50,882**	**47,853**

Payroll expenses are analyzed as follows:

	1/1 - 31/12/2024	1/1 - 31/12/2023
Salaries and wages	12,371	12,057
Social security contributions	2,588	2,452
Miscellaneous grants	1,196	983
Personnel retirement benefits	8	(28)
Total	**16,163**	**15,464**

(b) Other operating income is analyzed as follows:

	1/1 - 31/12/2024	1/1 - 31/12/2023
Management Fees	423	288
Revenue from prior year and non-use of provisions	320	172
Other Income	1,628	1,766
Income from Lease	13	41
Total	**2,384**	**2,268**

Other revenues include income from building rents in the amount of 404 thousand euros (2023: 407 thousand), shipping revenues amounting to EUR 275 thousand (2023: 304 thousand), revenue from marketing services 414 thousand (2023: 536 thousand) and 535 thousand to other (2023: 519 thousand).

(c) Net Financial Results are analyzed as follows:

	1/1 - 31/12/2024	1/1 - 31/12/2023
Interest - expenses	2,049	2,435
Credit card expenses	10	12
Other bank expenses	131	160
Foreign exchange differences (expense)-realized	105	198
Interest of lease liabilities	1,950	1,936
Total finance cost	**4,245**	**4,740**
Interest and related income	(19)	(6)
Interest on leases	(120)	(132)
Exchange differences (revenue)	(59)	(179)
Total finance income	**(199)**	**(317)**
Financial result	**4,046**	**4,424**

6. Property, plant and equipment

Property, plant and equipment for the period 1/1 – 31/12/2024 are analyzed 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**

The movement of property, plant and equipment for the financial year 1/1 - 31/12/2023 is as follows:

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

In the fiscal year 1/1 -31/12/2024, three (3) new stores were added, in Mytilene (5/4/2024), in the Commercial Park of Athens Airport (16/5/2024) and in Galatsi (21/12/2024).

The depreciation of tangible and intangible assets with a total value of EUR 3,916 thousand, 3,256 thousand euros were registered in the disposal costs and in the amount of 660 thousand euros administrative expenses.

On 31/12/2024, the Company examined the value of tangible assets and no indication of impairment of their value was found. The intangible value of the tangible assets relating to the INTERSPORT Stores amounts to an amount of EUR 10,858 thousand (12,505 thousand in 2023).

7. Right of use assets and Net Investment from Subleases

The movement of the Company's Right of use Assets as of 1/1-31/12/2024 was 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 additions to the assets with the right of use assets, mainly concern new store lease contracts in the amount of 2.2 million euros. In particular, three (3) new stores were launched in the fiscal year 1/1-31/12/2024, in Mytilene (5/4/2024), in the Athens Airport Commercial Park (16/5/2024) and in Galatsi (21/12/2024). Also included in the additions is an amount of 1.3 million euros for the new headquarters in Kifissia and 1.5 million euros relate to other rent adjustments of stores.

On 31/12/2024, the Company examined the value of right of use assets and no indication of impairment of their value was found.

The movement of the Company's right of use assets for the period 1/1-31/12/2023 is as follows:

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

The movement of the Net Investment from Subleases for fiscal year 2024 and 2023 is as follows:

	1/1-31/12/2024	1/1-31/12/2023
Net value of investments from subleases	**4,234**	**4,612**
Receipts from sublease rentals	(513)	(510)
Interest on sublease rentals	120	132
Net value balance from subleases	**3,841**	**4,234**

8. Intangible assets

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**

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

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

9. Investments

Investments are as analyzed as follows:

	COUNTRY	THE COMPANY			
		SHAREHOLDING 2024	31/12/2024	SHAREHOLDING 2023	31/12/2023
SUBSIDIARIES					
SPORTSWEAR MARKET (CY) LTD	Cyprus	100%	174	100%	174
GENCO BULGARIA EOOD	Bulgaria	100%	4,526	100%	4,471
GENCO TRADE SRL	Romania	98,43%	21,398	98.43%	21,398
Total			**26,099**		**26,043**

The change in the value of the participation in the subsidiary company GENCO BULGARIA EOOD is due to an increase in its share capital of 55 thousand euros, in execution of the decision of the Board of Directors of the Company dated 2/9/2024.

It is noted that during the fiscal year 2024, a loss of 125 thousand euros arose from the clearance of the sale price of the company INTERSPORT ATLETIK (250 thousand gain in 2023).

As of December 31, 2024, the Company assessed the existence of indications of impairment of its investment in subsidiaries, in accordance with the provisions of IAS 36 "Impairment of Assets". Where evidence of this was found, an estimate of the recoverable value of the holdings was carried out, which was determined to be the greater between fair value less selling costs and use value.

The value for the year was determined using the Discounted Cash Flow (DCF) method, based on approved business plans of the subsidiaries concerned. The basic assumptions used are summarized as follows:

- **Valuation method**: Value in use
- **Discount Rate (WACC):** 11.6% – 11.8%

- **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:

	31/12/2024	31/12/2023
Inventory	31,082	26,373
Total	**31,082**	**26,373**

The cost of the Company's inventories, which was recorded as an expense to the cost of sales, amounts to an amount of EUR 98,635 thousand. In the current fiscal year and respectively in 2023, it amounted to an amount of 91,925 thousand euros.

The value of the stocks written off during the financial year amounts to 0 thousand euros (137 thousand in 2023). In the current financial year, provisions were made for a write-down of an amount of EUR 276 thousand (258 thousand in 2023) and a forecast of the destruction of stocks in the amount of 99 thousand euros (149 thousand in 2023).

11. Trade receivables

Trade receivables are analyzed as follows:

	31/12/2024	31/12/2023
Trade receivables	16,231	11,254
Total	**16,231**	**11,254**

The above customer balance for the fiscal year 2024 concerns trade receivables from linked amounts of 15,868 thousand euros (10,485 thousand euros in 2023), and from customers an amount of 744 thousand euros (769 thousand in 2023) domestic. There are no overdue claims.

12. Other receivables

Other receivables are analyzed as follows:

	31/12/2024	31/12/2023
Credit Cards receivable	662	1,416
Other debtors	8,051	2,677
Total	**8,712**	**4,093**

Other debtors in fiscal 2024 and fiscal 2023 are analyzed as follows:

	31/12/2024	31/12/2023
Accruals	6,373	1,425
Suppliers' advances	765	825
Other debtors	912	426
Total	**8,051**	**2,677**

The change in the accruals accounts compared to last year's financial year is mainly due to a revenue provision of 2.4 million euros the financial year 2024 (2023: 0.2 million), with a forecast for purchases under receipt of an amount of EUR 3.2 million the fiscal year 2024 (2023: 1.2 million) and provisions from other expense accounts of 0.7 million (2023: 0.6 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:

	31/12/2024	31/12/2023
Cash in hand	498	563
Bank Deposits	14,069	7,722
Total	**14,567**	**8,285**

The Company's temporarily unallocated funds are invested in very short-term term deposits in euros. The weighted average deposit rate for the fiscal year 2024 amounted to 2.24%.

14. Share capital

There was no change in the Company's share capital during the financial year 2024.

15. Reserves

The movement of the reserves is analyzed as follows:

	31/12/2024	31/12/2023
Statutory Reserves	1,741	1,741
Extraordinary /Taxfree Reserves	(209)	(209)
SOP Reserve	1,900	1,391
Total	**3,432**	**2,923**

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 the dissolution of the Company, it may however be used to set - off accumulated losses.

16. Dividends

The Board of Directors of the Company will propose to the 2025 Annual General Meeting of Shareholders that no dividend be distributed. The 2024 Annual General Meeting of Shareholders approved the proposal of the Board of Directors of the Company not to distribute a dividend.

The Company recorded in its revenues and received dividends from its subsidiary in the amount of 1.5 million euros in fiscal year 2024 (2023: 1 million).

17. Employee retirement benefits

17.1 Liabilities due to termination of service

The obligation to compensate for exit from service 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 dated December 31, 2024.

Basic assumptions of the actuarial study are the following:

	2024	2023
Average annual increase in staff payroll	3.00%	1.50%
Discount Rate	3.43%	3.30%
Inflation	2.00%	2.5%
Program Duration Years	19	11.87

In case of an increase in the average annual salary increase of employees by 0.50%, i.e. 3.5%, then the total employee benefits of the Company would increase by 9.78%. In case of an increase in the discount rate by 0.50%, then the company's total employee benefits would be reduced by 8.75%.

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

	1/1 - 31/12/2024	1/1 - 31/12/2023
Service Cost	25	48
Interest Cost	47	28
Cost reduction/settlement/termination service	(63)	(103)
Total amount allocated in Income statement	**8**	**(28)**
Balance of liability at the beginning	**749**	**743**
Compensation due to retirement	8	(28)
Actuarial gains/losses	258	34
Balance of liability in the end	**1,016**	**749**

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

17.2 Share-based payments

Members of the Company's Management and its subsidiaries participate in the Share Option Program of the parent company FOURLIS S.A. HOLDINGS.

1) The Extraordinary General Meeting of the shareholders of the Company "FOURLIS HOLDING COMPANY S.A." of 22/7/2021 decided, in accordance with the provisions of article 113 of Law 4548/2018, to implement a Stock Options Program (hereinafter: "the Program 1") to senior executives of the Company and its affiliated companies within the meaning of article 32 of Law 4308/2014 as in force, and authorized the Board of Directors to regulate the procedural issues and details. The beneficiaries of Program 1 were determined by the decision of the Board of Directors dated 22/11/2021 (relative to the minutes of the Board of Directors with number 429/22.11.2021). During the program and in accordance with the terms of this program, the Board of Directors issues certificates of right to acquire shares to the beneficiaries who have exercised their right and issues and delivers the shares to the above beneficiaries, increasing the share capital of the Company and certifies the capital increase. These share capital increases do not constitute amendments to the Articles of Association. The Board of Directors is obliged, during the last month of the fiscal year, in which capital increases took place, as defined above, to adapt, by its decision, the article of the Articles of Association on capital, so as to provide for the amount of capital, as it emerged after the above increases, in compliance with the disclosure formalities of article 13 of Law 4548/2018.

In November 2024, the executives of the Company and its affiliated companies that have been selected as beneficiaries of the above program, were invited to submit a declaration of exercise of rights corresponding to a total of 1,597,000 new common registered shares of the Company, as well as to exercise the rights by payment of the exercise price. With its decision of 30/12/2024, the Board of Directors proceeded a) to the certification of the payment, by beneficiaries of the above program, of the total amount of EUR 843,300.00 which corresponds to 843,000 new common registered shares of the Company, b) the increase of the share capital of the Company by this amount and c) the consequent amendment of the relevant article of the Articles of Association.

2) The Annual General Meeting of the shareholders of the Company "FOURLIS HOLDING COMPANY S.A." of 16/6/2023 approved a Share Distribution Program (hereinafter: "the Program 2") to executives of the Company and its affiliated companies, in the forms of a) granting of stock options (Article 113 of Law 4548/2018) and b) free of charge of share grants (Article 114 of Law 4548/2018), and authorized the Board of Directors to settle the procedural issues and details.

This Plan 2 is a revision of the share distribution program approved by the Annual General Meeting of shareholders on 16/6/2017 to executives of the Company and its affiliated companies in the form of a Stock Options Program, which was established in accordance with the provisions of paragraph 13 of article 13 and paragraphs 3 and 4 of article 29 and paragraph 2 of article 31 of Codified Law 2190/1920.

Program 2 is divided into two sub-programs:

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

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

The beneficiaries are senior executives of the Company and its affiliated companies, and in particular the Managing Directors of these companies with fifteen (15 years) experience in the FOURLIS Group, who will be selected by decision of the Board of Directors, at the reasonable discretion of the Board of Directors, in view of their imminent departure, in recognition of their long-term contribution and contribution to the development of the FOURLIS Group. The duration of Program A is until the year 2029, in the sense that the rights that will be granted to the beneficiaries of Program A may be exercised until December 2029 according to the specific provisions of the terms of the Program. During Program A and in accordance with the terms thereof, the Board of Directors issues certificates of right to acquire shares to the beneficiaries who have exercised their right and issues and delivers the shares to the above beneficiaries, increasing the share capital of the Company and certifying the capital increase. These share capital increases do not constitute amendments to the Articles of Association. The Board of Directors is obliged, during the last month of the fiscal year in which capital increases took place, to adapt, by its decision, the article of the Articles of Association on capital, to provide for the amount of capital, as it arose after the above increases, in compliance with the publicity formalities of article 13 of Law 4548/2018.

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

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

During Program B and in accordance with the terms of this Program, the Board of Directors will proceed with share capital increases, with the capitalization of reserves, and the issuance of new shares, which will be delivered to the beneficiaries. These share capital increases do not constitute amendments to the Articles of Association. The Board of Directors is obliged, during the last month of the fiscal year in which capital increases took place, to adapt, by its decision, the article of the Articles of Association on capital, to provide for the amount of capital, as it arose after the above increases, in compliance with the publicity formalities of article 13 of Law 4548/2018.

It is noted that the Annual General Meeting of the company's shareholders of 21/6/2024 approved an amendment to Chapter 2.1 B of the above Program, in order to give the Board of Directors the opportunity to transfer part of the stock grants of the First and Second Series of the Program (up to 15% of the rights of these Series), according to article 114 of Law 4548/2018 for the granting of free share rights (stock grants) of the First and Second Series of the Program (up to a percentage of 15% of the rights of these Series), in subsequent Series.

With the decision of the Board of Directors dated 8/4/2024, the beneficiaries of the First Row of Program B were appointed based on the proposal of the Nomination and Remuneration Committee dated 27/3/2024, to whom 385,033 rights of free common voting shares (stock grants) were granted.

In the financial year 1/1 - 31/12/2024, an amount of 509 thousand euros was recorded as an expense in the Company's results (2023: 461 thousand).

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

	Book Value	
€000s	**2024**	**2023**
Trade receivables	16,231	11,254
Other Debtors	8,051	2,677
Credit Cards receivable	662	1,416
Cash & cash equivalent	14,567	8,285
Total	**39,511**	**23,632**

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.

	Immediate termination	3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
2024						
Long-term loans	0	0	16,971	23,904	0	40,875
Total	**0**	**0**	**16,971**	**23,904**	**0**	**40,875**
2023						
Credit lines	28	0	0	0	0	28
Long-term loans	0	0	11,955	13,904	12,009	37,869
Total	**28**	**0**	**11,955**	**13,904**	**12,009**	**37,896**

18.3 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 409 thousand euros in fiscal year 2024 (379 thousand in fiscal year 2023).

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.

18.4 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, 2024 was determined with the best possible estimate by the Management. In cases where there is no available data or it is limited by active financial markets, the valuations of fair values have arisen from the assessment of the Management according to the available information.

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

- Level 1: Quoted market prices in active markets for identical assets or liabilities.

- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents, trade and other receivables, trade and other payables accounts: the carrying amounts approximate their fair value either due to the short maturity of these instruments or because there is no foreign currency risk exposure.
- Borrowings: The carrying amounts approximate their fair value mainly due to the fact that they bear interest at floating rates and are denominated in local currency.
- Derivative financial instruments: The valuation method was determined by taking into consideration all factors in order to determine precisely fair value, such as the current and the prospective interest rates trend and the duration and falls into level 2 of the fair value hierarchy.

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

19. Borrowings

Borrowings are analyzed as follows:

	31/12/2024	31/12/2023
Total long-term loan liabilities	**40,875**	**37,869**
Short-term part of long-term loan obligations	16,971	11,955
Long-term loan obligations	23,904	25,913
Short-term working capital loan obligations	0	28
Total loan liabilities	**40,875**	**37,896**

The average real interest rate of the Company for long-term loans for the fiscal year from 1/1/2024 to 31/12/2024 was 5.24% (5.31% in the corresponding fiscal year of 2023). Loan proceeds in the current fiscal year amounted to 14,990 thousand euros (2023: 6,500 thousand) and repayments in the amount of EUR 12,061 thousand (2023: 16,505 thousand).

The long-term loans for the 2024 financial year, including the portion due within 12 months, mainly cover the Company's development needs and are analyzed as follows:

	Amount in thousand euros	Date of Issue	Duration

Bonded	30,880	21/2/2022	8 years from the date of issue (6,976 thousand euros 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**		

Accordingly, the long-term loans for the fiscal year 2023, 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
Repayable deposit	33	31/07/2020	5 years from the date of issue
Bonded	27,856	21/2/2022	8 years from the date of issue (1,975 thousand euros payable in the following financial year)
Bonded	9,979	17/7/2020	4 years from the date of issue (9,979 thousand euros payable in the next fiscal year)
Total	**37,869**		

Some of the Company's loans contain restrictive terms. As of 31/12/2024, the Company was following the terms of the loans.

The Company has sufficient open lines of credit with domestic financial institutions to cover working capital needs. As of 31/12/2024, the balance of open credit lines amounted to EUR 18.3 million.

20. Leasing liabilities

On 31/12/2024, leasing liability for the Company is analyzed as follows:

	Lease liabilities	
	31/12/2024	31/12/2023
Opening balance	45,823	47,293
Additions	5,063	4,009
Repayment of leasing	(5,698)	(5,479)
Total	**45,188**	**45,823**

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

	31/12/2024	31/12/2023
Up to 1 year	5,970	5,492
Between 2-5 years	22,309	21,075
More than 5 years	16,909	19,256
Total	**45,188**	**45,823**

The additions to the liabilities from leases for the year mainly concern new store lease agreements in the amount of 2.2 million euros. In the financial year 1/1-31/12/2024, three (3) new stores were launched, in Mytilene (5/4/2024), in the Athens Airport Commercial Park (16/5/2024) and in Galatsi (21/12/2024). Also included in the additions is an amount of 1.3 million euros for the new headquarters in Kifissia and 1.5 million euros relate to other rent adjustments of stores.

21. Trade and other payables

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

	31/12/2024	31/12/2023
Trade payables	40,309	28,562
Accrued expenses	2,454	2,306
Other payables	2,005	1,388
Taxes liability	2,669	3,642
Customers advances	626	560
Insurance Organizations	714	627
Total	**48,778**	**37,085**

22. Income 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 – 2023 While, the audit for the fiscal year 2024 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 2018 are closed.

The income tax that was charged to the results of the year 1/1 - 31/12/2024 compared to the period 1/1 - 31/12/2023 is as follows:

	1/1 - 31/12/2024	1/1 - 31/12/2023
Income tax	**(30)**	**0**
Deferred Taxes:		
Differences of fixed assets	116	77
Provisions for employee benefits (IAS 19)	2	(6)
Differences from the application of IFRS 16	159	163
Provisions	57	14
Deferred tax from tax loss recognition	0	1,300
Total Deferred taxes	**334**	**1,548**
Income Tax Expense	**304**	**1,548**

The reconciliation between the nominal tax rate and the effective tax rate for the year 2024 compared to the year 2023 is analyzed as follows:

	1/1 - 31/12/2024	1/1 - 31/12/2023
Profit before taxes	**4,000**	**373**
Income tax based on nominal tax rate	(880)	(82)
Tax on tax free income	330	220
Tax on non-deductible expenses	1,044	1,300
Tax on tax losses	(48)	0
Income tax difference of previous year	(30)	0
Miscellaneous timing differences	(112)	110
Tax in statement of comprehensive income	**304**	**1,548**

The deferred taxes on 31/12/2024 that appear in the Total Income Statement and relate to Actuarial losses on defined benefit programs are an expense of 57 thousand euros (31/12/2023: revenue 6 thousand).

Deferred taxes as at 31 December 2024 and 31 December 2023 appearing in the accompanying Financial Statements are analyzed as follows:

	1/1 - 31/12/2024	1/1 - 31/12/2023
Assets:		
Depreciation calc. difference	(31)	(147)
Employee retirement benefits (IAS 19)	223	165
Stock devaluation	54	33
Provisions	221	192
Deferred income tax	5,700	5,700
Interest of lease liabilities (IFRS 16)	2,021	1,506
Reclass of Revenue account	0	(7)
Depreciation Differences of right of use assets (IFRS 16)	7,488	6,174
Lease Differences (IFRS 16)	(8,954)	(7,285)
Assets:	**6,722**	**6,331**

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.

Given that tax audits are pending for certain years of the Company mentioned above, the Company, based on the approach and interpretation of the tax authorities for determining the final tax, believes that it has formed an adequate provision for possible differences from future tax audits. The cumulative amount of the tax provision for the unaudited tax years on 31/12/2024 as well as on 31/12/2023 amounts to the amount of 94 thousand euros depicted on 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 1,654 thousand euros.

There are no commitments of the Company.

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 2024 and at 31 December 2023 are as follows:

		31/12/2024	31/12/2023
Receivables from:	FOURLIS HOLDINGS SA	0	512
	HOUSEMARKET SA	0	7
	SPORTSWEAR MARKET (CYPRUS) LTD	1,026	272
	HOUSE MARKET BULGARIA EAD	0	1
	GENCO TRADE SRL	9,118	4,064
	GENCO BULGARIA LTD	7,822	6,139
	TRADE LOGISTICS SA	1	1
	TRADE STATUS SA	1	1
	Total	**17,968**	**10,997**

Payables to:	FOURLIS HOLDINGS SA	319	0
	TRADE LOGISTICS SA	308	172
	HOUSEMARKET SA	23	9
	SPORTSWEAR MARKET (CYPRUS) LTD	70	322
	RENTIS SA	0	15
	GENCO TRADE SRL	350	103
	GENCO BULGARIA LTD	3	3
	TRADE ESTATES REIC	77	80
	YALOU SA	55	9
	TRADE STATUS SA	3	0
	WELLNESS SA	26	5
	Total	**1,234**	**718**

Related party transactions during the year 01/01/2024 - 31/12/2024 and the year 01/01/2023 - 31/12/2023 are as follows:

	1/1 - 31/12/2024	**1/1 - 31/12/2023**
Revenue	41,719	34,773
Other income	818	961
Total	**42,537**	**35,735**

	1/1 - 31/12/2024	**1/1 - 31/12/2023**
Administrative expenses	2,633	1,866
Distribution expenses	5,111	4,523
Other Expenses	0	5
Total	**7,744**	**6,394**

In the fiscal years 2024 and 2023, 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	290

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

There are no other events subsequent to 31/12/2024 that have a material impact on the Company's financial position and results of operations other than the following:

- **Completion of the acquisition of Foot Locker operations in Greece and Romania**

On April 15, 2025, the Fourlis Group announced the completion of the acquisition of Foot Locker's activities in Greece and Romania, through the company SPORTSWEAR MARKET SMCSA, marking an important milestone in its strategic partnership with Foot Locker.

The acquisition includes the transfer of six existing Foot Locker stores - three in Greece and three in Romania - and the online store in Greece, which are now managed by the Fourlis Group. The acquisition is part of the licensing agreements signed between the Fourlis Group and Foot Locker in August 2024 under which the group has 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.

This development follows the successful launch of the first three Foot Locker stores in Bulgaria at the end of 2024. With the completion of the acquisition of the existing stores in Greece, the Fourlis Group creates the foundations for uniform operating standards, brand development and further geographical expansion.

The group's long-term plan includes the development of more than 100 physical Foot Locker stores and eight online stores.

The acquired business is expected to contribute positively to the Group's consolidated revenues and operating EBITDA profits from the financial year 2025. Over a five-year horizon, the Group aims for annual sales of 250 million euros. Boosted by growing demand for lifestyle products and sports footwear in the region, as well as an EBITDA margin of 8–10%.

The integration of the new stores is fully supported by the existing infrastructure of the Fourlis Group, which includes offices in Athens, Sofia, Bucharest and Nicosia, a state-of-the-art and automated logistics center in Attica and shared business services. These synergies are expected to boost efficiency, reduce operating costs and enable the scalability of the Foot Locker network in Southeast Europe.

The successful completion of the acquisition further strengthens the Fourlis Group's position as a key player in the fast-growing sporting goods market in Southeast Europe, supporting its commitment to sustainable and profitable growth through international partnerships and deep expertise.

- **Share Capital Increase SPORTSWEAR MARKET S.M.C.S.A.**

Following the decision of the Extraordinary General Meeting of the shareholders of SPORTSWEAR MARKET S.M.C.S.A., which was held on March 24, 2025, the share capital was increased by the amount of eleven million five hundred thousand five euros and five cents (11,500,005.05), with the issuance of three hundred and ninety-one thousand eight hundred and twenty-three (391,823) new common registered voting shares, with a nominal value of twenty-nine euros and thirty-five cents (29.35) each.

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 – 31/12/2024 has been published by posting on the Internet at the web address of the Company http://www.fourlis.gr.