

PRESS RELEASE**Fourlis Group Consolidated Financial Results for the Nine Months of 2023**

Solid double digit revenue growth
Significant EBITDA (OPR) growth of 29% and EBIT growth of 14% on the back of operating efficiencies and operating leverage
The Group is well invested and positioned for further future growth and value creation
Trade Estates IPO completed paving the way for additional value creation

Athens, Greece – November 21, 2023 –FOURLIS HOLDINGS S.A. (Bloomberg: FOYRK:GA - Reuters: FRLr.AT - ISIN: GRS096003009) announces its 9M 2023 financial results.

9M 2023 key Financial Highlights

- ✓ Fourlis Group **revenue increased significantly by 15% yoy on a like-for-like basis**, i.e. excluding Intersport Turkey and TAF sales, driven by strategic initiatives, market leadership and market trends.
- ✓ **Solid Gross Profit margin** at 45.4% in 9M '23, at a similar level compared to 9M '22, supported by strong RHF gross margin and a positive trend in RSG gross margin toward stabilization.
- ✓ Significant **EBITDA (OPR) growth of 29.1%** reaching €31.5 mil. compared to €24.4 mil. in the respective period of last year, on the back of optimization of operating costs and increasing operating leverage.
- ✓ **Similarly, EBIT, excl. the impact of asset revaluation gains**, increased significantly by 45% during 9M '23 at €20.2 mil. from € 13.9 mil. in 9M '22.
- ✓ **The Net Debt of the Group's retail activities was reduced by €13mil vs last year**, from €107.6 mil. in 9M '22 to € 94.4 mil. in 9M '23 highlighting the Group's commitment to **optimizing its capital structure**.
- ✓ **Trade Estates IPO** was successfully completed on November 3rd 2023, with Fourlis holding 63.0%, Autohellas 9.7%, Latsco 3.1%, IPO Investors 23.4%, and Management holding 0.8%. The successful offering met solid demand, solidifying Trade Estates' position for future growth and development and paving the way for further value creation for Fourlis Group shareholders.

The Group's nine-month of 2023 financial results reflect the resilience of our business model and the successful execution of our transformative strategic plan. As we navigated through the first three quarters of 2023, our commitment to quality, exceptional customer service, and strategic investments fortified our position, creating a robust foundation for future endeavours.

During this period, our relentless efforts in modernizing and expanding the Group's retail network across our geographical territory were accompanied by focus behind optimizing operations and logistics, omnichannel operations, and digitalization, solidifying our market presence. Simultaneously, the successful IPO of Trade Estates and its future de-consolidation from Fourlis Group aligns with our commitment to unlocking additional value for our retail activities, further fuelling our growth trajectory.

Key Financial Figures

(amounts in € mil.)	9M '22	%	9M '23
Revenue	352.5	10.5%	389.6
Gross Profit	160.0	10.6%	176.9
<i>Gross Profit margin</i>	45.4%		45.4%
EBITDA (OPR)*	24.4	29.1%	31.5
<i>EBITDA (OPR) margin</i>	6.9%		8.1%
Inv.Assets (TE) revaluation	5.0		1.3
EBIT	18.9	13.8%	21.5
<i>EBIT margin</i>	5.4%		5.5%
Net Financial Income/(expenses)	-10.7		-16.1
PBT	9.3	-20.6%	7.4
<i>PBT margin</i>	2.6%		1.9%
Profit After Tax	9.2	-36.5%	5.9
<i>Net Profit margin</i>	2.6%		1.5%
Minority interest	-0.2		-0.6
Net Profit	9.1	-42.4%	5.2
<i>Net Profit margin</i>	2.6%		1.3%
Excl. reval. Gains			
EBIT	13.9	45.6%	20.2
<i>EBIT margin</i>	3.9%		5.2%
PBT	4.3	42.1%	6.1
<i>PBT margin</i>	1.2%		1.6%
Profit After Tax	4.2	8.1%	4.6
<i>Net Profit margin</i>	1.2%		1.2%
Net Profit	4.1	-3.2%	3.9
<i>Net Profit margin</i>	1.2%		1.0%

*Alternative Performance Measure, as defined in the Interim Report of the Board of Directors for the period 1/1-30/06/2023.

The Group's robust performance continued into the nine months of 2023 with the **Group's revenue** amounting to € 389.6 mil. in 9M '23 from 352.5 mil. in 9M '22, increased by 10.5% yoy.

On a like-for-like basis, i.e. excluding sales from the disposed businesses "The Athlete's Foot" and "Intersport Turkey" this represents a **strong double-digit sales growth of +15%**.

The sales growth is supported by both the Retail Home Furnishings activity (RHF) and the Retail Sporting Goods activity (RSG) and attributed to strategic initiatives and market trends. The Retail Home Furnishings (RHF) segment posted a significant **17.5% yoy increase**, driven by IKEA's market leadership and improved stock availability. The Retail Sporting Goods (RSG) segment presented a sales growth of **+9% yoy on a LfL basis**, reflecting our commitment to staying at the forefront of the evolving retail landscape.

Moreover, the Group's new retail activity in Health & Wellness that was activated within 2023, through 3 **Holland & Barrett** stores in Athens and an e-commerce channel is gaining momentum.

On a like-for-like basis, the Group's revenue from Greece during 9M '23, that represented 58.5%, increased by 15% yoy, while revenue from the Group's international activities presented a growth of 14.3% yoy.

The Group's **e-commerce sales** during 9M '23 represented c. 14% of total Group revenue, while the expansion of ecommerce contribution to total Group's revenue constitutes a strategic pillar of the Group's growth strategy.

The **Group's Gross Profit** reached 176.9 mil in 9M '23 from 160 mil. in 9M '22, with the **Group's Gross Profit margin** at 45.4% in 9M '23, stable compared to last year's respective period. The stable Gross Margin was supported by strong RHF gross margin and a positive trend in RSG gross margin toward stabilization.

The Group's continued placing emphasis on prudent control over operating expenses and optimization of operations in both RHF and RSG. The de-escalation of inflationary pressures has further positively influenced operating expenses, magnifying the positive impact of operating leverage on our overall profitability.

Therefore:

Group EBITDA (OPR) was increased by 29.1% reaching € 31.5 mil. during 9M '23 from €24.4 mil. in 9M '22., while **EBITDA (OPR) margin** increased to 8.1% in 9M '23 from 6.9% in 9M '22.

The Group's EBIT within 9M '23 includes € 1.3 mil. of asset revaluation gains relating to the Trade Estates REIC compared to €5 mil. included in the respective period of last year.

Excluding the impact of asset revaluation gains, the Group's EBIT reached € 20.2 mil. in 9M '23 **up by 45.6%** from € 13.9 mil. in 9M of '22.

Similarly, **excluding the impact of asset revaluation gains, the Group's Profit Before Tax** reached € 6.1 mil. in 9M '23 up by 42% from € 4.3 mil. in 9M of '22.

Group Profit After Tax, excl. the impact of asset revaluation gains reached € 4.6 mil. in 9M '23 compared to € 4.2 mil. in 9M '22 up by 8.1%. The majority of the Group's tax is attributed to Trade Estates, which is higher this year compared to last year due to the higher ECB base rate.

Net profit after minorities excl. the impact of asset revaluation gains reached € 3.9 mil. in 9M '23 compared to € 4.1 mil. in 9M '22, down by 3.2% due to higher minorities compared to last year following the sale on September 11th of 2023 of the 4.2% of Trade Estates shares to Latsco Hellenic Holdings.

Balance Sheet and Cashflow Highlights

The Group is committed towards creating sustainable cashflow generation and returning value to its shareholders. Within H1 2023 the Group paid a dividend of 0.11 euros per share for the fiscal year of 2022, amounting to € 6 mil., which corresponds to a 30% dividend payout ratio.

In the nine months of 2023, the Group's financial structure witnessed notable changes.

During the nine months of 2023 **the Group's Gross debt** was reduced by 19.5mil. to €262.5 million from €282 million in 9M '22, mainly driven by a reduction in the Gross debt of the Retail business. This is in line align with the Group's strategy to optimize its capital structure and enhance its resilience for future growth initiatives.

The Net Debt of the Group's retail activities during 9M '23 reached € 94.4 mil. from €107.6 mil. in 9M '22 and €102.5 mil. in FY '22, while the Net Debt related to Trade Estates REIC amounted to € 126.1 mil. in 9M '23 from € 93.1 mil. in 9M '22 and € 98.8 mil. in FY '22, driven by new investments.

The Group's Capex during 9M' 23 stood at € 30.1 mil., with €20.7 mil. attributed to the investments of Trade Estates REIC, while the capex of Group's retail activities amounted to € 9.4 mil.

Balance sheet (€ mil.)	9M '22	FY '22	9M '23
Property, plant & equipment	71.7	73.3	69.1
Right of Use Assets	138.8	133.9	135.4
Other Non Current Assets	52.1	53.3	59.1
Non-current assets	262.6	260.5	263.7
Inventories	104.8	91.8	104.7
Trade Receivables	4.2	4.3	4.6
Other receivables	30.0	19.2	35.8
Cash & Cash Equivalent	81.3	58.4	42.1
Assets Held for Sale	287.6	317.8	328.1
Current assets	507.9	491.6	515.2
Total Assets	770.6	752.1	778.9
Loans and Borrowings	95.9	104	30.1
Long Term Lease Liability	116.6	111	110.2
Other non-current liabilities	9.9	9.2	9.9
Non-current liabilities	222.4	224.6	150.3
Loans and Borrowings	43.4	44.7	94.2
Short Term Lease Liability	31.7	31.6	38.0
Account Payables & other current liabilities	123.5	104.2	128.1
Loans and Borrowings of Assets Held for sale	142.7	113.3	138.2
Liability of Assets Held for Sale	19.9	32.6	19.6
Current liabilities	361.1	326.4	418.1
Shareholders Equity	187.1	201.1	210.5
Shareholders Equity & Liabilities	770.6	752.1	778.9

Net Debt	9M '22	FY '22	9M '23
Trade Estates Net debt	93.1	98.8	126.1
Retail Net debt	107.6	102.5	94.4
Group Net debt	200.7	201.3	220.5

Analysis per Segment

Retail Home Furnishing and Accessories activity (IKEA)

(amounts in € mil.)	9M '22	%	9M '23
Revenue	221.3	17.5%	260.1
Gross Profit	98.6	20.6%	118.8
<i>Gross Profit margin</i>	44.5%		45.7%
EBITDA (OPR)*	19.0	52.3%	29.0
<i>EBITDA (OPR) margin</i>	8.6%		11.1%
Inv.Assets (TE) revaluation	5.0		1.3
EBIT	18.5	31.3%	24.4
<i>EBIT margin</i>	8.4%		9.4%
EBIT (excl. reval. gains)	13.5	70.3%	23.1
<i>EBIT margin</i>	6.1%		8.9%

*Alternative Performance Measure, as defined in the Interim Report of the Board of Directors for the period 1/1-30/06/2023.

Building upon the strong momentum observed in the first half of 2023, the **Retail Home Furnishings (RHF)** segment continues to underscore IKEA's dominant position in the market across the Group's region of activity.

RHF achieved a significant 17.5% increase in revenue for the nine months of 2023, reaching €260.1 million. This growth is attributed not only to IKEA's market leadership but also to improved stock availability, increased visitorship, and a strategic positioning that capitalizes on favorable market trends. This growth is further bolstered by a positive economic outlook, a rebounding tourist industry, and an active residential real estate market.

The revenue growth saw a robust 15.3% increase in IKEA's revenue in Greece, representing 58% of RHF revenues. Additionally, IKEA's revenue from international markets surged by 20.7% year-on-year during the nine months of 2023.

The increase in revenue, along with an improved Gross Profit margin and effective operating leverage, resulted in a significant improvement in RHF profitability during the nine months of 2023.

Prudent control over operating expenses and optimization of operations has played a crucial role in this improvement, showcasing the effectiveness of our operational strategies. Additionally, the de-escalation of inflationary pressures has further positively influenced operating expenses. These factors collectively magnify the positive impact of operating leverage on our overall profitability.

Therefore:

- **RHF EBITDA(OPR)** in 9M '23 increased by 52.3% at €29.0 mil. compared to €19 mil. in 9M '22, with the EBITDA(OPR) margin reaching 11.1% in 9M '23 from 8.6% in the respective previous year period,
- It is noted that the EBIT of the Retail Home Furnishings activity includes a €1.3 million revaluation of assets during the nine months of 2023, compared to €5 million included in the nine months of 2022.
Excluding the impact of revaluation gains, RHF EBIT increased by 70.3% to €23.1 mil from €13.5 mil., with the EBIT margin reaching 8.9% in 9M '23 from 6.1% in 9M '22.

Fourlis Group remains focused on its strategic approach, emphasizing an omnichannel presence, a well-structured stores network, robust e-commerce initiatives, digitalization, and a commitment to preserving top home furnishing expertise. This dedication to the core elements of our strategy positions us for continued success in the dynamic retail landscape.

The Group's Retail Home Furnishings activity today operates 20 IKEA stores in total (in Greece, Bulgaria and Cyprus) of different sizes. Furthermore, 3 new IKEA stores in Greece are either under construction or under design process, while the Group aims to start their operation in the next 1-3 years.

Looking ahead, the Group is actively exploring opportunities for further expansion, considering the possibility of opening additional shops in cities. This potential expansion aligns with our commitment to meeting the evolving needs of our customers and strategically positioning our presence in order to increase further our market share.

Retail Sporting Goods activity (INTERSPORT)

(amounts in € mil.)	9M '22	%	9M '23
Revenue	131.5	-1.7%	129.3
Gross Profit	61.7	-5.9%	58.1
<i>Gross Profit margin</i>	46.9%		44.9%
EBITDA (OPR)*	7.4	-12.1%	6.5
<i>EBITDA (OPR) margin</i>	5.7%		5.1%
EBIT	2.5	-45.8%	1.4
<i>EBIT margin</i>	1.9%		1.1%
<u>Excl. TAF & ITR</u>			
Revenue	116.8	8.8%	127.1
Gross Profit	55.3	3.7%	57.4
<i>Gross Profit margin</i>	47.4%		45.2%
EBITDA (OPR)*	7.1	2.0%	7.2
<i>EBITDA (OPR) margin</i>	6.1%		5.7%
EBIT	2.5	-13.5%	2.2
<i>EBIT margin</i>	2.1%		1.7%

*Alternative Performance Measure, as defined in the Interim Report of the Board of Directors for the period 1/1-30/06/2023.

Retail Sporting Goods (RSG) revenue during 9M '23 amounted to €129.3 mil. from €131.5 mil. in 9M '22. Excluding revenue from "The Athlete's Foot" (TAF) and "Intersport Turkey" (ITR), activities that were disposed, **RSG revenue was up by 9%** during 9M '23 compared to the same period of last year.

On a like-for-like basis, RSG revenue in Greece, that represents 60% of RSG revenues, increased by 13% during 9M '23 vs the same period of last year, while RSG revenue from its international markets, increased by 2.5% yoy in 9M '23, reflecting mainly a moderate sales growth from the Romanian market that is however showing signs of improvement year to date as the Group is currently undertaking an organizational restructuring in Romania. This strategic realignment is an essential investment positioning us for sustained future growth in this market.

Overall, RSG sales were supported by **store network renovations, improvement in product range and efficient category management.**

Irregular weather conditions leading to higher promotional initiatives, have influenced the Group's gross profit margin, particularly weighing on Q1 and Q3 of 2023, however, there is a **positive trend towards stabilization.**

Our emphasis on **cost optimization and the moderation of inflation** helped to partially alleviate the pressure on gross profit.

Therefore:

- **Excluding the impact from the divestment from TAF and ITR, RSG EBITDA(OPR)** in 9M '23 increased by 2% reaching € 7.2 mil., from € 7.1 mil. in 9M '22, with the EBITDA(OPR) margin at 5.7% in 9M '23 from 6.1% in the respective previous year period.
- **Excluding the impact from the divestment from TAF and ITR, RSG EBIT** in 9M '23 stood at €2.2 mil. from €2.5 mil. in 9M '22, with the EBIT margin reaching 1.7% in 9M '23 from 2.1% in 9M '22.

Our comprehensive strategies, including cost optimization, network expansion, an enhanced ecommerce strategy, a reassessment of our organizational structure, and effective working capital management, coupled with the gradual de-escalation of inflationary pressures, are anticipated to contribute to an overall enhancement in profitability moving forward.

The Retail Sporting Goods activity, operating currently 108 Intersport stores (59 stores in Greece, 33 in Romania, 10 in Bulgaria and 6 in Cyprus), is nearing the conclusion of its store network upgrading program in Greece, expected to finalize within 2023. This initiative aligns with our commitment to delivering a modernized and customer-centric retail experience. Our future plans involve a constant search for new opportunities for network expansion in all our countries, ensuring our retail footprint stays dynamic and responsive to evolving market demands.

Retail Health & Wellness activity (HOLLAND & BARRETT)

Expanding upon the initial steps of our investment in the health and wellness products sector, Fourlis Group's franchise of **HOLLAND & BARRETT** has achieved significant developments in the nine months of 2023.

It is reminded that the operation commenced with the opening of three HOLLAND & BARRETT retail stores in Greece, the establishment of a robust e-commerce platform, and the launch of a successful marketing campaign. Recent months have seen positive and promising results from our ecommerce launch and marketing efforts, marked by a significant increase in traffic, higher conversion rates, and elevated sales.

Encouraged by the growing prospects of the health & wellness market, Fourlis Group remains strategically positioned to capitalize on this evolution. We remain committed behind our plan to operate approximately 100 physical stores in Greece, Romania and Bulgaria in the next five years.

The positive momentum in our expansion plan continues, with expectations for the opening of new stores and partnerships by year-end. These developments align with our mission to bring quality health and wellness products to a wider audience, contributing to the Group's overall growth and success in this growing sector.

It is reminded that Holland & Barrett is the UK's leader in health & wellness and one of the largest wellness retailers in Europe. With a history of more than 150 years, Holland & Barrett has a retail presence of more than 1600 stores across 19 countries worldwide. Holland & Barrett's mission is to make health and wellness a way of life for everyone, adding quality years to life through market leading range of innovative vitamins, supplements, specialist food, sports nutrition and beauty brands.

Real Estate Investment activity (TRADE ESTATES REIC)

The **Trade Estates REIC**, Fournalis Group subsidiary, has experienced significant developments in the nine months of 2023, building upon its establishment in July 2021.

During its two years of operations and as of 30/09/2023 the Gross Asset Value (GAV) grew by 81% (+€149.0 mil., starting from €185 mil. at inception reaching at €334 mil.) while its Net Asset Value increased by 30% (+€53 mil., starting at inception from €174 million reaching at €227 million). Currently, the company owns properties 12 income-generating assets and 1 asset under development.

Until the publication of the Group's nine-month of 2023 results Trade Estates marked significant milestones in its strategic growth.

Before its Initial Public Offering (IPO) on November 3rd, Trade Estates executed two strategic moves.

- Firstly, on September 11th, 2023, Latsco Hellenic Holdings Sarl acquired 4.2% of Trade Estates REIC from TRADE LOGISTICS S.A., a Fournalis Group subsidiary.
- Following this, on October 10th, 2023, Trade Estates signed an SPA with REDS S.A. to acquire 100% of the shares of YIALOU M.A.E., the entity holding and managing SMART PARK, Greece's largest retail park. This strategic move is expected to increase Trade Estates' GAV by ca €127 million.

Trade Estates IPO, completed on November 3rd 2023, offered 29,107,983 shares at €1.92 per share, totaling €55,887,327. The Share Capital Increase was fully covered, with Fournalis holding 63.0%, Autohellas 9.7%, Latsco 3.1%, IPO Investors 23.4%, and Management holding 0.8%. The successful offering met solid demand, solidifying Trade Estates' position for future growth and development.

Conference Call

The financial results of 9M 2023 will be presented in a conference call on November 22nd 2023 at 17.00, local time (GMT+2) through both audio conference and live webcast. Please [click to access details for the conference call](#)

About Fournalis Group

Headquartered in Athens and boasting a successful history of over 70 years, Fournalis Group is a dynamic force in the retail sector in Southeast Europe. Our Group comprises leading omnichannel retail companies, dedicated to serving customers across Greece, Romania, Bulgaria and Cyprus with high quality consumer goods. We specialize in Retail Home Furnishings, through our franchise of IKEA stores, Retail Sporting Goods, through our franchise of INTERSPORT stores, and most recently Retail Health & Wellness, through our franchise of HOLLAND & BARRETT stores. Committed to sustainable growth and value creation, Fournalis Group has invested into the real estate sector with the establishment of TRADE ESTATES REIC, a company listed in the Athens Stock Exchange specializing in retail parks and omnichannel logistics. Our success is rooted in our unwavering dedication to fostering strong relationships with our employees and suppliers, investing in cutting-edge infrastructure, and prioritizing customer satisfaction to deliver exceptional quality and experiences. As proud members of the United Nations Global Compact since 2008, we remain steadfast in our commitment to responsible business practices.

Information

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