FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME

GENERAL TRADE REGISTER NUMBER: 3027701000

23rd km ATHENS-LAMIA 145 65 AG. STEPHANOS ATTICA

RESTATED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31.12.2017

According to Article 4 of the Law. 3556/2007

AND THE EXECUTIVE DECISIONS OF THE BOARD OF DIRECTORS

Of the Hellenic Capital Market Commission

Certified that the attached Annual Financial Report for the period 01.01.2017 - 31.12.2017 are those approved by the Board of Directors on 15 July 2019 and were published by being posted in the internet, at www.ffgroup.com. They have been translated from the original statutory financial statements which have been prepared in Greek language. If differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will still prevail over this document.

Contents

Statements of Representatives of the Board of Directors

(According to article 5 par. 2c of N.3556 / 2007, as amended by Law 4374/2016)

The following representatives of the Board of Directors of “Folli Follie Commercial Manufacturing and Technical Societe Anonyme” trading under the name "FF Group", and in particular Messrs.

1. Avraam Gounaris Konstantinos, Chairman of the Board of Directors
2. Georgios Samios Anastasiou, Managing Director
3. Andreas Koutoupis Georgiou, Independent Non-Executive Member of the Board of Directors and Chairman of the Audit Committee of the Company under the above-mentioned capacities, we hereby declare that to the best of our knowledge:

a. In spite of the efforts made by the Company's Management and given the extremely serious difficulties that the Company has experienced in the preparation of the restated financial statements for the year 2017, as detailed in the Annual Report of the Company's Board of Directors, the Management of the Company has not been able to prepare restated financial statements for the year 2017 of the Company and the Group that are fully in line with those adopted by the European International Accounting Standards and International Financial Reporting Standards, in order to depict fairly the assets and liabilities, equity and the results of “Folli Follie Commercial Manufacturing and Technical Societe Anonyme” (hereinafter referred to as **"Company"** or **"Folli Follie Group"**, as well as the companies included in the Consolidation Conscience 3 & 4 n. 3556/2007.
and
b. The Annual Report of the Board of Directors accurately represents the information required under Article 4 of the Law. 3556/2007.

Agios Stefanos Attica, July 15, 2019

Confirmed by,

THE PRESIDENT OF THE BOARD

Avraam Gounaris

THE CHIEF EXECUTIVE OFFICER

George Samios

THE MEMBER

Andreas Koutoupis

Annual Report of the Board of Directors for the fiscal year 01.01.2017-31.12.2017

To the Regular General Meeting of the Shareholders

Dear Shareholders,

This Annual Report of the Board of Directors (hereinafter referred to as **"the Report"** was drafted in accordance with the relevant provisions of Law no. 2190/1920 on Société Anonymes, article 4, par. 3556/2007, as amended by Law 4374/2016 and the legal decisions of the Board of Directors of the Hellenic Capital Market Commission. The Report includes the information specified in the above provisions, which, at the discretion of the Management, constitute a correct representation of the Company's performance, performance and position during the period under review. It also includes additional information, where appropriate and necessary, about the risks that may arise in relation to the size and complexity of its operations in order to extract meaningful and detailed information about the activities of the public limited company called Folli -Follie Société Anonyme Craft and Technical Company, with distinctive title. "FF GROUP" and its Group. In addition, the Company's management in preparing these financial statements has taken account of the subsequent events that occurred after the end of the year 2017 up to the date of preparation of the Report.

This report is included as with the financial statements consolidated financial statements and other required by law information and statements, the restated annual financial report for the period 1.1.2017 to 31.12.2017.

1. Presentation of the financial position of the Company and the Group during the financial year 1.1.2017- 31.12.2017:

The Management of the Company during the preparation of the restated separate and consolidated financial statements for the fiscal year 1.1.2017 - 31.12.2017, which were submitted for approval by its shareholders, found the existence of irregularities that led to the restructuring of the financial figures of the Company and of the Group.

Following the restatements, the Group's key financial figures for the year 2017 are presented in detail in note 34 of the restated separate and consolidated financial statements. Indicatively, the most important restated items:

	Group	
	Published	**Restated**
	01.01 -31.12.2017	
Total non-current	679.740.622,57	426.501.671,77
Total current	2.095.407.952,47	368.099.138,22
Total equity	1.919.231.545,98	69.553.317,11
Total long-term liabilities	553.398.640,83	61.559.453,13
Total short-term liabilities	302.518.388,23	663.488.039,75
Turnover	1.419.274.262.48	359.218.392.37
Operating Profits / (Losses)	260.567.025,58	(114.928.656,09)
(Loss) / Profit after tax	216.820.984,43	(136.187.685,30)

	Company	
	Published	Restated
	01.01 - 31.12.2017	
Total non-current	538.392.397,80	300.766.678,90
Total current	407.395.567,45	272.505.354,51
Total equity	400.257.477,56	(25.328.640,67)
Total long-term liabilities	458.803.384,02	30.774.709,39
Total short-term liabilities	86.727.103,67	567.825.964,70
Turnover	147.078.095,98	135.213.028,11
Operating Profits / (Losses)	(14.860.340,42)	(179.509.847,19)
(Loss) / Profit after tax	(52.526.493,85)	(186.975.562,30)

Sales per operating segment:

The operating segments in which the Company operates are as follows:

Jewelry, Watches, Accessories:
This sector includes the processing and marketing of jewelry, watches and other similar accessories.

Apparel & Footwear & Cosmetics:
This segment includes the retail and wholesale sale of branded apparel, footwear, perfumes, cosmetics and other sectors.

Department Stores:
This segment concerns the exploitation of supermarkets, which Management monitors overall.

The accounting policies for the operating segments are the same as those used for the preparation of the Consolidated Financial Statements. Profitability of the segments is measured based on profit or loss from operating activities before income tax and without considering certain income and expense items (extraordinary and foreign exchange differences) that management monitors overall.

	Jewelry - Watches - Accessories	Apparel & Footwear & Cosmetics	Dpt Stores	Total	Eliminations	Consolidated Data
31.12.2017. Sales to external customers	188.905.730,00	190.345.310,00	20.985.860,00	400.236.900,00	(41.018.510,00)	359.218.390,00
Sales across sectors	1.192.490,00	11.972.350,00	232.276,00	13.397.116,00	(13.397.120,00)	(4,00)
Minus: Cost of Sales	(67.307.420,00)	(121.871.670,00)	-	(189.179.090,00)	39.301.050,00	(149.878.040,00)
Minus: Cost of Sales cross-sectoral	(2.130.710,00)	(425.150,00)	(10.599.950,00)	(13.155.810,00)	13.155.810,00	-
Gross profit	**120.660.090,00**	**80.020.840,00**	**10.618.186,00**	**211.299.116,00**	**(1,958,770.00)**	**209.340.346,00**
Other operating income	6.668.750,00	5.096.570,00	(350,00)	11.764.970,00	(2.373.580,00)	9.391.390,00
Selling expenses	(140.558.050,00)	(65.375.660,00)	(10.465.240,00)	(216.398.950,00)	3.581.790,00	(212.817.160,00)
Selling expenses across sectors	(238.210,00)	(3.100,00)	-	(241.310,00)	241.310,00	-
Administrative expenses	(41.095.640,00)	(13.510.020,00)	(1.506.410,00)	(56.112.070,00)	247.730,00	(55.864.340,00)
Other operating expenses	(62.576.730,00)	(1.966.880,00)	(435.290,00)	(64.978.900,00)	-	(64.978.900,00)
Operating Profit Sector (EBIT)	**(117.139.790,00)**	**4.261.750,00**	**(1,789,104.00)**	**(114,667,144.00)**	**(261,520.00)**	**(114,928,664.00)**
31.12.2016. Sales to external customers	1.008.172.989,21	187.514.511,97	181.403.761,24	1.377.091.262,42	(39.816.042,94)	1.337.275.219,48
Sales across sectors	843.321,42	9.834.809,38	299.023,77	10.977.154,57	(10.977.154,57)	-
Minus: Cost of Sales	(533.712.868,98)	(124.092.150,06)	(107.682.645,15)	(765.487.664,20)	40.515.505,60	(724.972.158,60)
Minus: Cost of Sales cross-sectoral	(1.082.210,04)	(352.404,95)	(9.233.556,52)	(10.668.171,51)	10.668.171,51	-
Gross profit	**474.221.231,61**	**72,904,766.33**	**64,786,583.34**	**611.912.581,28**	**390.479,60**	**612,303,060.88**
Other operating income	10.179.857,72	4.576.681,80	4.514.275,85	19.270.815,37	(2.911.324,24)	16.359.491,13
Selling expenses	(172.194.926,90)	(60.203.390,85)	(52.311.685,38)	(284.710.003,13)	2.628.437,48	(282.081.565,65)
Selling expenses across sectors	(300.316,20)	(8.666,86)	-	(308.983,06)	308.983,06	-
Administrative expenses	(49.937.223,13)	(12.366.200,86)	(4.906.277,58)	(67.209.701,56)	69.855,23	(67.139.846,33)
Other operating expenses	(15.213.599,47)	(1.867.116,36)	(592.515,12)	(17.673.230,94)	499.939,43	(17.173.291,51)
Operating Profit Sector (EBIT)	**246.755.023,64**	**3,036,073.21**	**11.490.381,11**	**261,282,477.96**	**986,370.56**	**262.267.848,52**

It is noted that the restated figures for 2017 are not comparable to those of 2016.

Important Events 2017:

"FOLLI-FOLLIE SOCIETE ANONYME COMMERCIAL AND TECHNICAL SOCIETE ANONYME" completed on 11 October 2017 the issue of a Swiss franc bond through its subsidiary "FF Group Finance Luxembourg II SA", based in Luxembourg.

The issue is unsecured and unrated (unrated senior unsecured), with a duration of 4 years and a total amount of 150 million Swiss francs. The bond has a fixed coupon of 3,25% and the issue price is 100%.

2. Key risks and uncertainties:

The main risks and uncertainties the Company and the Group in total is facing relates to the recent developments that have taken place regarding the items in question of the Company's financial statements and financial extremely adverse impact this had on the financial performance of the latter. The Company's current management, following the detection of the above irregularities, as well as the other deficiencies found during the reported period at the level of procedures and policies, focused with great emphasis both on the reformation of the financial statements of the Company, on individual and on a consolidated level, a task that was extremely difficult and complicated, and to remedy, as far as possible, the shortcomings found and the adoption of appropriate procedures in order for the Company to comply hereafter with all relevant provisions of the legislation. This work has become even more difficult to obtain data from the Group's subsidiaries, as the efforts of the current Administration to restore the control and monitoring system of the Group's subsidiaries is a very demanding project that is under way.

In particular, the disclosure of the Quintessential Capital Management (QCM) report on 4.5.2018, which questioned individual items of the consolidated financial statements of the Company, constituted the beginning of a particularly unfavorable period for the Company, during which, there were severe liquidity problems that were caused mainly by the burden and / or interruption of the Company's relations with both its creditors and its major suppliers, but also due to the aggressive legal actions of the what the Company has received (termination of contracts from Greek banks, termination of distribution contracts by suppliers, termination of bond contracts, interlocutory applications and lawsuits by shareholders and investors, blocking of the company's real estate by the Anti-Money Laundering Authority). In order to address this problem, the Company's Administration, initially, in order to safeguard and protect its activity from the multiplying aggressive actions, filed an application for preventive measures in accordance with article 106a para. 6 of L. 3588/2007, as amended and in force, on which an interim injunction was issued, until the hearing and the decision on the interim measures of the Company, which was finally issued on 19/10/2018 and was rejected. At the same time, following continuous negotiations, on February 13, 2019, the Company's Board of Directors approved the conclusion of an updated Term Sheet with a group of creditors - bondholders in relation to its proposed financial restructuring, aiming at the preparation of a Business Plan of the Company, for the latter's incorporation into the consolidation process, based on an agreement with its creditors under the provisions of Law 3588/2007 of the Bankruptcy Code, as amended by the Law 4446/2016 (Article 106b). The specific negotiations with the above group of bondholders have not been successful. Nevertheless, the Company's Management is working towards securing the possibility to continue operating as an economic entity and, following today's decision of its Board of Directors, puts forward a proposal / offer to all its bondholders - creditors, aiming at to promote redress procedures under Article 106 b / d of the Bankruptcy Code.

In relation to part of the Company's business activities in the field of apparel and footwear, the expiry or non-renewal of the Company's partnerships with part of its suppliers is expected to adversely affect wholesale and retail sales. Nevertheless, the Company plans a restructuring plan, in which it plans to reduce its operating expenses in order to maintain its profitability. It is noted that the Company's liquidity constraints, which the latter has suffered, have resulted in delays in the implementation of the plan.

Exchange rates for translation of financial statements and sensitivity:

The exchange rates used to convert the financial statements of subsidiaries and branches abroad into EUR (€) are as follows:

Prudent liquidity risk management requires (a) sufficient cash collateral and (b) availability of funding through sufficient credit lines. Due to the dynamic nature of its operations, the Company retains flexibility in funding by maintaining high unused limits on short-term bank lending contracts. The Treasury Department prepares statements of expected cash flows that are reviewed by management for improving the planning of the liquidity management.

In spite of the financial crisis and the global liquidity constraint, the Company maintains high liquidity due to the retail nature of most of its sales and is looking to further enhance its liquidity with the successful creation of discount stores for the disposal of old stocks, and with the containment of costs.

Credit risk:

It is the risk of default on the part of the counterparty. Retail sales are made in cash, through debit and / or credit cards, while in the case of wholesale sales, the Company, based on internal procedures, grants credit by examining, where appropriate, the creditworthiness of customers. For the most part, most of the wholesale sales are made in well-known department stores and in a network of selected franchisees. Additionally, the Company makes a provision for doubtful customers. Finally, according to the Company's practice, part of the receivables from customers are insured.

Market Risk:

Interest Rate Risk:
This risk arises from the Company's bond and short-term bank loans as well as from the contracts for the leasing of buildings and equipment that it has concluded, namely, that these agreements are expressed at a floating rate linked to the EURIBOR. As a result, the Company is exposed to the risk of interest rate changes.

Currency risk:
Risk of reduced gross profitability due to appreciation of foreign: The risk derives from the fact that the Group purchases the greatest part of its products in prices expressed in USD and sells these products to the markets in which it is active in prices expressed in local currencies. The Group has borrowing in CHF and deposits in GBP.
A significant portion of US dollar purchases are related to intra-group transactions. The Company's exposure to foreign exchange fluctuations in respect to transactions with third parties is treated using forward derivatives (reference in note 17 of the financial statements).

Price risk - Inflation:
In the opinion of the Management, the Company is not at risk of price fluctuations, since there is no significant portfolio of securities and the prices of the products it sells are not very varied. An international increase in inflationary pressures coupled with the disruption of the international financial system may alter consumer habits, affecting sales and profitability.

Liquidity risk
Despite the volatile macroeconomic and financial environment in Greece, the Company seeks to further strengthen its liquidity by managing its existing stocks as a whole, as well as to contain expenditures and to adopt more sound management of credit policy. With respect to liquidity risk, Management manages liquidity needs by carefully monitoring planned payments for long-term liabilities and cash outflows from its day-to-day business. Liquidity needs are monitored in different time zones (daily, weekly, monthly). Due to the high borrowing, the Company considers it appropriate to control the adequacy of working capital to enhance liquidity.

It is noted that since June 2018, the liquidity of the Company has been limited for the reasons outlined in this report. Additionally, the imposition of the provisional seizure on the Company's accounts by its shareholders and investors, further burdened the company's liquidity and impeded the management's work.

3. Key Financial Indicators:

The financial data in the accompanying consolidated financial statements for 2017 are not comparable with those of 2016, because the 2017 figures were restated, while this was not possible to do for the 2016 figures. Management provides in the notes to the accompanying financial statements comparative information for the prior period wherever possible.

The Company's historical financial figures for the financial years 2017 and 2016 are included in the accompanying financial statements. Given that it is not possible to compare between the years 2016 and 2017, the Company's management considers that the comparison of the key financial ratios will not provide suitable information. Nonetheless, the following financial indicators for the year 2017, which are currently used by the Management in the context of its day-to-day operation and the restructuring plan, are listed below:

	Published 01.01- 31.12.2017	Group Restated
Current Assets / Total Assets	75,5%	46,3%
Bank Loan / Equity	31,9%	927,2%
Cash / Total liabilities	-52,1%	24,3%
Gross margin	44,7%	58,3%

4. Business Developments of the Group

Regarding the anticipated development of the Company and the Group, it is important to note that since May 2018, the Management of the Company has faced and continues to be confronted with insurmountable difficulties and difficulties related, among others, with the frequent changes in the management of the Company and the Committees of its Board of Directors, as well as the departures of important executives of the Company. In particular, due to the resignation of many executives of the Group from May 2018 to December 2018, in many cases it was not possible to find reliable data or provide sufficient explanations. Corrections of errors and adjustments were made on the basis of available data such as Alvarez & Marsal's findings and other data derived from the evaluation of the data submitted to this Management.

Furthermore, the freezing of key assets of the Company (such as the freezing of property by the Anti-Money Laundering Authority, which issued two provisions under which the sale or otherwise transfer of immovable property of the Company, which is located in Agios Stefanos Attica, Neo Psychiko, Koropi, Santorini and Glyfada, with a total objective value of 12.4 million. Euro) has been an embankment in the ability to manage significant assets of the Company. Additionally, the imposition of a precautionary attachment on the Company's accounts by its shareholders and investors, further burdened the company's liquidity and impeded the management's work.

However, despite these barriers, the Company's Management is working towards achieving profitability through specific activities in order to ensure its sustainability. Additionally, Management has proceeded with reorganization activities, mainly reducing costs, eliminating loss-making activities and liquidating non-operating assets.

5. Acquisition of own shares

Regarding the Company's own shares, at the Ordinary General Meeting of 30 June 2017, the Company approved a program for the purchase of own shares of the Company according to article 16 of the Codified Law 2190/1920. 2190/1920 and determined the lower purchase price to the amount of five (5) Euros and the highest amount to fifty (50) Euros.

On May 6, 2018, the Board of Directors decided to implement the share buyback program and to buy back its own shares within 24 months of the date of the above General Meeting, i.e. until June 30, 2019, up to a maximum limit, 6,636,413 (1/10) shares.

Specifically: a) on 09.05.2018, the Company purchased through a member of the Athens Stock Exchange EUROXX Securities SA at an average price of 9,11 euros per share, 30,000 shares of total value Euro 273,254.02 and

b) On 11.05.2018, the Company purchased through the member of the ATHEX. EUROXX Securities SA with an average cost price of 8.47 euros per share and 5.000 shares of total value Euro 42,340.00.

6. Branches

The Company maintains branches in the countries in which it operates, however, in the context of its forthcoming restructuring, the Company has closed some of its branches and opened new ones within the last 14 months.

7. Non-financial situation

On 31 December 2017, 5,079 employees were employed by the Group, compared to 4,996 employees on 31 December 2016. The corresponding figures for the Company are 1.142 versus 1.099. The Group employs (a) employees with an employment contract of indefinite duration, (b) part-time wage earners, and (c) hourly wage earners.

The Group respects the Universal Declaration on Human Rights, the Declaration on Fundamental Principles and Rights at Work by the International Labor Organization as well as relevant national and European legislation.

It enhances the development of a good working climate through a continuous effort to improve the quality of work and the good cooperation of its human resources. The Company ensures for its staff the existence of an excellent and safe work environment.

The Group is fully in line with the environmental legislation of the countries in which it operates. In particular, it participates in recycling programs and applies the relevant legislative provisions regarding (a) packaging materials, (b) electric accumulators etc. materials and vehicle parts, and (c) electrical and electronic equipment. It has signed contracts with recognized and licensed recyclers for managing recyclable materials and pays periodic contributions. Also, cooperation with our suppliers is based on standards that deny any form of child labor, discrimination or forced labor to ensure every employee involved in the production process and guarantee health and safety, equal pay and respect for the rhythms of life. We regularly visit our suppliers so that everyone can comply with the principles of social responsibility that inspire us.

However, the Company's management found that appropriate systems of monitoring non-financial performance indicators were not adopted regarding the Company's applied policies in relation to environmental, social and labor issues, respect for human rights, anti-corruption and related issues with bribery. Nevertheless, the Management of the Company is already working towards the establishment of appropriate monitoring infrastructures for the strengthening of the above processes, which will be adapted to the new situation of the Group.

8. Corporate Governance

The Company's Management found that during the year 2017 the corporate governance statement required by law was included in the management report, where reference was made to its inclusion in the corporate governance code of the Hellenic Federation of Enterprises (SEV). This corporate governance statement was posted on the Company's official website and was available to the investing public. However, the Company's management found that the Company's compliance with the rules of good corporate governance was inadequate. Indicatively, for the year 2017 there were deficiencies at the level of committees, bodies and policies of the Company. This particular issue was the primary concern of the new management of the Company, which staffed the Board of Directors by new members, selected on the basis of the professional and scientific experience, as well as those skills that were deemed necessary for the staffing of the Board of Directors. It is noted that the majority of the members of the current Board of Directors (6 out of 11 members) are independent non-executive members. Also, the Company has staffed the Audit Committee, with experienced members, who meet all the criteria laid down by the relevant legislation, as well as the setting up of committees, such as the Committee for Defining and Defining Candidates, the Steering Committee and the adoption of policies such as the Rules of Procedure of the Audit Committee, the Rules of Procedure of the Board of Directors, the Rules of Procedure of the Committee for Payroll and the Appointment of Nominations, the adoption of policies at the level of management of financial services and management of human resources.

9. Internal Control System Description

The Company's management found that the Company's Internal Audit system was inadequate and was not effective in the Company's risk management in relation to the preparation of the financial statements. Following the disclosure of the Quintessential Capital Management (QCM) investment report on 4.5.2018 and the subsequent audit by the Securities and Exchange Commission, the Company commissioned the work of forensic and forensic assessment to Alvarez and Marsal, an independent, reputable company specialized in the relevant issues to carry out the task of investigating the deviations in the financial figures of the year 2017. In the course of the investigations from "Alvarez and Marsal" further deviations resulted in financial statements of previous years. It should be noted that the fee for this research amounted to 4 million Euros. Finally, the Company has cooperated and has provided information to the supervisory authorities in Greece and abroad to identify liability and imputation to persons who, through deception or negligence, contributed to the events in question.

In this context and to improve the efficiency of internal control systems, all internal procedures and policies are reviewed and revised. The Internal Audit Division will oversee the implementation of internal control systems in all Group subsidiaries and will immediately inform the management of the adoption of common internal control principles to all Group subsidiaries.

10. Significant events after the end of the period and up to the date of preparation of the Report

✓ The events that occurred after the reporting date of financial position date and which have a significant influence on the financial position and results of the Company as at 31st December 2017 as set up and adjustments described in note 37 for the years ended at 31st December 2015 and 31st December 2016 are described below:

✓ May 7, 2018: On the occasion of the report of the investment fund Quintessential Capital Management, the Capital Market Commission called on the Company to proceed immediately with the assignment of an independent audit of the consolidated financial statements for the year 2017 to a recognized independent international audit firm.

✓ May 25, 2018: The trading of the Company's shares in the Athens Stock Exchange was suspended upon request of the Company.

✓ 28 May 2018: Conversion of bonds of the company "Attica Department Stores S.A." pursuant to the bond loan of € 2.365.000,00 dated 30.08.2013, following a statement of conversion of the bondholder. The conversion of the 23,650 bonds led to the issue of 4,730,000 new ordinary shares of the company, of a nominal value of € 0.50 each. As a result, the share capital of the company amounted to € 10,617,500 divided into 21,235,000 common registered shares of nominal value € 0.50 each. The Company's share in the share capital of this subsidiary amounted to 25,27% at Company level and 35,68% at Group level.

✓ June 25, 2018: The Company commissioned a forensic assessment of the most recent financial statements of its Asian subsidiaries to Alvarez & Marsal. On June 14, 2018, the re-audit of financial data was entrusted to the independent international audit firm "Ernst & Young".

✓ July 16, 2018: The Company's Certified Public Accountants (ECOVIS VNT Auditing sa) revoked its audit report dated 26 April 2018 on the consolidated financial statements of the Company for the year ended 31 December 2017.

✓ July 23, 2016: The management of the Company, in order to safeguard and protect its activity from aggressive actions, filed a request for preventive measures pursuant to article 106a para. 6 of L. 3588/2007, as amended and in force, on which an interim injunction was issued, until the hearing and the decision on the interim measures of the Company, which was finally issued on 19/10/2018 and was rejected.

✓ August 9, 2018: The only EUR 20 million Schuldschein holder provided a notice of termination that rendered the subsidiary FF Group Finance Luxembourg II SA owed and the liability of the Company out of its guarantee immediately due and payable.

✓ September 10, 2018: The four creditor banks issued statements of termination of the existing credit agreements with an open account of the company with a total value of 43 million euro.

✓ September 26, 2018: The preliminary results of the Alvarez & Marsal investigation were announced. It turns out that these figures change significantly the Group's image compared to those presented in the published consolidated financial statements for 2017 (26 April 2018) for which the Statutory Auditor revoked the audit report (16 July 2018). To the extent that the Alvarez & Marsal investigation was completed, there was no misappropriation or other misuse of the Company's assets. The findings of the report have led to the recognition of a material impairment provision for participations and claims with its subsidiaries in Asia.

✓ October 2, 2018: The application of the Hellenic Capital Market Commission to the Athens Court of First Instance was discussed with a request for an audit of the consolidated financial statements of the Company for the year 2017, in which the Company consented. Subsequently, the decision of the First Instance Court of Athens was issued under No. 2893/2018, which ordered the audit and appointed as auditor the audit firm PricewaterhouseCoopers.

✓ October 17, 2018: The only holder of Schuldschein of 31 million Euro with its service of October 17, 2018, and the guarantee claim of 18 October 2018, made the debt immediately due and payable by the issuer FF Group Finance Luxembourg II SA and the guarantor Company.

✓ October 18, 2018: The Company announced that its subsidiary, Links of London, Inc., filed an optional application for Article 7 of the United States Bankruptcy Code before the United States Bankruptcy Court for the District of Delaware.

✓ October 22, 2018: The Extraordinary General Meeting of "Attica Department Stores S.A.", dated 22-10-2018, decided a reverse split (increase of the nominal value of shares from 0,50 Euro to 1 Euro with simultaneous reduction of the number of shares in half) and the reduction of the share capital from € 10.617.500 to € 5.308.750 with a reduction in the nominal value of the shares from € 1 to € 0.50.

✓ October 26, 2018: The Company announces that the financial liability of its subsidiary, FF Group Finance Luxembourg II SA, CHF, which is under the guarantee of the Company, has become immediately due and payable before its contractual expiry due to a complaint of 26.10.2018 of the Bondholder's Representative and Chief Payment Officer of CHF 150,000,000 3.25% maturity bonds 2021 (with ISIN CH0385518052) and the same date of the Company's warranty.

✓ November 23, 2018: Assignment of a special purpose audit to the restated separate and consolidated Financial Statements for the year ended 31 December 2017 to the auditing company PricewaterhouseCoopers.

✓ November 28, 2018: The Company has announced that the Anti-Money Laundering Authority has issued two provisions under which the sale or otherwise transfer of the real estate of the Company, which is located in Agios Stefanos, Attica, Neo Psychiko, Koropi, Santorini and Glyfada is prohibited.

✓ December 12, 2018: The electronic auction of the Group's participation in the company "Attica Department Stores S.A." took place. (35,67%). The highest bid for 10% the company went to "Attica Department Stores S.A." and the highest bid for the remaining 25.7% went to National Bank of Greece SA.

✓ December 18, 2018: The Company presented a plan for a proposed financial restructuring of the Group following the conclusion of a term sheet with a part of bondholders.

✓ February 13, 2019: The Board of Directors of the Company approved the conclusion of an updated term sheet with a group of creditors - bondholders in relation to its proposed financial restructuring.

✓ During 2018 and 2019 there were changes in the Company's Management as a result of resignations of members of the Company's Board of Directors and subsequent reorganizations of the Company.

✓ During the second half of 2018, the Company sold Dufry AG shares worth a total of € 47.69 million.

✓ During 2018, contracts were signed with consultants whose part of the remuneration would depend on the successful outcome of the Company's restructuring plan and the inclusion in Article 106b / d. The total amount of these fees is estimated to be at least 22 million Euro. However, the Management of the Company is already in consultation with its legal advisors regarding the termination of part of these contracts, which in practice have already become inactive and in any case the foreseeable remuneration of the contracts in force are subject to regulation in the context of the Company's restructuring of Article 106b/d of the Bankruptcy Code.

✓ In 2018 the guarantees provided for the Links of London and FF Group Sourcing loans, amounted to € 56 million, which was paid by the Company.

✓ In February 2019, a loan of the Group’s subsidiary Strenaby's to Morgan Stanley was repaid, which was covered by the sale of the Dufry AG shares owned by that subsidiary.

✓ February 28, 2019: Sale of a helicopter of the Group, sold by the owner Warlaby Trading Limited (subsidiary of the Cypriot subsidiary of the Group FF Cyprus Limited) for a total consideration of 1.600.000 Euros.

✓ March 28, 2019: Sale of property in Hong Kong owned by the subsidiary FF GROUP SOURCING LTD, against the amount of HKD 130.0 million.

✓ May 16, 2019: The Court of First Instance of Athens partially accepted the application for interim measures of 56 investors under the no. 2419/2019 and ordered the precautionary seizure of the Company's movable and immovable property up to the amount of 1.8 million Euro. Pursuant to that judgment, the applicants imposed a provisional seizure upon certain of the Company's bank accounts up to the amount of 1.8 mil. EUR.

✓ During the financial years 2018 and 2019, most of the Group's contracts with foreign firms belonging to the functional sector of Apparel - Footwear were resolved / not renewed.

✓ During the years 2018 and 2019 within the Group's restructuring plan the operation of specific subsidiaries of the Group has been suspended, namely: i) Strenaby Finance Ltd. ii) Juicy Couture Europe Ltd. iii) Juicy Couture Ireland Ltd., iv) Links of London Com Ltd., (v) Folli Follie Thailand Ltd. (iv) Folli Follie Malaysia Ltd. (vii) Folli Follie Hawaii Ltd. (viii) Folli Follie Guam Ltd. (ix) Folli Follie Singapore Ltd. And Folli Follie Korea Ltd., x) Links of London Inc. (USA)

✓ During the fiscal year 2018, the Company received € 3,92 million of dividends from shares of DUFRY AG that it held, while in 2019 the corresponding amount reached € 2,85 million.

✓ During 2018, the Company granted loans to Group subsidiaries totaling approximately € 41 million. Despite the fact that the Company already has claims to these subsidiaries, the above funding was deemed necessary in order to avoid multiple losses that would result in the discontinuance of these subsidiaries in the absence of liquidity. It is noted that part of this funding has already been recovered following the sale of a property in Hong Kong owned by subsidiary FF GROUP SOURCING LTD on 28/3/2019, as well as by the sale of the Group's Helicopter owned by Warlaby Trading Limited (subsidiary of the Cypriot subsidiary of FF Cyprus Limited Group) on 28/2/2019.

Significant transactions with related parties.

The Company's management found that the Company had not adopted any procedures for the implementation of the International Accounting Standard 24 / 16.12.2004 regarding the "Related Party Transactions Disclosures", which is mainly applied to the reporting of relationships and transactions between related parties and imposes an obligation on enterprises to disclose, through their corporate and consolidated financial statements, the relationships, transactions and outstanding balances that may arise with their affiliated parties.
The current management of the Company proceeded with the adoption of the relevant procedures and policies, which adopted a relevant meeting on 11 April 2019 in order to ensure full and accurate information on these transactions.
The Company will, from now on and at all times, ensure that it has sufficient information to compile reports on

related party transactions as disclosed in the published financial statements.
Transactions are drawn up in accordance with the applicable laws, statutes and decision-making bodies of the decision-making bodies.
The members of the management, the directors or the members of the reporting entity closest to them declare any transactions with persons in which they have shareholdings and / or management (affiliated parties).
From now on, the Human Resource Department has the responsibility to centralize transactions with affiliated parties. The address shall send a request to the above persons at regular intervals.
The Financial Management, the Shareholders' Service, and the Company's Legal Department (jointly or separately) perform background checks to identify and record transactions that are not included in the previous list. The Financial Directorate is responsible for drawing up the relevant tables included in the financial statements.
The company under the responsibility of the Board of Directors will disclose in the financial statements, in the management report of the BoD, the transactions of the related parties together with comments on the conclusion of the transactions. In addition, under the responsibility of the Board of Directors, the provisions of the Societe Anonyme Act (N. 4548/2018 Articles 99 & 100) on Transparency and Supervision of Related Party Transactions.

EXPLANATORY STATEMENT OF ADMINISTRATIVE COUNCIL TO GENERAL ORDINARY SHAREHOLDERS MEETING (ACCORDING TO ITS §7 OF ARTICLE 4 OF LAW 3556/2007).

A. Share Capital Structure.
The share capital of the Company amounts to € 20,084,463 divided into 66,948,210 common registered shares of nominal value € 0.30 each and is fully paid up. Each share entitles one vote. All shares are listed for trading on the Athens Stock Exchange Securities Market in the Large Capitalization category. Their trading has been suspended since May 25, 2018.

Each share incorporates all the rights and obligations determined by the Law and the Articles of Association of Folli Follie SA, which does not contain any more restrictive provisions than those provided by the Law. Shareholders' liability is limited to the nominal value of the shares they hold. The holding of the share title automatically implies the acceptance by its owner of the Articles of Association of Folli Follie SA and the legal decisions of the General Shareholders' Meetings. The Articles of Association of Folli Follie SA do not grant special rights in favor of certain shareholders, nor does it contain terms for changes in capital and changes in share options which are more restrictive than the provisions of the Law. Shareholders exercise their rights in relation to the management of the Company through the General Meetings. Each shareholder is entitled to participate in the General Meeting of Shareholders either in person or through a proxy. Each share gives the right to one vote.

Each shareholder may request 10 days prior to the Annual General Meeting, the annual financial statements and financial reports of the Board of Directors and the auditors.

MINORITY RIGHTS OF SHARES
(a) At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors of the Company is obliged to include additional items on the agenda of the General Meeting if the relevant application is received by the Board of Directors, at least fifteen (15) days prior to the General Meeting. An application for inclusion of additional items on the agenda is accompanied by a justification or by a draft decision for approval by the General Meeting and the revised agenda is published in the same way as the previous thirteen (13) days prior to the date of the General Meeting and at the same time shall be made available to the shareholders on the Company's website together with the justification or draft decision submitted by the shareholders in accordance with the provisions of Article 39 2 of K.N. 2190/1920.

(b) At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders according to the provisions of article 39 par. 2a of K.N. 2190/1920, at least six (6) days prior to the date of the General Meeting, draft decisions on matters included in the original or revised agenda if the relevant application is received by the Board of Directors at least seven (7) days before the date of the General Meeting. date of the General Assembly.

(c) At the request of any shareholder submitted to the Company at least five full days before the General Meeting, the Board of Directors is obliged to provide the General Meeting with the specific information requested on the Company's affairs, insofar as they are useful for the actual assessment of the items on the agenda. The board of directors may refuse to provide the information for substantive reasons, which shall be recorded in the minutes. The board of directors may respond in a single application to shareholders with the same content. No obligation to provide information exists when the relevant information is already available on the Company's website, in particular in the form of questions and answers.

(d) At the request of shareholders representing one fifth (1/5) of the paid-up share capital submitted to the Company at least five full days before the General Meeting, the Board of Directors is obliged to provide the General Meeting with information on the course of corporate affairs and the Company's assets. The board of directors may refuse to provide the information for substantive reasons, which shall be recorded in the minutes.

Similar deadlines for the exercise of minority shareholders' rights also apply to Repeated General Meetings.

In all the cases mentioned above, the requesting shareholders must prove their shareholding and the number of shares they hold in the exercise of the relevant right. Such proof is also the presentation of an attestation by the entity in which the relevant securities are held or the certification of the shareholding by direct online connection of the company and the Company.

The dividend of each share is paid within 2 months from the date of the Ordinary General Meeting that approved the annual financial statements and the place and method of payment is communicated to the shareholders through the press. Dividends are distributed by profits already taxed to the legal entity and therefore the shareholder has no tax liability on the amount of dividends received. Dividends not claimed for a period of five years are written off in favor of the State.

Any dispute between the Company on the one hand and the shareholders or any third party on the other hand falls under the exclusive jurisdiction of the ordinary courts and the Company is sued only in the courts of its registered office.

B. Restrictions on the transfer of the Company's shares.

The transfer of the Company's shares takes place in accordance with the procedures laid down by the law and the Athens Stock Exchange Regulation and according to the Company's Articles of Association, there are no restrictions on their transfer.

C. Significant direct or indirect holdings within the meaning of Articles 9 to 11 of the Law. 3556/2007

On 31/12/2017, the following shareholders held more than 5% of the total voting rights of the Company Dimitrios G. Koutsolioutsos: 35.08%, FF Investment Luxemburg 1 and 2 SARL: 13.89% (both belong to the Fosun Group) Fidelity Investments: 9.5%

D. Holders of all kinds of shares that provide special control rights.

There are no Company shares that provide their holders with special control rights.

E. Restrictions on voting rights.

There are no restrictions on the voting rights deriving from the Company's shares.

F. Agreements between the shareholders of the Company.

It is not known to the Company the existence of agreements between its shareholders or the exercise of voting rights deriving from its shares. The share is indivisible in the exercise of the rights and the fulfillment of the obligations deriving from it. If for any reason there are more co-owners or beneficiaries of one share, they are represented against the company by a person appointed by mutual agreement.

G. Rules for appointing and replacing the members of the Board of Directors and amending the Articles of Association.

The Company for the appointment and replacement of the members of the Board of Directors, as well as for the amendment of its Articles of Association, follows the provisions of Cod. 2190/1920, as applicable.

The Company reserves the right to update its Articles of Association with the necessary modifications and adjustments in order to bring it into line with the new provisions of the Law. 4548/2018 of public limited liability companies, as in force.

INFORMATION ABOUT THE OPERATION OF THE SHAREHOLDERS GENERAL ASSEMBLY AND THEIR BASIC POWERS AND DESCRIPTION OF THE SHAREHOLDERS' RIGHTS AND THEIR METHOD OF EXERCISE.

How the General Assembly works

The Board of Directors ensures that the preparation and holding of the General Meeting of Shareholders facilitates the effective exercise of shareholders' rights, who can be fully informed about all issues related to their participation in the General Meeting, including agenda items and their rights during the General Assembly. The Board of Directors utilizes the General Meeting of shareholders to facilitate their substantive and open dialogue with the company.

In conjunction with the provisions of Law 3884/2010, the company will post on its website at least twenty (20) days before the General Meeting, in both Greek and English, information on:

- the date, time and venue of the General Meeting of Shareholders,
- the basic rules and practices of participation, including the right to enter items on the agenda and questions, as well as the time limits within which such rights may be exercised,
- voting procedures, proxy terms and forms used for proxy voting,
- the proposed agenda for the Assembly, including draft decisions for discussion and voting, as well as any accompanying documents,
- the proposed list of Candidate Members of the Board of Directors and their CVs (subject to election of members); and
- the total number of shares and voting rights at the date of the convocation.

At least the Chairman of the Company's Board of Directors, the Vice-Chairman and the Managing Director, attend the General Meeting of Shareholders in order to provide information and information on matters within their competence put forward for discussion and on questions or clarifications requested by the shareholders. The Chairman of the General Meeting has sufficient time for shareholders to ask questions.

Basic Powers of the General Assembly

The General Meeting of Shareholders is the supreme body of the Company and is entitled to decide in general on every corporate affair. Its lawful decisions oblige both absent and disagreeing shareholders.

The General Assembly is the only competent body to decide on:

- Any matter submitted to it by the Board of Directors or by the persons entitled under the provisions of the Law or of this Statute to cause it to be convened.
- Amendments to the Articles of Association. Such amendments are deemed to be those relating to the increase or decrease of the share capital, the dissolution of the Company, the extension of its duration and its merger with another.
- The election of the members of the Board of Directors and the auditors and the determination of their remuneration.
- The adoption or reform of the annual financial statements prepared by the Board of Directors and the disposal of net profits.
- The approval, by special vote, of the management of the Board of Directors for the discharge of the Board of Directors and the auditors from any liability after the approval of the annual financial statements and after hearing the report on the Board of Directors' the general situation of corporate affairs and the Company. The Members of the Company's Board of Directors and its employees, but only with shares owned by them, may also participate in the above vote.
- Hearing auditors about the auditing of the Company's books and accounts that they have carried out.
- The issue of bond loans with a right to deduction of profits, according to article 3b of the Codified Law 2190/1920. 2190/1920 and convertible bond loans.
- The appointment of liquidators in case of liquidation of the Company.
- The bringing of actions against members of the Board of Directors or auditors, for breach of their duties under the Law and the Articles of Association.

Rights of shareholders and ways of exercising them

The General Meeting of the Company is entitled to participate and vote on any shareholder that appears as such

in the records of the entity in which the securities of the Company are held. The exercise of those rights does not entail the freezing of the shares of the beneficial owner or the observance of a similar procedure. Shareholders entitled to participate in the General Meeting may be represented on it by a person who has legally authorized them.
The rights of the Company's shareholders stemming from its share are based on the proportion of the capital to which the paid-up share value corresponds. Each share provides all the rights provided by the law. 2190/1920 as amended and in force, as well as the company's Articles of Association.
The Chairman of the Board of Directors is available for meetings with major shareholders and discusses issues related to the governance of the company. The Chairman also ensures that the views of the shareholders are communicated to the Board of Directors.

The Company reserves the right to update its Articles of Association with the necessary modifications and adjustments in order to bring it into line with the new provisions of the Law. 4548/2018 on societe anonyme, as in force.

INFORMATIONAL FIGURES ON THE COMPOSITION AND THE METHOD OF OPERATING OF THE BOARD OF DIRECTORS

Composition of the Board of Directors
The Board of Directors acting collectively assumes the management and management of corporate affairs for the benefit of the Company and its shareholders by ensuring the implementation of the corporate strategy and the fair and equal treatment of all shareholders. It generally decides on any matter concerning the Company other than those which either by the Law or by the Articles of Association, the General Meeting of Shareholders is responsible. The members of the Board of Directors are elected by the General Assembly. The General Assembly also determines which members are independently non-executive. The Board of Directors determines which members are executive and non-executive.
The Company's Board of Directors is the custodian of the Company's Corporate Governance Principles. The Board of Directors consists of nine (9) members to thirteen (13) members. It is elected by an absolute majority of the General Assembly with a five-year term extended to the next Ordinary General Meeting of the year following the expiration of their term of office and which may not exceed six years.

Today it is made up of 1 executive member, 10 non-executive members. Of the non-executive members the 6 meet the conditions that, according to the provisions of Law no. 3016/2002 on Corporate Governance are considered independent. The executive member is employed by the Company or provides services to the Company by exercising managerial duties. The non-executive members of the Board of Directors do not exercise management duties in the Company.

Below is a table with the members of the Board of Directors

FULL NAME	CAPACITY	START OF THOUGHT	EXPIRATION OF THESE
AVRAAM GOUNARIS	**Chairman - non-executive member**	27/12/2018	24/06/2021
GEORGIOS SAMIOS	**Managing Director - executive member**	20/6/2019	24/6/2021
KONSTANTINOS ANGELOPOULOS	**Independent non-executive member**	4/12/2018	24/6/2021
ANDREAS KOUTOUPIS	**Independent non-executive member**	20/6/2019	24/6/2021
GEORGIOS KOUTSOLIOUTSOS	**Non-executive member**	24/6/2016	24/6/2021
GEORGIOS KYRIAKOS	**Independent non-executive member**	21/6/2018	24/6/2021
ZHANG HAOLEI	**Non-executive member**	8/6/2018	24/6/2021
CONSTANTINOS KEFALOGIANNIS	**Independent non-executive member**	29/10/2018	24/6/2021
PERIKLIS DONTAS	**Independent non-executive member**	29/10/2018	24/6/2021
NIKOLAOS FALDAMIS	**Independent non-executive member**	20/6/2019	24/6/2021
NIKOLAOS KANELLOPOULOS	**Non-executive member**	20/6/2019	24/6/2021

TRANSLATION FROM THE ORIGINAL AUDIT REPORT IN GREEK

Independent auditor's report

To the Shareholders of the company "Folli Follie Commercial Manufacturing and Technical *Société* Anonyme"

Audit report on the restated separate and consolidated financial statements

Adverse Opinion

We have audited the accompanying restated separate and consolidated financial statements of the company "Folli Follie Commercial Manufacturing and Technical *Société* Anonyme" (Company and/or Group), which comprise the restated separate and consolidated statement of financial position as of 31 December 2017, the restated separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the restated separate and consolidated financial statements that also include a summary of significant accounting policies.

In our opinion, due to the significance of the matters referred to in the "Basis for adverse opinion" paragraph of our report, the accompanying restated separate and consolidated financial statements do not fairly present, in all material respects, the separate and consolidated financial position of the Company and the Group as at 31 December 2017, their separate and consolidated financial performance and their separate and consolidated cash flows, for the year then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union and the statutory requirements of Codified Law 2190/1920.

Basis for adverse opinion

Our audit procedures resulted in the following:

1. Basis of preparation of financial statements

The restated separate and consolidated financial statements of the Group have been prepared on a going concern basis of accounting. As stated in Note 15 to the restated separate and consolidated financial statements, the Group's loan obligations have become due and payable. To date, the Group has not reached an agreement with its lenders for the restructuring its existing debt nor has it secured financing from other parties. Based on the audit evidence provided to us, we believe that the Company and the Group are not in a position to meet their obligations as they fall due from their continuing operations. The Company has drawn up an operational restructuring plan, with the purpose of applying to be included under the provisions of Article 106b of Law 3588/2007. However, at this stage, there is a material uncertainty that raises significant doubt regarding the Company's and the Group's ability to seamlessly continue their operations. Therefore, we do not agree with the assessment and the decision of Management, regarding the method applied in preparing and presenting the accompanying restated separate and consolidated financial statements, under the going concern basis of accounting. If assets and liabilities had been measured according to their realizable values in the restated separate and consolidated financial statements, we believe that this would have had a significant impact on the financial position and results of the Company and the Group.

2. Unreliable financial reporting system

During our audit and up to the date of preparation of this audit report, the Company had not completed the necessary procedures for identifying weaknesses, shortcomings and omissions in the internal control system, which resulted in the preparation and publication of misstated financial information. More specifically, the engagement assigned to Alvarez & Marsal, which included, *inter alia*, the investigation of events that led to the preparation up and publication of misstated separate and consolidated financial statements, was not completed. Therefore, Group Management is not aware of the reasons that have led to

the distortion or concealment of financial information, which individuals were giving the relevant instructions and who was involved in these events. Without the completion of this investigation, there is an inherent inability to apply the appropriate internal control safeguards that would allow Management to have sufficient and reliable data in order to prepare the restated separate and consolidated financial statements free of any material misstatements, whether due to fraud or error.

3. Correction of errors

Management prepared restated consolidated financial statements, relying partly on the findings of the incomplete investigation of Alvarez & Marsal. It was not possible for management to retrospectively correct the errors identified in the consolidated financial statements, in line with the requirements of International Accounting Standard 8 "*Accounting Policies, Changes in Accounting Estimates and Errors*". Instead, retained earnings in the statement of changes in equity were corrected cumulatively, as a movement in the 2017 financial 2017, and the comparative figures for assets, liabilities, equity and results were not specifically adjusted. Therefore, the comparative amounts in the restated consolidated statements of financial positions, comprehensive income, changes in equity and cash flows of the year ended on 31 December 2016, are materially misstated. The separate and consolidated statements of cash flows of the year ended 31 December 2017 are also misstated, because Management was not able to obtain all the necessary information that would allow these statements to be prepared free of material misstatements. From the audit procedures which we were able to complete, we also identified misstatements which if corrected, would reduce the net asset position of the Company and the Group by approximately €11m and €6m, respectively.

4. Loans to subsidiaries

As is presented in Note 35 of the restated separate and consolidated financial statements, during 2018 and 2019, the Company granted loans to subsidiaries, amounting to approximately €41m, for which we did not receive the necessary audit evidence. These loans were granted to subsidiaries, from which the Company already had receivables and which Management classified as irrecoverable. Considering that on the reporting date, the parent company's Management intended to continue financing these subsidiaries to enable them to meet their operating needs, the respective amounts should have been recognised as a liability in the accompanying restated financial statements of the Company. As a result, profit and loss of the year, as well as equity as presented in the accompanying restated financial statements of the Company, are overstated by approximately €41m.

5. Inadequate disclosures

It was not possible to obtain reliable and sufficient information on the preparation and presentation of all disclosures/explanations required by the IFRS. For example, the restated separate and consolidated financial statements do not include sufficient disclosures with respect to:

- Management's assumptions and estimates, including the going concern assumption
- Impairment testing of non-financial assets
- Financial risk management
- Contingent liabilities
- The nature and effect of the restatements made in 2017 in the consolidated financial statements.

Additional matters from the conduct of the audit

1. Internal control system

In addition to what we describe above in paragraph 2 of the "Basis for adverse opinion" section of our Report, from the performance of our procedures we identified significant weaknesses in the Company's IT systems and in its internal control system, elements that are necessary for the preparation of financial statements

that are free of material misstatements whether due to fraud or error. These weaknesses and the lack of any documented procedures also did not allow us to complete our audit procedures over significant financial statement line items and to obtain sufficient audit evidence in order to verify the accuracy and completeness of the disclosures in the notes to the accompanying restated separate and consolidated financial statements.

2. Related Parties

Up to May 2019, the Company had no procedure in place for identifying and documenting related parties, as well as for the proper and timely recording of the Company's transactions with related parties. Additionally, upon initiating collaboration with suppliers or customers, the Company did not carry out procedures to verify the identity of the ultimate beneficial owner of the counterparty. During the performance of our audit procedures, we identified transactions with companies controlled by related parties, and transactions with related parties which were not presented in the restated separate and consolidated financial statements being audited. We therefore were not able to confirm that the Company did not also transact with other companies controlled by related parties. The Company's Management was not able to complete its evaluation of the potential relationship which customers and suppliers of the Group had with related parties, as was identified by the incomplete investigation carried out by Alvarez & Marsal. Consequently, we were unable to confirm the completeness of transactions with related parties or their correct presentation of these in the restated separate and consolidated financial statements.

Furthermore, during 2019, the Company’s main shareholder sent a letter to Management claiming an amount of $43.9m from the Company on the basis that this amount was provided by him to the subsidiary FF Group Sourcing Ltd up to 31 December 2018. The separate and consolidated financial statements of this subsidiary for the year ended 31 December 2017, which had been published on 16 April 2018 and had been signed by him, on behalf of the Directors, presented total liabilities to management amounting to $11.4m and $4th respectively. Due to the fact that we were unable to confirm this claim, we have reservations regarding the completeness of the accounting books and records of the Group.

3. Transaction without economic substance

During the examination of transactions that occured after 1 January 2018, we identified a contract with a supplier dated 18 May 2018, whereby the Company committed to pay a success fee in the case of a successful intermediation in attracting investors for the Company. This supplier invoiced an amount of USD 5 million, which affected the results of 2018, citing a third-party’s offer to undertake a €250 million investment in the Company. Until August 2018, the Group had paid this supplier a total amount exceeding $3m, through two Group companies. We were not able to confirm the economic substance of this transaction. The Company's Management has taken legal action to recover the amount paid that corresponds to services which were not provided.

4. Cash and cooperation with financial institutions

The Company does not perform bank reconciliations with respect to the bank balances that are reflected in the general ledger and we were therefore unable to obtain the necessary audit evidence to confirm the timely identification and investigation of any resulting differences. We also did not receive confirmations from all financial institutions with which the Group cooperates and consequently we could not confirm the nature of the relationship with each financial institution and to allow us to confirm the appropriateness of the presentation of cash and cash equivalents of €42.6m as well as any possible loans, guarantees and other contingent receivables and liabilities.

5. Contingent liabilities

We did not receive the necessary audit evidence in order to confirm that all contingent liabilities of the

Company and the Group towards third parties is presented in the restated separate and consolidated financial statements in line with the requirements of IFRS. Specifically, we were not able to obtain sufficient audit evidence in order to confirm the completeness of contingent liabilities that may arise from guarantees granted by the Company to third parties, relating to operations of its subsidiaries. Additionally, during the year being audited, the books and records of the Company and its subsidiaries were not adequately maintained, and, among other matters, it was not possible to confirm the completeness of contracts entered into by the Group with suppliers of products and/or providers of services. As a result, we are not in a position to confirm that Note 29 to the restated separate and consolidated financial statements, where reference is made to contingent liabilities of the Group, is complete and in accordance with the provisions of International Accounting Standard 37 "*Provisions, Contingent Liabilities and Contingent Assets*".

6. Responses from Legal Advisors

Furthermore, it was not possible for us to receive responses from all legal advisors of the Company and its subsidiaries, in order to have information about the current status of open legal matters and the possible outcome of any legal disputes and any third-party claims from the Company and its subsidiaries. The outcome of these matters may have a significant impact on the general operation of the Company and the Group.

7. Receivables

"Trade receivables and other receivables" includes receivables from customers, other debtors and related parties amounting to €70.8m. The existence and accuracy of these receivables could not be confirmed either through third party confirmations or by examining their subsequent settlement. Specifically, as regards receivables from subsidiaries, we did not receive adequate information and explanations with respect to the differences between the receivables presented in the restated separate financial statements and the corresponding liabilities presented in the financial statements of the subsidiaries. When preparing the restated consolidated financial statements, Management eliminated intra-group balances assuming that the amounts presented in the parent Company's general ledger are the correct ones.

One of the above differences relates to a receivable of the parent Company, amounting to €10m, from FF Group Sourcing Ltd, which did not appear as a liability in the subsidiary's books. We verified the transfer of this amount, which was made in January 2015, with stated reason the acquisition of the company "Landocean Industrial Limited", which never actually took place. After receiving the money, the subsidiary did not recognize the liability to the Company, as it should have, and instead the accounting entry made indicated the transfer of money between two of its own accounts in different banks. The investigation by Alvarez & Marsal identified that the bank account from which the transfer had been supposedly made, presented a fictitious balance of $290m in its financial statements which had initially been approved in April 2018.

Furthermore, the analysis of the maturity of the trade receivables, as presented in Note 12, could not be verified.

8. Property, plant and equipment

The Company's Management was not able to perform a count of property, plant and equipment during the period from the beginning of our audit up to the date of this audit report. We were therefore unable to confirm the existence of the Company's property, plant and equipment, other than land, with a value of €10.4m, and the buildings, of a net book value of €22.2m, that is presented in the restated statement of financial position of the Company and the Group respectively, with regard to which the necessary notarial deeds were provided to us.

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9. Investment Property

"Investment Property" includes a property with a value of €7.7m which is held by the Company under a concession agreement expiring on 31 December 2025, and which has been valued at cost and not at fair value, in contravention of the accounting principles. The Company has not carried out an impairment test on this fixed asset due to its inability to calculate its fair value. No information has been provided to us by Management, which would allow us to determine the impairment amount. The 2017 results were negatively impacted by a €32.5m impairment for an investment property. This impairment should have been recognized in previous years, and as a result, the 2017 results are overstated by this amount.

10. Goodwill

When preparing the restated separate and consolidated financial statements, the Company's Management carried out an impairment test onthe goodwill, amounting to €39m and €95m, respectively. These amounts resulted for the Company from the acquisition and subsequent absorption of Elmec Sport SA, and for the Group from the acquisition of Links of London (€52m). The impairment test could not be completed, because it was not possible to determine the carrying amount of the corresponding cash-generating units. Based on the above, these amounts were fully impaired, because Management was not able to substantiate their recoverability.

11. Investments available for sale

Following the sale of the shares of the "Hellenic Duty-Free Shops S.A.", the Company acquired and holds shares of Dufry AG, which had been classified as "Investments available for sale". According to Note 9 of the accompanying restated separate and consolidated financial statements, the Company is in arbitration with Dufry AG for the release of the latter's shares, which are held in escrow. The Company's Management has not been able to reliably estimate any liability that may arise, as they were not able to make a reliable assessment. We were not able to obtain any information from the Company's legal advisor handling the arbitration case, and we are not in a position to assess the contingent liability to Dufry AG.

Furthermore, in the restated consolidated statement of financial position, an amount of €7m is included in investments available for sale, which presents the value of the options related to the acquisition of the Dufry AG shares through borrowings. This amount should be presented in a separate line in the restated consolidated statement of financial position, as a derivative. As stated in Note 35, subsequent to the year-end, the loan was repaid through the proceeds of the sale of the shares and the value of the options was reduced to zero upon the expiry of the exercise period.

12. Inventories

Inventory counts - Because we were assigned the audit on 23 November 2018, we did not attend the inventory counts for the years ended on 31 December 2015, 31 December 2016 and 31 December 2017. We attended the inventory counts that were carried out from 10 December 2018 until 15 January 2019, at the parent Company, and at its following subsidiaries:

- Links (London) Limited
- FF Group Romania Srl
- FF Group Bulgaria EOOD
- Apparel Romania Srl
- FF Cyprus Ltd
- Folli Follie Group Sourcing Ltd
- Folli Follie Japan Ltd

- Folli Follie Taiwan Ltd
- Folli Follie Shenzhen Ltd
- Folli Follie Shanghai (Pilion Ltd)
- Folli Follie Hong Kong International Ltd
- Folli Follie Macau Ltd

We implemented alternative procedures with the purpose of confirming the existence of the inventories on the above reporting dates. We were unable to complete these procedures, because the Company and its subsidiaries do not maintain a reliable warehouse monitoring system with continuous inventory tracking.

Valuation of Inventories and cost of sales - The potential write-down of the inventories on the reporting date has not yet been evaluated, as stipulated by the provisions of IAS 2 "*Inventories*". Due to significant weaknesses in the Company's information technology general controls, we attempted to reconcile the relevant records maintained on the information technology systems. Management was not in a position to provide adequate explanations and the necessary audit evidence with regard to the differences we identified. Therefore, we were not able to complete our impairment assessment with respect to inventories.

As we were not able to verify the Company's inventories on 1 January 2017 and on 31 December 2017, we were also not able verify the cost of sales, as presented in the restated statement of comprehensive income.

13. Operating Expenses

For a significant part of the sample we chose for the audit of the administration and selling expenses of the year ended 31 December 2017, the Company's Management did not provide us with the necessary audit evidence. We are therefore not in a position to conform the accuracy of these expenses and their correct allocation to the separate operating activities.

14. Trade payables

We were not able to verify the accuracy of Company liabilities amounting to €13.5m, either through confirmation letters or by examining their subsequent settlement.

15. Tax obligations

We are not in a position to assess the completeness of the Company's tax obligations due to the inadequate maintenance of the books and records. We did not receive the Transfer Pricing documentation file for the fiscal year 2017. On the basis of the information made available to us, we estimate that the Company's total recognised tax obligations, as presented in the restated separate financial statements, is understated, but without obtaining sufficient audit evidence to enable us to determine the exact amount. There is also significant uncertainty in relation to the tax effect that the correction of errors made in the restated separate and consolidated financial statements may have, as these relate to multiple periods and taxation regimes in which the subsidiaries operate.
We note that we were not assigned to carry out a Tax Compliance Audit for the year ended 31 December 2017 or for any prior financial year.

16. Reserves

Management could not provide us with sufficient audit evidence in order to verify the nature and accuracy of most items included both in the separate and the consolidated statement of changes in equity. Specifically, we were only able to confirm the accuracy of the €262.6m tax free reserve formed following the carve out of the Duty Free segment. As stated in Note 14, this reserve will be taxed upon distribution or in the event of the Company's dissolution, with the applicable tax rate, in accordance with Article 9 (2) of Law 1297/1972. Also, in accordance with the provisions of Articles 6, Law 3220/2004 and 28 3g of Law 2238/1994 respectively, a €38.6m tax free reserve that was formed as a result of the sale and repurchase of properties, will also be taxed in the same manner.

17. Loan liabilities

We were not able to confirm the amount of the Company's loan liabilities as presented in current loan liabilities, because certain financial institutions did not provide us with confirmation letters. Non-current loan liabilities also include overdue finance lease liabilities, which should all have been included in current liabilities.

18. Subsequent events

Due to the limitations described above in paragraphs 1, 5 and 6 of the Additional Matters, from the performance of the audit, we were not able to examine the completeness of subsequent events, as well as their potential effect on the restated separate and consolidated financial statements as at 31 December 2017.

19. Revenue recognition

We did not obtain sufficient and appropriate audit evidence to confirm the occurence, accuracy and completeness from wholesale and retail sales. Additionally, Management did not provide us with sufficient explanations and evidence in relation to the deposit of or use of its cash proceeds from retail sales for part of the revenue sample we audited. Additionally, the Company has customer loyalty programme which have not been accounted according to IFRIC 13 "*Customer Loyalty Programmes*". We further note that for informal consignment sales, the Company records the revenues when the goods are sent to the customer and not when the goods are sold to third parties, leading to an erroneous recognition of revenues. Also, customers with an informal consignment status have the right of return, for which the Company does not form a provision, and as a result sales returns are recorded in the incorrect period. We were not able to quantify this impact, and we therefore cannot express an opinion on the accuracy, completeness, or valuation of the revenues generated by informal consignment sales.

20. Audit of subsidiaries

In the framework of our obligations as statutory auditors of the Group, we designed and performed audit procedures over the financial information of selected subsidiaries of the Company. We could not complete the procedures we had planned to perform for the subsidiaries Links (London) Limited, Folli Follie UK Ltd, FF Group Sourcing Limited, FF Hong Kong International Limited, Folli Follie Shenzhen Limited, Shanghai Pilion Trading Company Limited, Folli Follie (Macau) Ltd., Folli Follie Asia Limited, Folli Follie Business Development & Technical Consulting Ltd, Folli Follie International Holdings Ltd., FF Origins Ltd., because we were not provided with all the necessary audit evidence. Any differences or errors identified as a result of the audit procedures we performed, have been recorded in the restated consolidated financial statements.

For Folli Follie Thailand, a subsidiary of FF Group Sourcing, we were not provided with any of the information we requested, and we therefore did not perform any audit procedures. Management informed us that this subsidiary has been inactive since January 2018 and that there is no access to its books and records. As of the date of our audit report, Management informed us that another ten (10) subsidiaries are inactive, which in our opinion significantly increases the Group's operational risk.

We have conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our Report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Auditor's independence

Throughout our audit we remained independent of the Company and the Group in accordance with the International pwc

Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that during our appointment we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries during the year ended 31 December 2017 are disclosed in Note 23 to the accompanying restated separate and consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the restated separate and consolidated financial statements of the current year. Other than the matters described in the "Basis for adverse opinion" and "Additional matters from the conduct of the audit" sections above, we believe that there are no other key audit matters to be included in our report.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members and the Board of Directors Report (but does not include the restated separate and consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the restated separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the restated separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the restated separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
We considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920 and the Corporate Governance Statement required by article 43bb of Codified Law 2190/1920 has been prepared.
Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2017 is consistent with the accompanying restated separate and consolidated financial statements.
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920, without providing all the information due to the limitations referred to in previous sections of our Report.
- The Corporate Governance Statement provides the information referred to in points (c) and (d) of paragraph 1, Article 43bb of Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. Due to the matters and limitations described in the "Basis for adverse opinion" and "Additional matters from the conduct of the audit" sections of our Report, we have reached the conclusion that the Management Report of the Board of Directors is materially misstated, with regard to the amounts and the other matters referred to above in the "Basis for adverse opinion” and “Additional matters from the conduct of the audit” sections of our Report.

Other Matter

The separate and consolidated financial statements of the year ended 31 December 2017 had initially been audited by another auditing firm, which had issued an unqualified opinion with its Auditor’s Report dated 26/04/2018.

Responsibilities of Directors and those in charge of governance for the restated separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company’s and Group’s financial reporting process.
Auditor’s responsibilities for the audit of the restated separate and consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the restated separate and consolidated financial statements, in their entirety, 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the restated separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the restated separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. **Transactions of the Company with members of the Board of Directors**
   - In breach of Article 23a of Codified Law 2190/1920, the Company granted loans to former Directors and had entered into an agreement with a company related to a former Director, without first receiving a special permission by the General Meeting of Shareholders.
   - In breach of Articles 24 and 34 of Codified Law 2190/1920 and the decision of the ordinary General Meeting of Shareholders of 30 June 2017, the Company paid to Directors fees and benefits, which in total exceed the approved distribution amount.

2. **Supplementary Report to the Audit Committee**

3. Our opinion on the accompanying restated separate and consolidated financial statements is consistent with our Additional Report the Company's Audit Committee that is provided in accordance with Article 11 of Regulation EU 537/2014

4. **Auditor's Appointment**

   We were appointed for the first time as Certified Auditors-Accountants of the Company following the decision taken at the extraordinary general meeting of shareholders on 21 December 2018.

5. **Negative Net Asset position**

   The Company's equity on 31 December 2017 is negative, and therefore the conditions of paragraph 4 of Article 119 of Law 4548/2018 apply, as well as Article 48 of Codified Law 2190/1920, which was in effect during the audited year, on the basis of which the Board of Directors must call a general meeting of shareholders to take necessary measures.

Athens, 15 July 2019

PricewaterhouseCoopers S.A.	The Certified Auditor-Accountant
268 Kifissias Avenue	
152 32 Chalandri	Dimitris Sourbis
SOEL Reg. No. 113	SOEL Reg. No. 16891

Restated Consolidated Statement of Comprehensive Income for the year ended 31 December 2017

	Note	Restated 01.01. - 31.12.2017.	Group Published 01.01. - 31.12.2017.	Published 01.01. - 31.12.2016.
Turnover	21	359.218.392,37	1.419.274.262,48	1.337.275.219,48
Cost of Sales		(149.878.041,05)	(785.509.052,41)	(724.972.158,60)
Gross Profit		**209.340.351,32**	**633.765.210,07**	**612,303,060.88**
% Gross Profit		**58,3%**	**44,7%**	**45.8%**
Other operating income	22	9.391.389,27	15.348.360,04	16.359.491,13
Administrative expenses	23	(55.864.338,57)	(71.701.159,92)	(67.139.846,33)
Selling expenses	23	(212.817.160,41)	(288.279.900,15)	(282.081.565,65)
Other profits / (losses)	24	(64.978.897,70)	(28.565.484,46)	(17.173.291,51)
Operating loss		**(114.928.656,09)**	**260.567.025,58**	**262.267.848,52**
Financial income	25	8.966.942,72	11.740.546,17	12.588.131,66
Financial expenses	25	(25.478.444,11)	(29.837.228,92)	(21.148.685,18)
Investments that are accounted for using the equity method		3.637.939,24	(432.152,90)	(228.973,12)
(Loss) / Profit before tax		**(127,802,218.24)**	**242,038,189.93**	**253.478.321,88**
Income tax	20	(19.303.878,72)	(25.336.252,76)	(26.883.647,17)
Deferred Tax	20	10.918.411,66	119.047,26	315.377,46
(Loss) / Profit after tax		**(136.187.685,30)**	**216.820.984,43**	**226.910.052,17**
Depreciation		39.341.116,58	34.301.291,42	29.588.757,39
Earnings before interest and tax depreciation (EBITDA)		**(75,587,539.51)**	**294.868.317,00**	**291.856.605,91**
Other Comprehensive Income / (Expenses):				
Recognized in equity				
Amounts that will not be transferred to the income statement				
Reassessment of employee benefit obligations		(65.542,54)	(88.882,90)	(283.623,28)
Amounts that may be transferred to the income statement in subsequent periods				
Available-for-sale financial assets		10.530.239,32	10.530.239,32	9.207.546,90
Valuation of Fixed Assets		(1.017.352,42)	6.463.235,35	-
Valuation of Financial Instruments		-	-	(230.976,37)
Deferred taxes non-profit period		-	-	55.517,00
Exchange rate differences from conversion overseas holdings		(173.179.950,54)	(193.831.361,57)	45.539.685,20
Other comprehensive income / (expenses) after tax		**(163.732.606,18)**	**(176,926,769.80)**	**54.288.149,45**
Income after tax		**(299,920,291.48)**	**39,894,214.63**	**281,198,201.62**
The profit is attributed to:				
(Losses) / Profits attributable to its shareholders parent company		(140.998.014,47)	212.010.655,26	222.466.621,12
Non-controlling interests		4.810.329,17	4.810.329,17	4.443.431,05
Total		**(136.187.685,30)**	**216.820.984,43**	**226.910.052,17**
The total comprehensive income attributed to:				
(Losses) / Profits attributable to its shareholders parent company		(304.731.318,51)	35.083.187,60	276.823.085,00
Non-controlling interests		4.811.027,03	4.811.027,03	4.375.116,62
Total		**(299,920,291.48)**	**39,894,214.63**	**281,198,201.62**
Profit / Loss per share				
Basic and diluted (in EURO):		**(2.12)**	**3.19**	**3.35**

The notes on pages 39 to 120 are an integral part of these financial statements.

Restated Company Statement of Comprehensive Income for the year ended 31 December 2017

	Note	Restated 01.01 -31.12.2017	Restated 01.01 -31.12.2016
Turnover	21	135.213.028,11	134.764.871,93
Cost of Sales	26	-87.643.871,46	-88.010.327,78
Gross Profit		**47,569,156.65**	**46,754,544.15**
Administrative expenses	23	-14.438.944,84	-15.136.737,49
Selling expenses	23	-59.986.305,95	-57.857.053,45
Other operating income	22	6.383.499,67	4.737.240,02
Other profits / (losses)	24	-94.730.392,76	4.284.826,80
Provisions for impairment		-64.306.859,96	-21.745.713,02
Operating Losses		**-179.509.847,19**	**-38,962,892.99**
Financial income	25	2.381.687,81	1.403.227,23
Financial expenses	25	-20.636.930,94	-15.932.386,61
Losses before taxes		**-197,765,090.32**	**-53.492.052,36**
Deferred Tax	20	-10.789.528,02	-965.558,51
Profit / (Loss) after tax		**-186,975,562.30**	**-52.526.493,85**
Other Comprehensive Income / (Expenses):			
Amounts that will not be reflected in the statement of comprehensive income in the future			
Reassessment of employee benefit obligations		-47.000,00	-95.919,00
Amounts that may be transferred in the future			
Valuation of available for sale investments		7.042.975,87	8.955.303,93
Other Comprehensive Income / (Expenses) After taxes		**6.995.975,87**	**8.859.384,93**
Total comprehensive losses after taxes		**-179.979.586,43**	**-43.667.108,92**

Our notes on pages 39 to 120 are an integral part of these financial statements.

Restated Consolidated Statement of Financial Position as at 31 December 2017

		Group		
	Note	**Restated 31.12.2017**	**Published 31.12.2017**	**Published 31.12.2016**
Assets				
Non-current assets				
Tangible assets	6	135.769.134,30	266.817.155,59	274.258.534,70
Investment Property	6	41.534.101,42	73.942.734,47	75.202.118,34
Intangible assets	7	7.224.053,80	26.694.180,26	36.624.817,44
Goodwill	7	-	95.397.528,79	95.397.528,78
Investments in affiliated companies	8	31.017.312,31	406.302,11	676.004,16
Investments available for sale	9	206.948.758,15	207.003.568,15	204.611.230,09
Other long-term assets	10	4.008.311,79	9.479.153,20	94.537.948,19
Total non-current		**426.501.671,77**	**679.740.622,57**	**781.308.181,70**
Current assets				
Inventories	11	108.570.449,67	634.997.509,35	585.996.587,97
Trade receivables	12	78.221.791,05	663.959.020,70	654.740.733,02
Other current assets	12	4.620.189,01	330.519.463,12	213.076.078,99
Derivative financial instruments	16	7.506,76	7.506,76	1.168.353,50
Financial assets at fair value through results			19.584.587,17	15.704.931,02
Cash and cash equivalents	13	176.679.201,73	446.339.865,37	328.184.700,98
Total current assets		**368.099.138,22**	**2.095.407.952,47**	**1,798,871,385.48**
Total assets		**794.600.809,99**	**2.775.148.575,04**	**2.580.179.567,18**
Equity & Liabilities				
Equity				
Share Capital	14	20.084.463,00	20.084.463,00	20.084.463,00
Share Premium	14	78.441.776,20	81.730.417,03	81.730.417,03
Other Reserves	14	301.012.912,44	284.584.917,99	273.115.062,87
Other equity items	14	5.700.550,03	(79.863.125,65)	113.968.233,92
Retained earnings	14	(340.865.342,28)	1.576.033.698,91	1.362.538.329,58
		64,374,359,39	**1,882,570,371.28**	**1,851,436,506.40**
Minority interest		5.178.957,72	36.661.174,70	32.926.311,46
Total equity		**69.553.317,11**	**1.919.231.545,98**	**1,884,362,817.86**
Liabilities				
Long-term liabilities				
Long-term borrowings	15	16.770.646,85	496.942.646,00	361.742.555,40
Deferred tax liabilities	20	12.442.146,84	22.358.138,05	21.086.022,34
Employee benefit liabilities	17	3.386.496,33	5.088.642,50	4.442.997,91
Other long-term provisions	18	3.482.266,79	3.531.107,96	1.847.874,13
Other long-term liabilities	18	25.477.896,32	25.478.106,32	16.651.444,03
Total long-term liabilities		**61.559.453,13**	**553.398.640,83**	**405.770.893,81**
Short-term liabilities				
Short-term borrowings	15	628.105.419,12	115.797.621,17	72.519.388,55
Derivative financial instruments	16	328.545,15	328.314,18	-
Trade and other liabilities	19	22.570.910,40	139.130.401,17	140.949.078,16
Current income tax	20	8.313.657,24	39.816.742,80	66.009.515,46
Current tax liabilities	20	4.169.507,84	7.445.308,91	10.419.911,66
Dividends payable		-	-	147.961,68
Total short-term liabilities		**663.488.039,75**	**302.518.388,23**	**290,045,855.51**
Total liabilities		**725,047,492.88**	**855.917.029,06**	**695.816.749,32**
Total Equity & Liabilities		**794.600.809,99**	**2.775.148.575,04**	**2.580.179.567,18**

The notes on pages 39 to 120 are an integral part of these financial statements.

Restated Company financial position statement for the year ended 31 December 2017

	Note	Restated 31.12.2017.	Restated 31.12.2016.	Restated 31.12.2015
Assets				
Non-current assets	**Note**			
Tangible assets	6	45.129.069,13	50.193.480,85	50.563.858,98
Investment Property	6	41.534.101,42	75.148.213,69	75.283.488,98
Intangible assets	7	2.045.813,55	2.234.505,57	2.521.534,31
Investments in subsidiaries	8	53.255.186,23	73.868.520,17	69.202.124,63
Investments in associates	8	4.326.947,56	5.024.451,12	5.668.300,56
Investments available for sale	9	153.328.730,51	146.329.538,59	137.374.234,66
Other long-term assets	10	1.146.830,50	1.137.842,87	1.407.257,33
Total non-current		**300.766.678,90**	**353.936.552,86**	**342,020,799.45**
Current assets				
Inventories	11	46.457.928,54	40.019.303,51	37.671.158,84
Trade receivables	12	42.766.849,46	47.386.450,68	57.184.251,97
Trade receivables from affiliates	12	22.718.394,41	24.084.516,87	12.382.080,33
Other receivables	12	5.374.966,39	8.454.652,61	5.412.236,43
Derivative financial instruments	16	-	192.029,50	778.104,61
Cash and cash equivalents	13	155.187.215,71	29.524.622,75	61.311.794,36
Total current		**272.505.354,51**	**149,661,575.92**	**174.739.626,54**
Total assets		**573.272.033,41**	**503.598.128,78**	**516,760,425.99**
Equity & Liabilities				
Equity				
Share Capital	14	20.084.463,00	20.084.463,00	20.084.463,00
Share Premium	14	78.441.776,20	78.441.776,20	78.441.776,20
Other Reserves	14	301.272.772,88	294.229.797,01	286.531.559,97
Other equity items	14	0,00	0,00	0,00
Retained earnings	14	-425.127.652,75	-238.225.188,52	-185.708.460,01
		-25,328,640.67	**154,530,847.69**	**199.349.339,16**
Total equity		**-25,328,640.67**	**154,530,847.69**	**199.349.339,16**
Liabilities				
Long-term liabilities				
Long-term borrowings	15	16.770.646,85	19.628.528,77	21.643.557,01
Deferred tax liabilities	20	11.338.336,54	22.127.864,56	23.093.423,07
Employee benefit liabilities	17	2.443.726,00	2.290.083,00	2.179.175,80
Other long-term liabilities	18	222.000,00	222.000,00	403.283,34
Total long-term liabilities		**30.774.709,39**	**44.268.476,33**	**47,319,439.22**
Short-term liabilities				
Short-term borrowings	15	472.064.572,59	256.835.536,50	228.382.340,46
Derivative financial instruments	16	328.314,18	-	-
Trade and other liabilities	19	93.385.871,96	45.571.701,66	41.029.773,08
Trade and other liabilities to affiliates	28	2.047.205,97	2.391.566,60	679.534,07
Total short-term liabilities		**567.825.964,70**	**304.798.804,76**	**270.091.647,61**
Total liabilities		**598.600.674,08**	**349.067.281,10**	**317.411.086,83**
Total Equity & Liabilities		**573.272.033,41**	**503.598.128,78**	**516,760,425.99**

The notes on pages 39 to 120 are an integral part of these financial statements.

FF
GROUP

Amounts in € unless otherwise stated

Restated Consolidated Statement of Changes in Equity for the Year Ended 31 December 2017

	Group									
	Share Capital	Share Premium	Consolidation differences	Treasury Shares	Other Reserves	Retained Earnings	Foreign Exchange differences	Shareholders' funds	Non-controlling interest	Total Equity
Balances 1.1.2016	**20.084.463,00**	**81.730.417,03**	**(85,564,935.68)**	**(12,152,481.84)**	**276,981,106.83**	**1.140.207.546,99**	**154,682,093.23**	**1,575,968,209.56**	**29.720.774,10**	**1,605,688,983.66**
Profit after tax	-	-	-	-	-	222.466.621,12	-	**222.466.621,12**	4.443.431,05	**226.910.052,17**
Valuation of financial assets	-	-	-	-	(94.584,55)	-	-	**(94.584,55)**	-	**(94.584,55)**
Valuation of available-for-sale investments	-	-	-	-	9.207.546,90	-	-	**9.207.546,90**	-	**9.207.546,90**
Exchange differences	-	-	-	-	-	-	45.471.370,77	**45.471.370,77**	68.314,43	**45.539.685,20**
Actuarial valuation of employee benefit obligations	-	-	-	-	(283.623,28)	-	-	**(283.623,28)**	-	**(283.623,28)**
Other income not included in profit for the period	-	-	-	-	(136.391,82)	-	-	**(136.391,82)**	-	**(136.391,82)**
Deferred taxes on equity	-	-	-	-	55.517,00	-	-	**55.517,00**	-	**55.517,00**
Comprehensive Income after Taxes					**8,748,464.25**	**222.466.621,12**	**45,471,370.77**	**276.686.456,14**	**4,511,745.48**	**281,198,201.62**
Return capital	-	-	-	-	-	-	-	**-**	(1.071.504,60)	**(1.071.504,60)**
Miscellaneous income / expenses in equity	-	-	-	-	-	(3.299,35)	-	**(3.299,35)**	-	**(3.299,35)**
Minority interest from changes in subsidiaries' rates	-	-	-	-	-	-	-	**-**	(240.000,00)	**(240.000,00)**
Distributed dividends	-	·	-	-	-	(96.912,88)	-	**(96.912,88)**	-	**(96.912,88)**
Acquisition of minority interests Changes from Affiliate Acquisition	-	-	-	-	144.416,30	-	-	**144.416,30**	-	**144.416,30**
Transfers Liquidations Holdings	-	-	1.260,00		650.624,22	(35.626,30)	(621.554,40)	**(5.296,48)**	5.296,48	**(0.00)**
Purchase / Sale of treasury shares	-	-	-	(1.257.066,89)	-	-	-	**(1.257.066,89)**	-	**(1.257.066,89)**
Balance at 31 December 2016	**20.084.463,00**	**81.730.417,03**	**(85,563,675.68)**	**(13,409,548.73)**	**286.524.611,60**	**1.362.538.329,58**	**199.531.909,60**	**1,851,436,506.40**	**32.926.311,46**	**1,884,362,817.86**
Balance 1.1.2017	**20.084.463,00**	**81.730.417,03**	**(85,563,675.68)**	**(13,409,548.73)**	**286.524.611,60**	**1.362.538.329,58**	**199.531.909,60**	**1,851,436,506.40**	**32.926.311,46**	**1,884,362,817.86**
Reforms of funds		(3,288,640.83)	85.563.675,68		16.427.994,45	(1,563,890,371.46)		**(1,465,187,342.16)**	**(31,482,216.98)**	**(1,496,669,559,14)**
Loss after tax	-	-	-	-		(140,998,014.47)	-	**(140.998.014,47)**	4.810.329,17	**(136.187.685,30)**
Valuation of financial assets	-	-	-	-	6.463.235,35	-	-	**6.463.235,35**	-	**6.463.235,35**
Valuation of available-for-sale investments	-	-	-	-	10.530.239,32	-	-	**10.530.239,32**	-	**10.530.239,32**
Exchange differences	-	-	-	-	-		(193.831.361,57)	**(193.831.361,57)**	-	**(193.831.361,57)**
Actuarial valuation of employee benefit obligations	-	-	-	-	-	(88.882,90)	-	**(88.882,90)**	-	**(88.882,90)**
Comprehensive Income after Taxes	**-**	**(3,288,640.83)**	**85.563.675,68**	**-**	**33.421.469,12**	**(1,704,977.268,83)**	**(193.831.361,57)**	**(1.783.112.126,43)**	**(26,671,887.81)**	**(1,809,784,014.24)**
Return capital	-	-	-	-	(1.160.796,65)	-	-	**(1.160.796,65)**	-	**(1.160.796,65)**
Miscellaneous income / expenses in equity	-	-	-	-		(13.212,32)	-	**(13.212,32)**	-	**(13.212,32)**
Changes from Affiliate Acquisition	-	-	-	-	(3.851.477,54)	-	-	**(3.851.477,54)**	-	**(3.851.477,54)**
Transfers	-	-	-	-	(511.345,36)	1.586.809,29	2,00	**1,075,465.93**	(1.075.465,93)	-
Balance on 31 December 2017	**20.084.463,00**	**78.441.776,20**	**-**	**(13,409,548.73)**	**314.422.461,17**	**(340.865.342,28)**	**5.700.550,03**	**64,374,359,39**	**5.178.957,72**	**69.553.317,11**

The notes on pages 39 to 120 are an integral part of these financial statements.

Restated Company Statement of Changes in Equity for the year ended 31 December 2017

	Share Capital	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	Total Equity
Restated Balances 1.1.2016	**20.084.463,00**	**78.441.776,20**	**-12,152,481.84**	**298.684.041,81**	**-185.708.460,01**	**199.349.339,16**
Loss after tax					-52.526.493,85	**-52.526.493,85**
Other total income				8.955.303,93	*-95.919,00*	*8,859,384.93*
Comprehensive Income	**0,00**	**0,00**	**0,00**	**8.955.303,93**	**-95.919,00**	**8,859,384.93**
Cumulative total loss after tax	**0,00**	**0,00**	**0,00**	**8.955.303,93**	**-52.622.412,85**	**-43,667,108.92**
Purchase of own shares			-1.257.066,89			**-1.257.066,89**
Debt bond valuation results					105.684,34	**105.684,34**
Restated Balance at 31 December 2016	**20.084.463,00**	**78.441.776,20**	**-13.409.548,73**	**307.639.345,74**	**-238.225.188,52**	**154,530,847.69**
Restated Balances 1.1.2017	**20.084.463,00**	**78.441.776,20**	**-13.409.548,73**	**307.639.345,74**	**-238.225.188,52**	**154,530,847.69**
Loss after tax					-186.975.562,31	**-186.975.562,31**
Other total income				7.042.975,87	*-47.000,00*	*6,995,975.87*
Comprehensive Income	**0,00**	**0,00**	**0,00**	**7.042.975,87**	**-47.000,00**	**6,995,975.87**
Cumulative total loss after tax	**0,00**	**0,00**	**0,00**	**7.042.975,87**	**-187,022,562.31**	**-179,979,586.44**
Debt bond valuation results					120.098,08	**120.098,08**
Restated Balance at December 31, 2017	**20.084.463,00**	**78.441.776,20**	**-13.409.548,73**	**314,682,321.61**	**-425.127.652,75**	**-25,328,640.67**

Adjustments to equity are presented in detail in note 33.
The notes on pages 39 to 120 are an integral part of these financial statements.

Restated Consolidated Cash Flow Statement for the year ended 31 December 2017

	Group	
	Restated 01.01. - 31.12.2017	**Published 01.01. - 31.12.2017**
Operating activities		
Profit / Loss before taxes (continuing operations)	(127,802,218.24)	253.478.321,88
Plus / minus adjustments for:		
Depreciation	34.301.291,42	29.588.757,39
Provisions	18.199.641,70	14.592.098,95
Exchange differences	(76.836.569,36)	53.826.824,02
Results (income, expenses, profits and losses) of investing activity	(2.446.577,64)	(9.252.550,63)
Interest and associated costs	22.547.757,71	16.923.705,82
Plus / minus adjustments of working capital related to other operating activities:		
Decrease / (increase) in inventories	(51.149.320,54)	(107.116.582,02)
Decrease / (increase) in receivables	(48.301.020,46)	(112.232.844,80)
(Decrease) / increase in liabilities (excluding loans)	(1.927.998,07)	62.313.918,15
Minus:		
Interest and related expenses paid	(13.684.753,81)	(9.621.749,00)
Paid taxes	(43.568.336,26)	(52.393.541,27)
Net inflows / (outflows) from operating activities (a)	**(290,668,103.55)**	**140.106.358,49**
Investing activities		
Acquisition of affiliates, associates, joint ventures & other investments	(3.473.051,09)	(4.771.975,10)
Acquisition of minorities	-	(240.000,00)
Purchase of tangible and intangible fixed assets	(33.013.113,73)	(98.355.823,78)
Proceeds from sales of tangible and intangible fixed assets	-	1.547.218,26
Interest received	6.892.794,91	336.550,92
Dividends received	-	-
Proceeds from sale of financial assets	1.193.075,90	4.413.144,27
Decrease / (Increase) of other long-term receivables	(891.624,36)	(1.205.962,38)
Net inflows / (outflows) from investing activities (b)	**(29,291,918.37)**	**(98,276,847.81)**
Financing activities		
Proceeds / Loan payments	164.395.248,05	47.933.687,33
Proceeds Leases / Payments related to finance leases	5.220.071,27	(4.603.672,98)
Purchase / sale of treasury shares	-	(1.257.066,89)
Dividends paid / Return of capital	(1.160.796,65)	(1.168.457,88)
Net inflows / (outflows) from financing activities (c)	**168,454,522.67**	**40,904,489.58**
Net increase / (decrease) in cash and cash equivalents	**(151,505,499.25)**	**82,734,000,26**
(a) + (b) + (c)		
Cash and equivalent at the beginning of the year	**328.184.700,98**	**245.450.700,72**
Cash and cash equivalents at the end of the year	**176.679.201,73**	**328.184.700,98**

The notes on pages 39 to 120 are an integral part of these financial statements.

Restated Company Statement of Cash Flows for the year ended December 31, 2017

	Restated 31.12.2017	Restated 31.12.2016
Cash Flows from Operating Activities:		
Losses before tax from continuing operations	(197.765.090,32)	(53.492.052,36)
Adjustments:		
Depreciation		
Fair value adjustment losses	5.813.153,48	5.609.246,03
Losses / (Profits) from sale and valuation of tangible fixed assets	32.452.588,86	19.460,72
Losses / (Profits) from foreign exchange products	3.039.819,21	(4.084.690,35)
Losses from bond conversion	520.343,68	(101.544,36)
Impairment of investments in subsidiaries and associates	(2.000.000,00)	(750.000,00)
Provisions for impairment of related receivables	34.274.697,53	373.614,96
Provisions for impairment of third party claims	30.032.162,43	21.372.098,06
Obligations of guarantees for affiliate loans	675.459,27	218.866,53
Losses on the disposal of fixed assets	56.000.000,00	
Interest income	1.865.000,00	2.315.000,00
Interest expenses	(46.046,06)	(180.334,06)
Dividend income	20.116.587,26	15.745.060,03
Changes in provisions for employee benefits	(2.000.000,00)	(79.856,70)
Changes in working capital:		
(Increase) in inventory	(8.303.625,03)	(4.663.144,67)
(Increase) of customers and other receivables	(29.268.345,03)	(27.743.638,01)
(Decrease) / Increase in suppliers and other liabilities	(6.530.190,33)	7.003.961,11
Debit interest and related expenses paid	(1.048.129,63)	(1.061.818,36)
Exchange Differences from Treasury Asset Valuation	335.641,75	184.022,23
Net Cash Flows from Operating Activities	**(61,835,972.93)**	**(39,315,749.21)**

Cash Flow from Investing Activities:		
Purchases of tangible fixed assets	(2.684.755,60)	(1.749.299,68)
Purchases of intangible assets	(787.353,95)	(403.569,96)
Proceeds from sale of tangible and intangible fixed assets	46.469,30	1.449.568,98
Acquisition of minorities		(240.000,00)
Acquisition of stake in affiliated companies	(175.000,00)	-
Acquisition of affiliated companies	(1.465.842,05)	(825.010,50)
Return of affiliate capital	697.503,56	643.849,44
Dividends received	2.000.000,00	79.856,70
Interest receivable	46.046,06	180.334,06
Net Cash Flows from Investing Activities	**(2,322,932.68)**	**(864,270.96)**
Cash Flows from Financing Activities:		
Purchase / sale of own shares		(1.257.066,89)
Loans taken over	197.108.741,19	20.000.000,00
Repayment of borrowings (amortization)	(7.287.242,62)	(10.350.084,55)
Net Cash Flows from Financing Activities	**189.821.498,57**	**8.392.848,56**
Net increase / (decrease) in cash and cash equivalents	**125,662,592.96**	**(31,787,171.61)**
Cash and cash equivalents at the beginning of the year	29.524.622,75	61.311.794,36
Cash and cash equivalents at the end of the year	**155.187.215,71**	**29.524.622,75**

The notes on pages 39 to 120 are an integral part of these financial statements.

Notes to the financial statements

1. General information

“Folli Follie SA" (the "Company") and the subsidiaries (in total the Group) are active in the sectors of jewelry manufacturing, apparel, footwear and cosmetics. The Company is a Greek Societe Anonyme with a General Commercial Register number 3027701000 and its registered office is at Ag. Stephano Attica. The Company is active in the sectors of jewelry, apparel - footwear and department stores.

These financial statements include the restated financial statements of the Company and the Group for the financial year ending 31 December 2017 that have been approved by the Board of Directors of the Company on 15th July 2019. The original financial statements for the year 2017 that were restated with the present, were approved by the Board of Directors on 25th April 2018. An additional statement of financial position as of 1 January 2016 is presented in the current corporate financial statements due to the retrospective correction of errors in accordance with International Accounting Standard 8. The Group's financial statements could not be corrected retrospectively and therefore comparative amounts for the year ended 31 December 2016 are still inaccurate and incomparable. Accounting policies have been consistently applied in all the years that are presented, unless otherwise stated.

The subsidiaries of the Company that are consolidated in these financial statements are presented in the table below:

Company name	Head Office	Immediate % Participation	Indirect% Participation	Total	Consolidation Method
FOLLI FOLLIE FRANCE SA	FRANCE	100,00%		100,00%	Full
FOLLI FOLLIE SPAIN SA	SPAIN	100,00%		100,00%	Full
FOLLI FOLLIE UK LTD	GREAT BRITAIN	100,00%		100,00%	Full
FOLLI FOLLIE GROUP SOURCING LTD	HONG KONG	99,99%		99,99%	Full
FOLLI FOLLIE ASIA LTD	HONG KONG		99,99%	99,99%	Full
FOLLI FOLLIE TAIWAN LTD	TAIWAN		99,99%	99,99%	Full
FOLLI FOLLIE KOREA LTD	N. KOREA		99,99%	99,99%	Full
FOLLI FOLLIE SINGAPORE LTD	SINGAPORE		99,99%	99,99%	Full
FOLLI FOLLIE MACAU LTD	MACAU		99,99%	99,99%	Full
FOLLI FOLLIE MALAYSIA LTD	MALAYSIA		99,99%	99,99%	Full
FOLLI FOLLIE THAILAND LTD	THAILAND		99,99%	99,99%	Full
FOLLI FOLLIE SHANGHAI (PILION LTD)	CHINA		99,99%	99,99%	Full
FOLLI FOLLIE SHENZHEN LTD	CHINA		99,99%	99,99%	Full
FF BUSINESS DEVELOP. & TECH. CONSULTING LTD	HONG KONG		99,99%	99,99%	Full
FF INTERNATIONAL HOLDINGS LTD	HONG KONG		99,99%	99,99%	Full
FF ORIGINS LTD	GREAT BRITAIN		99,99%	99,99%	Full
FOLLI FOLLIE GUAM LTD	GUAM		99,99%	99,99%	Full
FOLLI FOLLIE HAWAII LTD	HAWAII		99,99%	99,99%	Full
FOLLI FOLLIE HONG KONG INTERNATIONAL LTD	HONG KONG		99,99%	99,99%	Full
FOLLI FOLLIE JAPAN LTD	JAPAN		99,99%	99,99%	Full
FOLLI FOLLIE AUSTRALIA LTD	AUSTRALIA		99,99%	99,99%	Full
FF GROUP FINANCE LUXEMBOURG SA	LUXEMBOURG	100,00%		100,00%	Full
FF GROUP FINANCE LUXEMBOURG II SA	LUXEMBOURG	100,00%		100,00%	Full
STRENABY FINANCE LTD	GREAT BRITAIN	100,00%		100,00%	Full
FOLLI FOLLIE HOLDINGS SA	HELLAS	100,00%		100,00%	Full
QIVOS AE (FOREWORD MANAGER LTD)	HELLAS	48,99%		48,99%	Full
ATTICA DPS SA	HELLAS	32,51%	13,39%	45,90%	Equity Method
JUICY COUTURE EUROPE LTD	GREAT BRITAIN	100,00%		100,00%	Full
LINKS (LONDON) LIMITED	GREAT BRITAIN	20,00%	80,00%	100,00%	Full
LINKS OF LONDON (INTERNATIONAL) LTD	GREAT BRITAIN		100,00%	100,00%	Full
LINKS OF LONDON COM LTD (UK)	GREAT BRITAIN		100,00%	100,00%	Full
LINKS OF LONDON INC (USA)	USA		100,00%	100,00%	Full
JUICY COUTURE IRELAND LTD	IRELAND		100,00%	100,00%	Full
LINKS OF LONDON (ASIA) LTD	CHINA		100,00%	100,00%	Full
LINKS OF LONDON JAPAN CO. LTD	JAPAN		100,00%	100,00%	Full
FF GROUP ROMANIA SRL	ROMANIA	100,00%		100,00%	Full
APPAREL ROMANIA SRL.	ROMANIA		49,00%	49,00%	Full
FF GROUP BULGARIA EOOD	BULGARIA	100,00%		100,00%	Full
FF CYPRUS LTD	CYPRUS	100,00%		100,00%	Full
WARLABY TRADING LTD	CYPRUS		100,00%	100,00%	Full
NARIACO INVESTMENTS LTD	CYPRUS		100,00%	100,00%	Full
PLANACO ABEE	HELLAS	100,00%		100,00%	Full
FF COSMETICS SA	HELLAS	100,00%		100,00%	Full
MARINA MYTILINIS SA	HELLAS	50,00%		50,00%	Equity Method
COSMOBRANDS AE	HELLAS		23,00%	23,00%	Equity Method

2. Important accounting policies

2.1 Basis of preparation of the financial statements

In spite of the efforts made by the Company's Management and given the extremely serious difficulties that the Company has experienced in the preparation of the restated financial statements for the year 2017, as detailed in the Annual Report of the Company's Board of Directors, the Management of the Company has not been able to prepare restated financial statements for the year 2017 of the Company and the Group that are fully in line with those adopted by the European International Accounting Standards and International Financial Reporting Standards.

The disclosure of the Quintessential Capital Management (QCM) report on 4.5.2018, which questioned individual elements of the Company's consolidated financial statements, was the beginning of a particularly unfavorable period for the Company, during which (period) severe liquidity problems caused mainly by the burden and / or discontinuation of the Company's relations with both its creditors and its major suppliers, but also due to the aggressive legal actions against the company (such as denunciations of loan contracts from Greek banks, termination of distribution contracts by suppliers, termination of bonds contracts, interlocutory applications and lawsuits by shareholders and investors, commitment of the real estate of the Company by the Anti-Money

Laundering Authority In order to address this problem, the Company's Administration, initially, in order to safeguard and protect its activity from the multiplying aggressive actions, filed an application for preventive measures in accordance with article 106a para. 6 of L. 3588/2007, as amended and in force, on which an interim injunction was issued, until the hearing and the decision on the interim measures of the Company, which was finally issued on 19/10/2018 and was rejected. At the same time, following continuous negotiations, on February 13, 2019, the Company's Board of Directors approved the conclusion of an updated Term Sheet with a group of creditors - bondholders in relation to its proposed financial restructuring, aiming at the preparation of a Business Plan of the Company, for the latter's incorporation into the consolidation process, based on an agreement with its creditors under the provisions of Law 3588/2007 of the Bankruptcy Code, as amended by the Law 4446/2016 (Article 106b). The specific negotiations with the above group of bondholders have not been successful. Nevertheless, the Company's Management is working towards securing the possibility to continue operating as a current economic entity and, following today's decision of its Board of Directors, puts forward a proposal / offer to all its bondholders - creditors, aiming at to promote redress procedures under Article 106 b / d of the Bankruptcy Code.

The financial data in the accompanying Consolidated Financial Statements for the year 2017 are not comparable to those in 2016 and no additional financial position statement is presented on 1 January 2016 due to the correction of errors in accordance with International Accounting Standard (IAS) 8, in 2017 there were adjustments that could not be made in the period 2016. In the notes to the accompanying financial statements Management provides comparative information for the prior period where they have been found. Due to the resignation of many executives in the Group from May 2018 to December 2019, in many cases it is not possible to find reliable data. Corrections of errors and adjustments were made on the basis of available data such as Alvarez & Marsal's findings and other data derived from the evaluation of the data submitted to the current Management.

The preparation of financial statements in accordance with IFRS requires the use of certain significant accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

In addition, it requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and on the date of preparation of the financial statements and the reported amounts of income and expense during the reporting year. Although these estimates are based on management's best knowledge of current conditions and activities, the actual results may ultimately differ from these estimates. Areas with a higher degree of estimation or complexity, or where estimates and assumptions are material for the preparation of financial statements, are presented in Note 4.

2.2 Summary of Significant Accounting Policies

a. Consolidation

The Consolidated Financial Statements include the Financial Statements of the Company and its subsidiaries. Subsidiaries are all companies (including Special Purpose Vehicles) in which the Group exercises control over their operations. The Group controls a company when it is exposed to, or has rights to, variable returns of the company because of its participation in that company and has the ability to influence those returns through its authority in that company. Subsidiaries are consolidated using the full consolidation method from the date on which control is transferred to the Group and cease to be consolidated from the date on which the control ceases to exist.

The Group uses the acquisition method to account for the business combination. The cost of the acquisition for the acquisition of a subsidiary is calculated as the total of the fair values of the assets transferred, the liabilities assumed to the former shareholders and the fair value of any participations in the subsidiary that existed. The redemption price also includes the fair value of the assets or liabilities arising from a contingent consideration agreement.

In a business combination, the costs associated with the acquisition are expensed. The identifiable assets acquired, liabilities and contingent liabilities are initially measured at their fair value at the date of acquisition. By acquisition, the Group recognizes any non-controlling interest in the subsidiary either at fair value or in the value of the non-controlling interest in the acquirer's equity.

Any potential consideration given by the Group is recognized at its fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration, which was considered as an asset or liability, are recognized in accordance with IAS 39 either in the statement of comprehensive income or as a change in other comprehensive income. The potential consideration that was designated as a net asset item is not re-measured until its final settlement through equity.

Goodwill is the excess amount of the total consideration paid, the amount recognized as a non-controlling interest and the fair value of any prior shareholding in the acquired company over the fair value of the identifiable net assets of the subsidiary acquired. If the fair value of the net assets of the subsidiary acquired is greater than the total of the purchase price, the non-controlling interest recognized and the fair value of the previous share in the acquired company, the gain from the transaction is recognized immediately in the statement of comprehensive income.

Any gain or loss and any component of the statement of comprehensive income is allocated to the shareholders of the parent and non-controlling interests, even if it results in the remaining non-controlling holdings becoming negative.

The financial statements of the subsidiaries are prepared on the same date and use the same accounting principles as the Company. Intercompany transactions, balances and unrealized gains / losses on transactions between Group companies are eliminated in the consolidation.

Changes in participation rates

Transactions with non-controlling interests that result in the control of a subsidiary by the Group are treated as transactions between the owners. The difference between the consideration paid and the portion of the carrying amount of the net assets of the subsidiary acquired is also recognized in equity. Gains or losses arising from the sale to holders of non-controlling interests are also recorded in equity.

When the Group ceases to consolidate or integrate under equity method an investment due to a loss of control, either on a standalone or joint basis or significant influence, any remaining interest is remeasured to its fair value, and any differences that arise are recognized in the results. The asset is recognized as an associate, joint venture or financial asset at that fair value. In addition, relevant amounts that were previously recognized in other comprehensive income are accounted for in the same way that they would be accounted for when those assets and liabilities were sold. This means that amounts previously recognized in other comprehensive income may be reclassified to profit or loss.

In the event of a reduction in the stake in a joint venture or an associate where, however, the Group continues to exercise significant influence or control jointly, only a proportion of the amounts previously recognized in other comprehensive income will be reclassified to the income statement.

The Company records the investments in subsidiaries and associates in the separate financial statements at cost less any impairment.

Sale of affiliated companies

When the Group ceases to have control over a subsidiary and if it retains any interest in the subsidiary, the interest is remeasured at fair value at the date when the control is terminated and any difference with respect to the current value is recognized in the income statement. This asset is then recognized as an associate, joint venture or financial asset at that fair value. In addition, any amount previously recognized in other comprehensive income in respect of that company is accounted for using the same method as would be applied by the Group in the event of direct sale of its assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Affiliates

Affiliates are legal entities in which the Group has significant influence but does not exercise control over its operations (it directly or indirectly holds 20% or more of voting rights). Investments in associates are accounted for using the equity method and initially recorded at cost. Group investments in associates include goodwill (net of any impairment losses) incurred on acquisition. In accordance with the equity method, the Group's interest in the profits or losses that arise after the acquisition of the associates is recognized in the income statement and the Group's interest in other comprehensive income is recognized in other comprehensive income of the Group with the simultaneous change the carrying amount of the investment. When the Group's share of the losses of an associate is equal to or exceeds the value of its investment, the Group does not recognize further losses unless it has entered into legal or contractual obligations or made payments on behalf of that company.

Unrealized gains on transactions between the Group and associates are eliminated by the Group's interest in these companies. Unrealized losses are also eliminated unless the transaction provides an indication of impairment of the transferred asset.

The accounting policies of associates have been amended, whenever deemed necessary, to be consistent with those adopted by the Group. The date of preparation of the financial statements of the associates is the same as that of the Company.

Commitments to buy shares held by non-controlling interests.

As part of the acquisition process of certain subsidiaries, the Group has granted the non-controlling interest the right to require the Group to acquire its shares under pre-defined terms (option to sell). Non-controlling participation may be either international organizations or private investors who are primarily economic or industrial investors or former shareholders of the acquired company.

In order to recognize these rights, the Group applies the following policy:

Return to non-controlling shareholding in profit or loss for the period / period and other changes in equity.

At each reporting date, the equity is reclassified to a financial liability attributable to the non-controlling interest, as if the acquisition had taken place on that date.

Any difference between the fair value of the obligation under the option and the reclassified non-controlling interest is recognized at the end of the period / year, based on the Group's policy for non-controlling interests.

B. Determination of fair values

In order to determine the reliability of the data used to determine the fair value, the Group has classified non-financial assets and liabilities and financial instruments at the three levels provided by the accounting standards. Below is a description of each level.

Level 1: The fair value of financial instruments that are traded on active markets is determined on the basis of the published prices applicable at the end of the reporting period. The published market prices used for the Group's financial assets are current bid prices. These financial instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded on an active market is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all the important elements required to determine the fair value of an instrument are observable, the instrument is included at level 2.

Level 3: If one or more significant elements are not based on observable market data, the instrument is included in level 3.

For assets and liabilities held by the Company that are measured at fair value on a recurring basis, the Company determines whether transfers have been made between the fair value hierarchy levels by assessing the classification (at the same level of the fair value hierarchy as the lower- which is important for the entire measurement) at the end of the reporting period.

C. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of Value Added Tax, discounts and rebates. The Company recognizes revenue to the extent that it is probable that the economic benefits will flow to the Company and the relevant amounts can be measured reliably. Revenue recognition is as follows:

Sales of Goods

Sales of goods are recognized when the Company delivers the goods to the customers, the goods are accepted by them and the collection of the claim is reasonably assured. Wholesale sales of goods are mainly made on credit.

Services

Revenue from service contracts at a predetermined price is recognized based on the stage of completion of the service at the date of the statement of financial position. In accordance with this method, revenue is recognized on the basis of the proportion of services rendered up to the reporting date of the financial statements in relation to all the services to be performed.

When the outcome of a service transaction cannot reasonably be estimated, revenue is recognized only to the extent that the recognized expenses are recoverable.

In cases where the original earnings estimates, costs, or degree of integration change, these changes may result in increases or decreases in estimated earnings or expenses and appear in the income statement.

Dividends
Dividends are recognized as income when the right to receive them is established.

Interest income
Interest income is recognized on a time proportion basis using the effective interest rate.

Income from rents
Operating lease income is recognized in profit or loss on a straight-line basis over the lease term and under the lease agreements.

d. Income tax

Current income tax

The liability arising from current income tax is calculated based on the legislation in force or substantially in force at the end of the year in question in each country. Management periodically evaluates positions in tax returns for situations where tax legislation is interpreted. It also prepares forecasts where necessary in relation to the amounts expected to be paid to the tax authorities.

Income tax is recognized in the statement of comprehensive income for the period (including additional income tax for prior periods) unless it relates to transactions recognized in other comprehensive income or directly to equity, in which case the tax is also recognized in other comprehensive income or directly to the net position, respectively.

Income tax for the period is the tax calculated on the taxable income of the current period based on the tax rate applicable in each country, adjusted for any changes in deferred tax assets and liabilities due to temporary differences and unused tax losses.

Deferred income tax

Deferred income tax is calculated using the liability method that results from the temporary differences between the tax base of assets and liabilities and their carrying amounts.

However, deferred tax liabilities are not recognized if they arise on initial recognition of goodwill. Deferred income tax is also not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a combination of companies and at the time of the transaction does not affect either the accounting profit or the taxable profit or loss.
Deferred tax liability for investment properties measured at fair value is determined on the assumption that the property will be fully recovered from the sale.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available for the use of these temporary differences and losses.

Deferred tax assets and liabilities are not recognized for temporary differences between the carrying amount and the foreign investment tax base where the company controls the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the year in which the asset or liability is settled and are based on the tax rates (and tax laws) that are in force or are institutionalized or substantially institutionalized at the date of the statement of financial position.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when deferred income taxes relate to the same tax authority. Current tax assets and liabilities are offset when there is a legally enforceable right of set-off and the intention to settle on a net basis or to acquire the asset and settle the liability at the same time.

e. Conversion of foreign currencies

i) Functional currency and presentation currency

The Group's financial statements are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The financial statements of the Group are presented in Euros, which are the Group's functional and presentation currency. Amounts are shown rounded to two decimal places.

ii) Transactions and balances

Transactions in other currencies are translated into Euro using the exchange rates in force at the date of the transactions. At the date of preparation of the financial statements, monetary assets and liabilities denominated in other currencies are adjusted to reflect current exchange rates.

Foreign exchange gains and losses resulting from the settlement of such transactions during the period and from the translation of monetary items denominated in foreign currencies to current exchange rates at the balance sheet date are recognized in profit or loss. Foreign exchange gains and losses are recognized in the income statement in "Other gains / losses".

Non-monetary items measured at their fair value in foreign currency are translated using the exchange rates at the fair value date. Exchange differences on assets and liabilities at fair value are recognized as part of the fair value gain or loss.

Foreign exchange differences arising from intra-group loans and receivables that have been classified as part of an entity's net investment in a subsidiary operating abroad are recognized in the income statement of the entity's individual financial statements or in the individual financial statements of a subsidiary operating abroad, as the case may be. In the consolidated financial statements, such foreign exchange differences will be recognized in other comprehensive income and "reserve foreign exchange reserves for transactions classified as part of the net investment in a subsidiary operating abroad" shall be included in the other reserves account.

When the repayment of intra-group long-term loans and receivables is scheduled or is likely to occur in the foreseeable future, then such transactions cease to be part of the net investment in a subsidiary operating abroad. Exchange differences created as at the date of de-recognition are recognized in other comprehensive income and after that date are recognized in the income statement. At the sale of the subsidiary, the accumulated exchange differences in other reserves will be reclassified from the reserves in the income statement.

Foreign exchange differences arising on the translation of non-monetary financial assets and liabilities that are measured at their fair value in foreign currency are translated using the exchange rates at the fair value date are included in the income statement as part of the fair value gains / worth. Foreign exchange differences on non-monetary financial assets, such as available-for-sale securities, are recognized in other comprehensive income.

iii) Group companies

The financial statements of all Group companies (other than those operating in hyperinflationary economies) which have a functional currency other than the presentation currency of the Group are translated into the presentation currency of the Group as follows:

Assets and liabilities for each statement of financial position are translated at the exchange rates at the date of each financial position statement.

The income and expense of each company's income statement is translated at the average exchange rates of the period (unless the average rate is not a reasonable approximation of the cumulative effect of the exchange rates prevailing at the dates of the transactions, in which case the income and expense converted at the exchange rates prevailing at the dates of the transactions).

All exchange differences arising from the above are recognized in other comprehensive income and are then included in equity and specifically in the "foreign exchange translation differences" reserve.

Upon the sale (partial or total) of a foreign-owned subsidiary, the resulting accrued foreign exchange differences in the reserve "translation differences" of equity are transferred to the income statement and are included in the calculation of the gain or loss on sale. During the partial sale of a subsidiary operating abroad, the proportion of accrued foreign exchange differences is attributed to the non-controlling interest.

The exchange differences arising from the valuation of the loans of the aforementioned subsidiaries, which have been classified as hedging instruments of the Group's foreign operations, are transferred to other comprehensive income and are included in the "foreign currency hedging differences" in the other reserves.

Goodwill and fair value adjustments arising on the acquisition of subsidiaries operating abroad are recorded as assets / liabilities of the subsidiary abroad and are translated using the exchange rates at the reporting date. Foreign exchange differences arising are recognized in other comprehensive income.

Foreign exchange gains and losses resulting from the settlement of transactions during the period and from the translation of monetary items denominated in foreign currencies to the effective exchange rates at the reporting date are recognized in profit or loss.

Gains and losses on exchange differences are recognized in the income statement in "Other income" and "Other expenses".

f. Dividend distribution

The distribution of dividends to the Company's shareholders is recognized as a liability in the financial statements at the date when the distribution is approved by the General Meeting of Shareholders.

g. Tangible fixed assets

Ownership assets are valued at cost less depreciation and any impairment losses. Acquisition cost includes all directly attributable costs for the acquisition of assets. Subsequent costs are added to the carrying amount of tangible fixed assets or are recognized as a separate asset only if they are expected to generate future economic benefits to the Group and their cost can be measured reliably. The book value of any asset that is accounted for as a separate asset ceases to be recognized when it is replaced.

Repairs and maintenance costs are recorded in the results of the reporting period in which they are incurred

Third-party property (plant creation) is depreciated at the estimated time of the lease.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset, which is analyzed as follows:

Asset category	Depreciation period
Buildings	50 years
Electromechanical equipment and building installations	20-25 years
Installations in third-party properties	8-12 years
Machinery	7-9 years
Means of transport	7-9 years
Furniture and other equipment	7 years

The residual values and useful lives of tangible assets are reviewed and revalued, if necessary at each balance sheet date. If the residual values, expected useful lives, or the expected rate of consumption of the future economic benefits embodied in an asset have changed, the changes are accounted for as changes in accounting estimates. In the sale of tangible assets, the differences between the consideration received and their book value are recorded as gains or losses in profit or loss.

The carrying amount of tangible assets is tested for impairment when there are indications, ie events or changes in circumstances that indicate that the carrying amount may not be recoverable. If there is such an indication and the carrying amount exceeds the estimated recoverable amount, the assets or cash generating units are impaired to the recoverable amount.

Gains and losses on sales are determined by comparing the proceeds with the book value and included in the results.

h. Leases

The assessment of whether an agreement contains a lease element is made at the commencement of the agreement, considering all the available information and the particular circumstances prevailing.

The Group as a lessee

Leasing

The lease of tangible assets where the Group, as lessee, has substantially all the risks and rewards of ownership is classified as a finance lease. At the commencement of the lease the asset is recognized at its fair value or, if lower, at the present value of the minimum lease payments. The corresponding lease obligations, excluding any financial expenses, are included in short- and long-term borrowings.

Each rent is shared between the obligation and the financial cost. The finance costs arising from finance leases are recognized in the income statement over the lease term so as to achieve a constant periodic rate of interest on the remaining liability in each period. Fixed assets acquired under finance leases are depreciated over the useful life of the asset or the shorter of the useful life of the asset and the duration of its lease as long as there is no reasonable assurance that the Group will acquire ownership of the assets at the end of the lease.

Operating leases

Leases in which the risks and rewards of ownership are largely retained by the Group as lessee are classified as operating leases. Payments in operating leases (excluding any incentives offered by the lessor) are recognized as an expense in the income statement proportionally during the lease term. Related costs, such as maintenance and insurance, are recognized as an expense when incurred.

Company as a lessor

Leasing

Leases in which the risks and rewards of ownership are materially transferred to the lessee are classified as finance leases. The Group as a lessor recognizes finance lease receivables at the net investment amount that is equal to the present value of the future minimum lease payments (including any guaranteed residual value from the lessee) and the unguaranteed residual value that will remain with the Group after any accumulated impairment losses. The finance leases are included in the line "Trade and other receivables".

Unaccounted financial income is the difference between the total investment in the lease and the net investment in the lease. During the lease, a portion of the installments charged to customers is recognized as a decrease in the net investment in the lease and a portion as finance lease income.

Operating leases

Leases in which the Group does not transfer substantially all the risks and rewards of the asset are classified as operating leases. Initial direct costs borne by the lessors in negotiating and agreeing an operating lease are added to the carrying amount of the leased asset and are recognized throughout the lease as rental income.

i. Borrowing Cost

Borrowing costs that can be directly allocated to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. The remaining borrowing costs are recognized in the period in which they are incurred.

l. Real estate investments

Investment property is investment in all properties (including land, buildings or building parts) held for long-term leases or for capital gains or both and not used by the Group. Investment property is initially measured at its acquisition cost, including transaction costs.

Subsequently, they are measured at fair value. Management determines fair value using valuation techniques. The purpose of using a valuation technique is to determine the transaction price that would occur at the measurement date for a purely commercial transaction driven by normal business factors. Valuation techniques include the use of recent transactions on a purely commercial basis, the reference to the current fair value of a materially relevant instrument and the analysis of its discounted cash flows.

The estimation of the fair value of the real estate was done by a chartered real estate expert who has the skills and experience to evaluate real estate. The revaluation / valuation relates only to land and buildings and does not refer to the Group's mechanical or other equipment. Since there is no horizontal or vertical property composition for buildings, the distinction of the estimated value between the land value and the value of the building was considered as the floor area per building, based on its structure. The book value recognized in the Group's financial statements reflects market conditions at the balance sheet date. Any gain or loss arising from a change in the fair value of investment property is recognized in the income statement of the period.

Intangible assets

Trademarks

Trademarks obtained are initially recognized at historical cost. They are amortized using the fixed method during their useful life.

Other intangible assets

This category includes the lease rights of the Group, which are initially recognized at their acquisition cost. After initial recognition, intangible assets are measured at cost less their accumulated depreciation and any impairment loss that may have arisen. They also include the software used in production or management. Software licenses acquired are capitalized based on the costs incurred for acquiring and installing the software. Expenditures related to the maintenance of the electronic software are recognized in the expenses of the period in which they are incurred. Expenses that are capitalized are depreciated using the straight-line method over their estimated useful lives.

Asset category	Depreciation period
Computer software	2-7
Rental Rights	9-12
Benefits entitlements Industry Ownership	12-25

Goodwill

Goodwill is not amortized but subject to impairment testing on a yearly basis or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill is compared to its recoverable amount, which is the greater of its value in use and fair value less costs to sell. Any impairment is recognized directly as an expense and is not reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill corresponding to the sold entity.

Goodwill is allocated to cash-generating units for the purpose of carrying out impairment testing. The allocation is made to these cash-generating units or to groups of cash-generating units that are expected to benefit from the business combination from which goodwill arises. Units or groups of units are determined at the lowest level in which goodwill is monitored for internal management purposes, which are the operating segments..

Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that creates simultaneously a financial asset for an entity and a financial liability or an equity instrument for another entity.

i. Financial assets

Classification and initial recognition

The Company's financial assets are classified at the initial recognition into the following categories based on the purpose for which the investment was acquired:
• financial assets at fair value through profit or loss,
• loans and receivables,
• held - to - maturity investments;
• Available-for-sale financial assets.

Purchases and sales of investments are recognized at the date of the transaction, which is the date the Company commits to purchase or sell the item. Upon initial recognition, financial assets are recognized at fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial asset. Financial assets measured at fair value through profit or loss are initially recognized at fair value and transaction costs are recognized in profit or loss in the period in which they arise.

Subsequent measurement

Financial assets at fair value through profit or loss
This is the trading portfolio of the Company that includes investments acquired with a view to liquidating them in the near future, as well as financial assets classified in this category by the Management. Gains or losses arising from a change in the fair value of a financial asset classified at fair value through profit or loss is recognized in the statement of comprehensive income.

Loans and receivables

It includes non-derivative financial assets with fixed or determinable payments that are not traded in active markets. They are included in current assets, except those with maturities greater than 12 months from the date of the statement of financial position. The latter are included in non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position. Loans and receivables subsequent to initial recognition are measured at amortized cost using the effective interest rate method. More information on the requirements is given in Note 15.

Held-to-maturity investments

Held-to-maturity financial instruments are non-derivative financial assets with fixed or determinable payments and specific maturity that Group Management has the intent and ability to hold to maturity. If the Group sells a significant portion of the financial assets held to maturity, the entire portfolio of assets classified in this category is reclassified to available-for-sale financial assets. Held-to-maturity financial assets are classified as non-current assets, except for those maturing less than twelve months after the financial reporting date, which are classified as current assets. Financial assets held to maturity subsequent to initial recognition are measured at amortized cost using the effective interest rate method.

Available-for-sale financial assets

It includes non-derivative financial assets that are either designated in this category or cannot be classified in any of the above categories. They are included in non-current assets if Management does not intend to liquidate them within twelve months from the date of the statement of financial position. Available-for-sale financial assets are measured at their fair value and the relevant gains or losses from fair value changes are recognized in other comprehensive income until such assets are sold or classified as impaired. At the sale or when classified as impaired, the gain or loss is transferred to the income statement. Impairment losses recognized in profit or loss are not reversed through profit or loss.

Derecognition of a financial asset

Investments are derecognized when the right to cash flows from investments expires or is transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

At each balance sheet date, the Group assesses whether there is objective evidence to suggest that the financial assets have been impaired. A financial asset or group of assets is impaired and the Group is charged with impairment losses when and only when there is objective evidence of impairment as a result of one or more events that occurred after the asset's initial recognition and that loss-making event (or events) has an effect that can be reliably estimated in the estimated future cash flows of the financial asset at leaded or group of financial assets. For shares of companies classified as available-for-sale financial assets, an indication is the significant or prolonged decline in fair value relative to acquisition cost.

Financial assets depicted at amortized cost

For financial assets depicted at amortized cost, the Group assesses whether there is objective evidence of impairment. Impairment loss for trade receivables is created when there is objective evidence that the Group is not able to collect all receivables based on contractual terms.

Serious customer problems, the probability of bankruptcy or economic reorganization, and the failure to make regular payments are considered to indicate that the claim has been impaired. The amount of the impairment provision is the difference between the carrying amount of the receivables and the present value of the estimated future cash flows discounted at the effective interest rate and is recognized as an expense in the statement of comprehensive income for the year. If, in a subsequent period, the impairment loss decreases and the decrease can be objectively correlated with an event occurring after the impairment has been recognized, the reversal of the recognized impairment loss is recognized in the statement of comprehensive income.

If there is objective evidence of impairment of held-to-maturity financial assets at amortized cost, the amount of the impairment loss is calculated as the difference between their carrying amount and the present value of the estimated future cash flows (excluding future credit risk losses which have not been realized) discounted at the original effective interest rate. Impairment losses on financial assets held to maturity are recognized in profit or loss.

Available-for-sale financial assets

If impairment is established, the accumulated equity loss, which is the difference between acquisition cost and fair value, is transferred to the statement of comprehensive income.

ii. Financial liabilities

Initial recognition and measurement

The Group's financial liabilities are classified at the initial recognition as financial liabilities at fair value through profit or loss, loans and suppliers and other liabilities.

Financial liabilities are initially recognized at fair value and in the case of loans less any direct expense for the realization of the transaction.

The Group's financial liabilities include suppliers and other liabilities as well as loans including bank overdrafts.

Subsequent measurement

Loans

Loans after initial recognition are measured at amortized cost using the effective interest rate method. Any difference between the amount received (net of related costs) and the redemption value is recognized in the income statement based on the effective interest rate method. Loan costs incurred when new credits are signed are recognized as loan expense when part or all of the new credit line is withdrawn. Loans are classified as current liabilities unless the Group has the right to postpone the payment of the liability for at least twelve months from the date of the statement of financial position. On the basis of the Group's accounting policy, the expenses incurred for the issue of the bond loans are allocated and recognized as an expense during the loan until they are fully depreciated. More information on loans is given in Note 15.

Convertible bond loans

Based on IAS 32, the liability element of these loans is determined on the basis of the present value of all contractually defined future cash flows, discounted at the market rate prevailing at that time for similar loans without the right to conversion. The remaining part, if any, is a component of the net position, representing the embedded right to convert the liability into equity of the issuer.

After allocating the value of the bond, any gains or losses relating to the liability element are recognized in the income statement whereas the equity related consideration is recognized as a component of equity.

Settlement option on convertible instruments

A convertible instrument that contains a settlement option that allows the issuer either to deliver a fixed number of shares when the bondholders exercise their rights to convert or deliver cash - equal to the fair value of those shares at the date of the conversion - then it contains the choice of settlement. This option is not an equity instrument, although it is linked to the market price of the entity's shares. It is an embedded derivative (in fact a written market purchase right issued by the entity in respect of its own shares) and is not closely related to the original debt. Instead of accounting for the conversion option as an equity instrument, an entity shall account for the option to convert as a financial liability (derivative) to fair value, with changes in fair value recognized in profit or loss. The effect of a fair valuation of the derivative means that earnings and losses based on the share price of the company itself will be recognized in profit or loss. This is also the case if the Cash Settlement option depends on a future event.

Recognition of transaction costs in a convertible instrument that contains a conversion option as an embedded derivative

Transaction costs associated with the issue of a convertible instrument for which the conversion attribute is classified as an embedded derivative should be allocated to the Group liability and to the embedded conversion option in accordance with the following accounting policy option: at initial recognition, the financial liability must be recognized at fair value less the transaction cost that can be directly attributable to its issue as the instrument is not FVTPL.

Suppliers and other obligations

Trade obligations are obligations to pay for products or services acquired in the ordinary course of business by suppliers. Payables are classified as short-term liabilities if the payment is due within one year or less. If not, they are presented as long-term liabilities. Trade payables subsequent to initial recognition are measured at amortized cost using the effective interest method. For more information about suppliers and other obligations see note 19.

Stop the recognition of a financial liability

The Group derecognizes a financial liability (or part of it) from its financial position when and only when the obligation specified in the contract is fulfilled, canceled or expires.

In the case where an existing obligation is replaced by another by the same lender, but in substantially different terms, or where there is a material change in the terms of an existing liability, then the original liability is recognized and a new liability is recognized and the difference is recognized in the statement of comprehensive income.

The difference between the carrying amount of a financial liability (or a portion of a financial liability) that is redeemed or transferred to another party and the consideration paid, including the non-cash assets and liabilities assumed, is recognized in profit or loss.

iii. Settlement of financial claims and liabilities

Financial assets and liabilities are offset, and the net amount is reflected in the statement of financial position only when the Group has legally the right and intends to set off on a net basis with each other or to claim the asset and settle the obligation at the same time.

C. Derivative financial instruments

Derivative financial instruments are initially recorded at their fair value at the date of the transaction and subsequently measured at fair value. Derivatives are classified as financial assets when their fair value is positive and as financial liabilities when the fair value is negative.

Profits or losses arising from changes in the fair value of derivatives are recognized directly in the income statement. The Group does not apply hedge accounting,

d. inventories

Inventories include raw materials, materials and goods purchased and valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less any relevant selling expenses.

The acquisition cost of inventories is determined using the weighted average cost method, which is consistently settled. The cost of inventories includes all the purchase, conversion and cost of inventories in the current position and condition.

The cost of inventories does not include finance costs. Provision for slow moving or depreciated stocks is formed if necessary.

e. Impairment of non-financial assets

Except for goodwill that is tested for impairment at least on an annual basis, the carrying amounts of other long-term assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. When the carrying amount of an asset exceeds its recoverable amount, its corresponding impairment loss is recognized in the statement of comprehensive income. The recoverable amount is determined as the greater of the fair value less costs to sell and the value in use.

Fair value less costs to sell is the amount that can be obtained from the sale of an asset in a normal transaction between market participants after deducting any additional direct disposal costs of the asset while the use value is the net present value of the asset estimated future cash flows that are expected to be incurred through the continued use of an asset and from the expected future income from disposal at the end of the estimated useful life to him.

For the purposes of determining the impairment, assets are grouped to the lowest level for which cash flows can be separately recognized. Non-financial assets, other than goodwill, that have been impaired are tested for a possible reversal of the impairment at the end of each reporting period.

f. Cash and short-term deposits

Available and cash equivalents include cash, sight deposits and short-term highly liquid investments with a maturity of less than three months.

For the preparation of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding the outstanding bank overdrafts.

g. Equity

The share capital includes the ordinary shares of the Group included in equity. Costs directly attributable to the issue of shares, after the deduction of the relevant income tax, are reduced to the proceeds of the issue. Direct costs associated with the issue of shares for the acquisition of enterprises are included in the acquisition cost of the acquired business. The cost of acquiring treasury shares, including any directly related to the purchase of additional expenses less income tax (if any), is deducted from equity attributable to equity holders of the Company as treasury shares until own shares are sold or canceled. Any gain or loss on the sale of treasury shares, net of other costs directly attributable to the transaction and income tax, is presented as a reserve in equity, if any.

h. Other Provisions

Provisions are recognized when a present commitment is likely to lead to an outflow of financial resources for the company and can be reliably estimated. The timing or amount of outflow may be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has arisen from events of the past. Any formed provision is used only for the expenses for which it was initially formed. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provisions are measured at the expected cost that is required to settle the present obligation,

based on the most reliable evidence available on the date of the statement of financial position, including the risks and uncertainties surrounding the present commitment. When the effect of the time value of money is significant, the amount of the provision is the present value of the expenses that are expected to be required to settle the liability.

When the discount method is used, the book value of a provision increases in each period so that it reflects over time. This increase is recognized as a financial expense in the income statement.

When there are a number of similar commitments, the probability that an outflow will be required for settlement is determined taking into account the category of commitments as a whole. A provision is recognized even if the outflow probability for an item included in the commitment category is low. If it is unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation then the provision is reversed.

i. Benefits due to retirement and short-term employee benefits

i. Short-term liabilities

Wage and salary obligations expected to be settled fully within 12 months of the end of the period in which employees provide the relevant service are recognized for employee services by the end of the reference period and are measured at the amounts expected to be paid in the settlement of obligations. The liabilities are presented in the statement of financial position in other liabilities.

ii. Benefits to be paid after termination

Post-employment obligations refer both to defined benefit plans and to defined contribution schemes.

Defined contribution plans

As far as the Company is concerned, the staff is mainly covered by the main State Social Insurance Agency (IKA), which provides pension and healthcare benefits. Every employee is required to contribute part of his monthly salary to the fund, while part of the total contribution is covered by the Company. At retirement, the pension fund is responsible for paying employees' retirement benefits. Apart from the payment of the contributions, the Company has no further obligations.

Contributions are recognized as personnel costs whenever they become payable. Prepayments are recognized as an asset if there is a possibility of refunding or offsetting with future payments.

Defined benefit plans

As regards the Company, the liability entered in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit under Law. 2112/1920 as amended by Law 4093/2012 at the balance sheet date. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit liability is calculated by discounting the estimated future outflows using the discount rate of corporate bond rates of a high credit rating in the currency in which the obligations will be settled and on terms similar to the terms of the relevant obligations.

Financial cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in the income statement of employee benefits.

Profits and losses from empirical adjustments and changes in actuarial assumptions are recognized in the period in which they are carried directly to other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation arising from modifications or currencies of the plan are recognized immediately in the income statement as past service cost.

The actuarial study was performed by an independent actuary using the projected unit credit method. In particular, the study concerned the investigation and calculation of the actuarial figures required by the standards set by the International Accounting Standards (IAS). 19) and is mandatory to be recorded in the balance sheet and the income statement of each enterprise.

ïïï. Termination benefits

Termination benefits become payable when the Company terminates employment before the normal retirement date or when the employee accepts voluntary retirement in exchange for these benefits. The Company recognizes these benefits at the earliest of the following dates: (a) when the Group can no longer withdraw its offer of benefits; and (b) when the Company recognizes restructuring costs that fall within the scope of IAS 37 and includes the payment of benefits termination of employment. In the case of an offer made to encourage voluntary retirement, termination benefits are calculated on the basis of the number of employees expected to accept the offer. Termination benefits that will become payable after 12 months from the end of the reporting period are discounted to their present value.

I. Information per operating sector

Operating information is presented in the same structure as the internal information provided to the business decision maker. The business decision maker is the person (or the set of persons) who decides on the allocation of resources in each operational sector and evaluates the operational results of the sectors. For administrative reporting purposes, the Group is organized into the following three operating segments: Jewelry - Watches - Accessories, Apparel - Footwear and Department Stores. Each domain consists of a set of functions. The grouping of Group subsidiaries in the operating segments takes into account their activity and the proximity of the economic and political environment in the countries in which they operate. The head of each sector is addressed to the CEO of the Group. In addition, the Group's Financial Management is organized in the geographical segments, respectively, in order to conduct the financial audit and to monitor the performance of the sectors.

(k) Contingent Assets

Possible inflows from financial benefits for the Group that do not yet meet the criteria of an asset are considered as contingent assets and are disclosed in the notes to the financial statements.

(l) Contingent Liabilities

Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of an outflow of resources embodying economic benefits is minimal. Relevant disclosures are given in Note 29.

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the fiscal year, excluding own shares.

(ii) Impairment of earnings per share

For the purpose of calculating diluted earnings per share, the figures used to determine basic earnings per share

are adjusted to take account of:
• the after-tax effect of interest and other finance charges associated with potential ordinary shares that would have a downward impact on basic earnings per share, and
• the weighted average of the additional ordinary shares that would be in circulation assuming the conversion into ordinary shares of all potential securities with a downward impact on basic earnings per share.

3. Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those adopted in the previous financial year except for the following standards that the Group has adopted on 1 January 2017.

IAS 12 Income Taxes (Amendments): Recognition of the deferred tax asset for unrealized losses
The purpose of these amendments is to clarify the accounting treatment of deferred tax assets for unrealized losses on debt securities at fair value. These amendments did not affect the accounting policies, financial position or financial performance of the Group.

IAS 7: Statement of Cash Flows (Amendments): Notification Initiative
The purpose of these amendments is to allow users of financial statements to assess changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that allow investors to measure changes in liabilities arising from economic activities, including changes from cash flows and non-cash changes.

IFRS 12 Disclosure of Interests in Other Entities: The amendments clarify that the disclosure requirements of IFRS 12, except disclosures about condensed financial information about subsidiaries, joint ventures and associates, apply to the involvement of an entity in a subsidiary, joint venture or associate an enterprise classified as held for sale, held for distribution or as a discontinued operation in accordance with IFRS 5.

Standards that have been issued but are not applicable in the current accounting period and the Company has not adopted earlier:

IFRS 9 Financial Instruments and Subsequent Amendments to IFRS 9 and IFRS 7
The standard is applied to annual accounting periods beginning on or after 1 January 2018 and early adoption is permitted. IFRS 9 replaces the provisions of IAS 39 on Classification and Measurement of Financial Assets and Financial Liabilities and also includes a model of expected credit loss that replaces the current credit loss model currently applied. IFRS 9 establishes a principle-based hedge accounting approach and addresses inconsistencies and weaknesses in the current model of IAS 39. The Group is in the process of examining the effect of this Standard on the financial statements. In accordance with the new model and impairment model of expected credit losses, the Group will apply the simplified approach and, based on future indicators, the recovery of customer balances is not expected to have a material impact on the application of the new standard.

IFRS 15 Revenue from contracts with customers
The standard is applied to annual accounting periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to income arising from a single customer contract (with limited exceptions), regardless of the type of revenue transaction or industry. The requirements of the Standard will also apply to the recognition and measurement of gains and losses on the sale of certain non-financial assets that are not produced by the entity's ordinary activities (eg, sales of property, plant and equipment or intangible assets). Extensive disclosures, including a breakdown of total revenue, information on execution commitments, changes in contract asset balances and contractual obligations between periods and key judgments and estimates will be required.

IFRS 16: Leases
The standard is applied to annual accounting periods beginning on or after 1 January 2019. IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that reasonably explains the substance of the transactions relating to leases. IFRS 16 introduces a single model for the accounting treatment on the part of the lessee requiring the lessee to recognize assets and liabilities for all lease agreements with a maturity of more than 12 months unless the underlying asset is of non-significant value. Regarding accounting treatment by the lessor, IFRS 16 substantially integrates the requirements of IAS 17. Therefore, the lessor continues to categorize the lease contracts in operating and finance leases, and to follow different accounting treatment for each type of contract. Group Management is in the process of examining the impact of this standard on its financial statements.

IAS 40: Investment Property Transfers (Modifications)
The amendments apply to annual accounting periods beginning on or after January 1, 2018, while earlier

application is permitted. The amendments specify when an entity transfers a property, including property under construction or utilization, to or from investment property. The amendments state that a change in the use of a property occurs when the property meets or ceases to meet, the definition of investment property and there is a clear indication of that change. Simply changing the management's intentions to use the property does not prove a change in its use. Management has assessed the effect of the amendments and estimates that it will not affect the Group's accounting policies, financial position or financial performance.

IFRS 9: Prepayment Fee with Negative Compensation (Amendment)
The amendment is effective for annual periods beginning on or after 1 January 2019, while earlier application is permitted. The amendment clarifies that pre-paid financial assets that allow or require a party to either pay or receive reasonable compensation for the early termination of the contract (in the sense that the asset holder may incur a charge due to early repayment) may be measured at amortized cost or at fair value through the statement of other comprehensive income. Management has assessed the effect of the amendment and estimates that it will not affect the Group's accounting policies, financial position or financial performance.

IAS 28: Long-term Investments in Associates and Joint Ventures (Amendments) The amendments are effective for annual periods beginning on or after 1 January 2019, while earlier application is permitted. The amendments relate to whether the measurement (and in particular the impairment) of long-term investments in associates and joint ventures, which are in essence part of the net investment in the associate or joint venture, is governed by IFRS 9, IAS 28, or a combination of the two standards. The amendments clarify that an entity applies IFRS 9 before applying IAS 28 to those long-term participations for which the equity method does not apply. When applying IFRS 9, an entity does not take into account any adjustments in the carrying amount of long-term participations that result from the application of IAS 28. Management has assessed the effect of the amendments and estimates that it will not affect the Group's accounting policies, financial position or financial performance.

INTERPRETATION IFRIC 22: Transactions in foreign currency and advances
The interpretation is effective for annual periods beginning on or after 1 January 2018, while earlier application is permitted. The interpretation clarifies the accounting treatment of transactions involving the collection or payment of a foreign currency advance. The interpretation deals with foreign currency transactions in which an entity recognizes a non-monetary asset or a non-monetary obligation arising on the receipt or payment of an advance before the initial recognition of the relevant asset, expense or income. The interpretation states that the transaction date for the

stated, the exchange rate is the date of initial recognition of a non-cash advance or deferred income. If there are multiple payments or collections of advances, the entity must set the transaction date for each payment and advance payment. Management has assessed the effect of the interpretation and estimates that it will not affect the Group's accounting policies, financial position or financial performance.

INTERPRETATION IFRIC 23: Uncertainty about Income Tax Visas
The interpretation is effective for annual periods beginning on or after 1 January 2019, while earlier application is permitted. The interpretation provides guidance for addressing the uncertainty involved in tax handling when accounting for income taxes. The interpretation provides additional clarification regarding the examination of uncertain tax considerations individually or jointly, the examination of fiscal considerations by the tax authorities, the appropriate method to reflect the uncertainty of the acceptance of the visa by the tax authorities as well as the examination of the consequences of changes in facts and circumstances. Management has assessed the effect of the interpretation and estimates that it will not affect the Group's accounting policies, financial position or financial performance.

IAS 19: Modification, curtailment or settlement of a defined benefit plan (Amendments):
The amendments are effective for annual periods beginning on or after 1 January 2019, and earlier application is permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a change, curtailment or settlement of the defined benefit plan is made. The amendments also clarify how the application of asset asset ceiling requirements is affected by the accounting treatment of a change, curtailment or settlement of the defined benefit plan. The amendments have not yet been adopted by the European Union.

4. Significant accounting estimates and judgments of the administration

Significant accounting estimates and assumptions

The Annual Consolidated Financial Statements and the accompanying notes and notes may include certain assumptions and estimates relating to future events in relation to the operations, development and financial performance of the Group. Although these assumptions and calculations are based on the best knowledge of the Company's Management in relation to current conditions and actions, the actual results may ultimately differ from those calculations and assumptions considered in the preparation of the annual financial statements of the Group.

Estimates and assumptions that present a significant risk of future material adjustments to the carrying amounts of assets and liabilities are mainly as follows:

Estimated impairment of goodwill
Management reviews on an annual basis whether there is any indication of impairment of goodwill, in accordance with the accounting practice in note 2. The recoverable amounts of the cash-generating units are determined in accordance with the value in use calculations. The above calculations require the use of estimates related to future earnings and discount rates.

Estimated impairment of investments in subsidiaries
At each balance sheet date, the Company examines the existence or absence of impairment of investments in subsidiaries. Determining whether there is an indication of impairment requires the management to make judgments about external and internal factors and the extent to which they affect the recoverability of those assets. If it is assessed that there are indications of impairment, the Group calculates the recoverable amount. Determining the recoverable amount requires the estimation of the future cash flows associated with the investment, business plans of those enterprises and the determination of the discount rate and growth rates.

Recoverability of undistributed investments / receivables
At each reporting date, the Group examines whether or not there is evidence of impairment of receivables in subsidiaries. Determining whether there is evidence of impairment requires an examination of the circumstances that may affect the recoverability of those assets. The Group has not impaired for all subsidiaries as the recoverable amount exceeds the carrying amount based on the Net Assets and Profit.

Income tax
In determining the Group's income tax income, a significant subjective judgment is required. In the normal course of business, many transactions and calculations for which exact tax calculation is uncertain. In the case that the final taxes resulting from the tax audits are different from the amounts initially recorded, these differences will affect income tax and deferred tax provisions in the use that the determination of tax differences has occurred.

Fair values and useful lives of tangible fixed assets
Additionally, management makes some estimates regarding the useful life of depreciable fixed assets. More information is given in note 2.

Provision for staff compensation
Employee compensation obligations are calculated on the basis of actuarial methods that require management to assess specific parameters such as the future increase in employees' pay, the discount rate for these obligations, the severance rate of employees, etc. Management seeks, at each reporting date where this provision is revised, to assess these parameters in the best possible way.

Contingent liabilities
The existence of contingent liabilities requires management to continuously conduct assumptions and judgments as to the likelihood that future events will occur or not, and the effect that these events may have on the Group's activity. A statement of contingent liabilities is given in Note 29.

Provisions for bad debts
The Group diminishes the value of its trade receivables when there are data or indications that the collection of each claim as a whole or in part is unlikely. The Group's management periodically reassesses the adequacy of the provision for doubtful receivables based on factors such as its credit policy, legal service reports of recent developments in cases handled by it and its assessment / judgment of the effect of other factors on the recoverability of the requirements.

Provisions for slow moving and discarded stocks
The Group's management periodically reassesses the adequacy of the provision for slow moving and discarded inventories. The relative provision is calculated based on the age of the stock and on the basis of past experience, for stocks that remain immovable.

5. Sectoral Financial Information

The Group's operating segments are strategic units selling different goods. They are monitored and managed separately from the Board of Directors because these goods are of a completely different nature, market demand and gross profit margin.

The sectors of the Group are as follows:

Jewelry, Watches, Accessories:
This sector includes the processing and marketing of jewelry, watches and other similar accessories.

Apparel & Footwear & Cosmetics:
It concerns the retail and wholesale sale of branded apparel, footwear, perfumes and cosmetics and other sectors.

Department Stores:
This area concerns the operation of department stores.

The accounting policies for the operating segments are the same as those used for the preparation of the financial statements. Profitability of the segments is measured on the basis of profit or loss from operating activities before income tax and without taking into account certain income and expense items (extraordinary and foreign exchange differences) that management monitors overall.

Amounts in € unless otherwise stated

Restated consolidated operating result analysis per operating segment 2017 and 2016

	Jewelry - Watches - Accessories	Apparel & Footwear & Cosmetics	Dpt Stores	Total	Eliminations	Consolidated Data
31.12.2017.						
Sales to external customers	188.905.730,00	190.345.310,00	20.985.860,00	400.236.900,00	(41.018.510,00)	359.218.390,00
Sales across sectors	1.192.490,00	11.972.350,00	232.276,00	13.397.116,00	(13.397.120,00)	(4,00)
Minus: Cost of Sales	(67.307.420,00)	(121.871.670,00)	-	(189.179.090,00)	39.301.050,00	(149.878.040,00)
Minus: Cost of Sales cross-sectoral	(2.130.710,00)	(425.150,00)	(10.599.950,00)	(13.155.810,00)	13.155.810,00	-
Gross profit	**120.660.090,00**	**80.020.840,00**	**10.618.186,00**	**211.299.116,00**	**(1,958,770.00)**	**209.340.346,00**
Other operating income	6.668.750,00	5.096.570,00	(350,00)	11.764.970,00	(2.373.580,00)	9.391.390,00
Selling expenses	(140.558.050,00)	(65.375.660,00)	(10.465.240,00)	(216.398.950,00)	3.581.790,00	(212.817.160,00)
Selling expenses across sectors	(238.210,00)	(3.100,00)	-	(241.310,00)	241.310,00	-
Administrative expenses	(41.095.640,00)	(13.510.020,00)	(1.506.410,00)	(56.112.070,00)	247.730,00	(55.864.340,00)
Other operating expenses	(62.576.730,00)	(1.966.880,00)	(435.290,00)	(64.978.900,00)	-	(64.978.900,00)
Operating Profit (EBIT)	**(117.139.790,00)**	**4.261.750,00**	**(1,789,104.00)**	**(114,667,144.00)**	**(261,520.00)**	**(114,928,664.00)**
31.12.2016.						
Sales to external customers	1.008.172.989,21	187.514.511,97	181.403.761,24	1.377.091.262,42	(39.816.042,94)	1.337.275.219,48
Sales across sectors	843.321,42	9.834.809,38	299.023,77	10.977.154,57	(10.977.154,57)	-
Minus: Cost of Sales	(533.712.868,98)	(124.092.150,06)	(107.682.645,15)	(765.487.664,20)	40.515.505,60	(724.972.158,60)
Minus: Cost of Sales cross-sectoral	(1.082.210,04)	(352.404,95)	(9.233.556,52)	(10.668.171,51)	10.668.171,51	-
Gross profit	**474.221.231,61**	**72,904,766.33**	**64,786,583.34**	**611.912.581,28**	**390.479,60**	**612,303,060.88**
Other operating income	10.179.857,72	4.576.681,80	4.514.275,85	19.270.815,37	(2.911.324,24)	16.359.491,13
Selling expenses	(172.194.926,90)	(60.203.390,85)	(52.311.685,38)	(284.710.003,13)	2.628.437,48	(282.081.565,65)
Selling expenses across sectors	(300.316,20)	(8.666,86)	-	(308.983,06)	308.983,06	-
Administrative expenses	(49.937.223,13)	(12.366.200,86)	(4.906.277,58)	(67.209.701,56)	69.855,23	(67.139.846,33)
Other operating expenses	(15.213.599,47)	(1.867.116,36)	(592.515,12)	(17.673.230,94)	499.939,43	(17.173.291,51)
Operating Profit (EBIT)	**246.755.023,64**	**3,036,073.21**	**11.490.381,11**	**261,282,477.96**	**986,370.56**	**262.267.848,52**

Amounts in € unless otherwise stated

Operating result analysis per operating segment 2017 and 2016

Amounts in thousands €	Jewelry - Watches Accessories	Apparel - Footwear - Cosmetics	Dpt Stores	Unallocated	Total
31.12.2017					
Sales	10.160	102.121	22.933		135213
Minus: Cost of Sales	-13.205	-64537	-9.902		-87.644
Gross Profit	-3.046	37.584	13.031		47.569
Other operating income	372	3.912	446	3.887	8.617
Administration & selling costs	-13.777	-38.468	-12.981	-9.200	-74.425
Other operating expenses	-97.184	-5330	-32582	25.674	-161270
Operating Profit (EBIT)	**-113.635**	**-2.801**	**-32.087**	**30.987**	**-179.509**
Financial results	-199	-320	12	17.749	-18.255
Profit (EBT)	**-113.833**	**-3.121**	**-32.075**	**48.736**	**-197.765**

Amounts in thousands €	Jewelry - Watches Accessories	Apparel - Footwear - Cosmetics	Dpt Stores	Unallocated	Total
31.12.2016					
Sales	10.132	101.954	22.679		134.765
Minus: Cost of Sales	-11.273	-66.132	-10.605		-88.010
Gross profit	-1.141	35.822	12.073		46.754
Other operating income	539	4.035	526	7.897	12.997
Administration & selling costs	-11.913	-37.887	-13.632	-9.561	-72.993
Other operating expenses	1.254	-1.934	1.390	-26.431	-25.721
Operating Profit (EBIT)	**-11.262**	**36**	**357**	**-28.095**	**-38.963**
Financial results	-6	-295	-11	-14.217	-14.529
Profit (EBT)	**-11.267**	**-259**	**345**	**-42.312**	**-53.492**

Restatement of Restated Consolidated Assets - Liabilities by Operating Sector 2017

	Jewelry - Watches Accessories	Apparel - Footwear - Cosmetics	Dpt Stores	Total	Eliminations	Consolidated Data
31.12.2017.						
Tangible and intangible assets	31.628.810,00	47.192.250,00	49.698.560,00	128.519.620,00	56.007.670,00	184.527.290,00
Inventories	60.337.180,00	48.156.000,00	5.296.360,00	113.789.540,00	(5.219.090,00)	108.570.450,00
Trade receivables				181.502.760,00	(103.280.970,00)	78.221.790,00
Cash and cash equivalents				176.679.200,00	-	176.679.200,00
				600.491.120,00	**(52,492,390.00)**	**547.998.730,00**
Other unallocated assets				1.098.510.310,00	(851.908.230,00)	246.602.080,00
Total				**1.699.001.430,00**	**(904.400.620,00)**	**794.600.810,00**
Suppliers and other obligations	77.901.170,00	53.007.950,00	97.222.000,00	228.131.120,00	(205.560.210,00)	22.570.910,00
Other liabilities not allocated				1.171.420.930,00	(468.944.350,00)	702.476.580,00
Own Funds				299.448.470,00	(229.895.150,00)	69.553.320,00
Total				**1.699.000.520,00**	**(904.399.710,00)**	**794.600.810,00**

Breakdown of restated assets - liabilities by operating segment 2017 and 2016

Amounts in thousands €	Jewelry - Watches Accessories	Apparel - Footwear - Cosmetics	Dpt Stores	Unallocated	Total
31.12.2017					
Tangible and intangible assets	1.806	12.786	34.383	39.734	88.709
Inventories	13.774	27.387	5.296		46.458
Trade receivables				65.485	65.485
Cash and cash equivalents				155.187	155.187
Other unallocated assets				217.894	217.894
Total					**573.733**
Suppliers and other obligations				95.433	95.433
Other liabilities not allocated				503.629	503.629
Own Funds				-25.329	-25.329
Total					**573.733**

Amounts in thousands €	Jewelry - Watches Accessories	Apparel - Footwear - Cosmetics	Dpt Stores	Unallocated	Total
31.12.2016					
Tangible and intangible assets	1.387	12.676	82.254	31.259	127.576
Inventories	11.142	21.574		7.304	40.019
Trade receivables				71.471	71.471
Cash and cash equivalents				29.525	29.525
Other unallocated assets				235.007	235.007
Total					**503.598**
Suppliers and other obligations				47.963	47.963
Other liabilities not allocated				301.105	301.105
Own Funds				154.530	154.530
Total					**503.598**

Degree of dependence on major customers:
There is no customer for which the turnover is 10% or more of the total turnover.

Analysis in geographical areas, 2017

	Greece	**Other Europe**	**Asian countries**	**Total**
Net Sales	137.726.955,05	138.508.523,27	82.982.914,05	359.218.392,3
Non-Current Assets	336.224.235,45	19.340.044,95	70.937.391,37	426.501.671,7

6. Own used tangible assets

Group

	Land	Buildings & Buidings installation	Machinery & Mechanical Equipment	Vehicles	Furniture & Other Equipment	Ongoing assets	Total
Cost of acquisition							
Opening balance 01.01.2016	**41,579,418.63**	**119,759,856.94**	**12.177.057,56**	**9.806.058,11**	**95,158,578.91**	**49.546.445,06**	**328.027.415,21**
Additions	-	55.373.103,65	812.803,21	85.989,63	36.058.688,62	1.688.289,13	**94,018,874.24**
Disposals	-	(4.186.825,96)	(184.560,38)	(4.763.168,92)	(4.877.944,58)	-	**(14,012,499.84)**
New affiliates	-	-	-	-	410.853,74	-	**410.853,74**
Reversal of impairment	3.790.897,44	4.014.111,94	-	-	-	-	**7.805.009,38**
Transfer	-	8.042.571,88	246.493,01	-	230.361,94	(9.238.135,93)	**(718.709,10)**
Exchange rates Differences	637.755,48	1.506.845,05	(1.113.975,24)	9.910,62	(2.206.878,00)	400.738,37	**(765,603.72)**
Balance 31.12.2016	**46,008,071.55**	**184.509.663,50**	**11,937,818.16**	**5.138.789,44**	**124.773.660,63**	**42,397,336.63**	**414.765.339,91**
Opening balance 01.01.2017	**46,008,071.55**	**184.509.663,50**	**11,937,818.16**	**5.138.789,44**	**124.773.660,63**	**42,397,336.63**	**414.765.339,91**
Additions	-	16.954.006,72	521.516,32	204.878,52	14.015.858,36	1.076.967,49	**32,773,227.41**
Disposals	-	(5.064.413,25)	(75.500,93)	(177.034,41)	(4.413.362,32)	-	**(9,730,310.91)**
Change consolidation method	-	(26.556.941,21)	(158.132,85)	(268.236,45)	(6.662.607,12)	(26.440,00)	**(33,672,357.63)**
Property valuation	(6.021.542,90)	7.640.931,22	-	-	-		**1,619,388.32**
Transfer	(0,39)	96.425,83	5.655,88	25,31	45.188,97	(25.096,46)	**122.199,14**
Exchange rates Differences	(3.277.817,92)	(6.548.838,40)	1.077.223,41	(5.041,29)	(443.195,40)	(2.237.017,38)	**(11,434,686.98)**
Balance 31.12.2017	**36.708.710,34**	**171,030,834.41**	**13,308,579.99**	**4,893,381.12**	**127.315.543,12**	**41.185.750,28**	**394.442.799,26**
Accumulated depreciation							
Opening balance 01.01.2016	**0.39**	**48.076.909,82**	**10,495,047.15**	**2,296,973,13**	**69,159,724.16**	**980,500.94**	**131,009,155.59**
Depreciation of period	-	9.643.163,19	969.273,95	849.779,03	8.734.257,81	-	**20,196,473.98**
Impairment of fair value	-	-	-	-	-	-	**-**
Depreciation New subsidiaries	-	-	-	-	394.480,59	-	**394.480,59**
Disposals	-	(3.309.220,87)	(145.318,70)	(1.015.311,56)	(3.386.122,66)	-	**(7,855,973.79)**
Transfer	-	-	-	-	1.296,00	-	**1.296,00**
Exchange rates Differences	-	(51.042,93)	(965.831,95)	8.746,03	(2.573.541,82)	343.043,51	**(3.238.627,16)**
Balance 31.12.2016	**0.39**	**54,359,809.21**	**10,353,170.45**	**2.140.186,63**	**72,330,094.08**	**1,323,544.45**	**140.506.805,21**
Opening balance 01.01.2017	**0.39**	**54,359,809.21**	**10,353,170.45**	**2.140.186,63**	**72,330,094.08**	**1,323,544.45**	**140.506.805,21**
Depreciation of period	-	12.588.589,68	774.016,73	726.091,67	10.693.347,33	-	**24,782,045.41**
Impairment of fair value	-	77.851.956,66	-	-	-	19.523.707,00	**97,375,663.66**
Disposals	(0,39)	(4.354.546,00)	(54.497,59)	(102.436,97)	(3.426.575,32)	-	**(7.938.056,27)**
Transfer	-		-	-	(0.00)	-	**(0.00)**
Exchange rates Differences	-	3.069.722,54	319.848,89	4.564,65	553.070,87	-	**3,947,206.95**
Balance 31.12.2017	**-**	**143,515,532.09**	**11,392,538.48**	**2.768.405,98**	**80.149.936,96**	**20,847,251.45**	**258.673.664,96**
Net book value 31.12.2016	**46.008.071,16**	**130.149.854,29**	**1,584,647.71**	**2,998,602.81**	**52,443,566.55**	**41.073.792,18**	**274.258.534,70**
Net book value 31.12.2017	**36.708.710,34**	**27.515.302,32**	**1.916.041,51**	**2,124,975.15**	**47.165.606,16**	**20,338,498.83**	**135,769,134.31**

Company

Restated table

	Land	Buildings & Buidings installation	Machinery & Mechanical Equipment	Vehicles	Furniture & Other equipment	Ongoing assets	Total
Cost of acquisition							
Opening balance 01.01.2016	**12,243,777.69**	**47.300.170,14**	**1,423,854.01**	**2.403.607,25**	**23.094.875,19**	**4.250,00**	**86,470,534.28**
Additions	-	576.216,70	13.313,99	5.280,49	912.128,25	159.937,42	**1,666,876.85**
Disposals	-	-70.450,22	-25.508,46	-1.867.574,62	-392.409,57	-	**-2,355,942.87**
Reversal of impairment	1.960.884,76	1.410.829,65	-	-	-	-	**3.371.714,41**
Transfer	-	-720.671,09	-	-	22.320,00	-164.187,42	**-862,538.51**
Balance 31.12.2016	**14,204,662.45**	**48,496,095.18**	**1,411,659.54**	**541.313,12**	**23,636,913.87**	**-**	**88.290.644,16**
Opening balance 01.01.2017	**14,204,662.45**	**48,496,095.18**	**1,411,659.54**	**541.313,12**	**23,636,913.87**	**-**	**88.290.644,16**
Additions	-	1.093.924,22	4.141,85	-	1.770.644,31	19.405,41	**2.888.115,79**
Disposals	-	-93.859,21	-462,93	-25.000,00	-582.814,31	-	**-702,136.45**
Impairment of real estate	-3.759.688,57	-638.266,21	-	-	-	-	**-4,397,954.78**
Transfer	-	33.127,40	-	-	-	-	**33.127,40**
Balance 31.12.2017	**10,444,973.88**	**48.891.021,38**	**1,415,338.46**	**516.313,12**	**24,824,743.87**	**19.405,41**	**86.111.796,12**
Accumulated depreciation							
Opening balance 01.01.2016	-	**15,596,161.88**	**1,127,980.69**	**1,265,800.81**	**17,916,732.19**	-	**35,906,675.57**
Depreciation of period	-	1.855.516,37	57.667,76	78.296,92	1.560.034,54	-	**3,551,515.59**
Impairment of fair value		--	-	-	-		--
Disposals	-	-70.450,22	-25.508,46	-875.068,85	-390.000,33	-	**-1,361,027.86**
Balance 31.12.2016	-	**17,381,228.03**	**1.160.139,99**	**469,028.88**	**19.086.766,40**	-	**38.097.163,30**
Opening balance 01.01.2017	-	**17,381,228.03**	**1.160.139,99**	**469,028.88**	**19.086.766,40**	-	**38.097.163,30**
Depreciation of period	-	1.926.967,11	60.257,99	15.123,23	1.525.324,29	-	**3,527,672.63**
Impairment of fair value		--	-	-	-		--
Disposals	-	-44.817,07	-462,93	-15.566,57	-581.262,37	-	**-642.108,94**
Balance 31.12.2017	-	**19,263,378.07**	**1,219,935.05**	**468,585.54**	**20,030,828.33**	-	**40,982,726.99**
Net book value 31.12.2016	**14,204,662.45**	**31.114.867,15**	**251,519.55**	**72.284,24**	**4,550,147, 47**	**-**	**50,193,480.86**
Net book value 31.12.2017	**10,444,973.88**	**29,627,643.31**	**195,403.41**	**47,727.58**	**4,793,915.54**	**19.405,41**	**45.129.069,13**

On the Company's property, the following encumbrances incurred for loans received by subsidiaries:

A. For a loan amounting to € 1.064 thousand received by the subsidiary company QIVOS SA, there is a redeemable interest on the property at 96 Vouliagmeni, Glyfada, with a value of € 886 thousand.
B. For a loan amounting to € 1.543 thousand received by FF Romania, there are weights on the retail store located in Psychiko and on the storage area at Agios Stefanos worth € 3 million and € 540 thousand respectively.

The Company has signed sale and leaseback contracts for its own buildings in Maroussi as a retail store and in Koropi as a warehouse under the following terms:

i. For the property in Maroussi there is a contract with National Leasing that sets an annual minimum fixed interest rate of 4.25% maturing in July 2021.
ii. For the property in Koropi, there is a contract with Eurobank that sets an annual minimum fixed rate of 2.45% expiring in November 2020.

Moreover, in 2017 it became the property of the Company the property with location in Thessaloniki (October 26th str, 43) for which there was a contract of sale and leaseback transactions which ended in August 2017.

Investment Properties (Company and Group)

	Investment properties at historical cost	Investment properties at fair value	Total
Cost of acquisition			
Starting balance 01.01.2016	**19.932.111,03**	**66,270,661.63**	**86,202,772.66**
Additions	26.541,00	194.110,37	220.651,37
Disposals	-17.730,00	-	-17.730,00
Reversal of impairment	-	268.033,08	268.033,08
Transfer	-	720.671,09	720.671,09
Balance 31.12.2016	**19,940,922.03**	**67.453.476,17**	**87.394.398,20**
Starting balance 01.01.2017	**19,940,922.03**	**67.453.476,17**	**87.394.398,20**
Additions	33.885,75	195.320,34	229.206,09
Disposals	-	-	-
Impairment of real estate	-	-	-
Transfer	-	-70.707,34	-70.707,34
Balance 31.12.2017	**19,974,807.78**	**67.578.089,17**	**87,552,896.95**
Accumulated depreciation			
Starting balance 01.01.2016	**9,654,809.54**	**1,264,474.14**	**1,127,980.69**
Depreciation of period	1.315.462,46	-	1.315.462,46
Impairment of fair value	-	19.460,72	19.460,72
Depreciation depreciation	-8.022,35	-	-8.022,35
Balance 31.12.2016	**10,962,249.65**	**1,283,934.86**	**12.246.184,51**
Starting balance 01.01.2017	**10,962,249.65**	**1,283,934.86**	**12.246.184,51**
Depreciation of period	1.320.022,16	-	1.320.022,16
Impairment of fair value	-	32.452.588,86	32.452.588,86
Depreciation depreciation	-	-	-
Balance 31.12.2017	**12.282.271,81**	**33.736.523,72**	**46.018.795,53**
Net book value 31.12.2016	**8.978.672,38**	**66.169.541,31**	**75.148.213,69**
Net book value 31.12.2017	**7.692.535,97**	**33.841.565,45**	**41.534.101,42**

Investment properties outside the Factory Outlet Airport have been valued at the level 3 fair value as assessed by independent external chartered valuers by RICS (Royal Institution of Chartered Surveyors).

Specifically for Piraeus Factory Outlet, the value at 31.12.2017 has been based on the liquidation value, which has been estimated at € 26.6 million, discounting the market value at a 25% interest rate.

For the estimation of the fair value of the Company's investment property, the comparative or market price method and discounted cash flow (DCF) method were used. The assessment took into account the location of the property, the surface, the urban planning status of the area, the networks and facilities / infrastructure, the state of the property maintenance, the marketability and the technical specifications of construction where there are buildings and the existence of environmental issues.

With respect to the Airport Factory, there is a plausible presumption that the entity is able to determine the fair value of a property investment reliably on a continuing basis. However, in exceptional circumstances, when an entity acquires an investment property (or when an existing property becomes an investment after completion of construction or utilization or after a change in use), there is clear evidence that a reliable determination of the fair value of the investment is not possible on a continuous basis. This arises when and only when comparable market transactions are scarce and alternative reliable estimates of fair value (for example, based on discounting of budgeted cash flows) are not available. In such cases, the entity will measure this investment property using the cost method in IAS 16. The residual value of the investment property will be considered to be zero. The entity will continue to apply IAS 16 until disposal of the investment property.

In exceptional circumstances, when an entity is for the reason given in the preceding paragraph to assess an investment property using the cost method in accordance with IAS 16, it will measure all other investments in property at fair value. In such cases, although the entity uses the cost method for an investment property, it will continue to account for any residual investment in property using the fair value method.

The investment property of the Factory Outlet Airport is held by the Company under a concession agreement that expires on December 31, 2025. The building was erected at Company's expense and has been valued at historical construction costs and any improvements, which are amortized over the 20-year duration of the concession agreement.

For Piraeus Factory Outlet, the Company maintains a leasing agreement with Eurobank at an annual fixed rate of 4.05%, which expires in July 2027.

The Group's investment properties are leased and used as described below:

A. Tsakalof Building, Kolonaki: The lease is used as a warehouse-shop of a health care facility.

B. K2 Building, 23rd km. National Road Athens-Lamia Highway, Agios Stefanos: The premises are leased and used as head office of DUTY FREE SHOPS SA.

C. 96, Vouliagmenis Building: The property is leased for office and showroom use.

D. Factory Outlet Piraeus and Airport: The two properties are used as commercial real estate (Factories) and the Company receives a minimum monthly fixed amount as rent and commission rate on sales. Regarding the property of Piraeus, it is owned by the Company under a finance lease that expires in November 2024

For Piraeus Factory Outlet, the Company maintains a leasing agreement with Eurobank at an annual fixed rate of 4.05%, which expires in July 2027.

7. Intangible assets

Group

	Computer software	Rental Rights	Production & ownership of ownership	Total	Goodw
Cost of acquisition					
Starting balance 01.01.2016	**50,277,948.82**	**6.518.630,06**	**8.338.598,16**	**65.135.177,04**	**94,997,763.22**
Additions	2.783.900,95	51.669,00	175.000,00	**3,010,569.95**	1.054.236,02
Disposals	(1.677.460,13)	(798.908,10)	(320.178,35)	**(2.796.546,58)**	-
New affiliates	-	-	-	**-**	-
Transfer	(6.212,00)	-	-	**(6.212,00)**	-
Exchange rate Differences	1.334.680,53	(113.784,96)	159.551,41	**1,380,446.98**	(364.008,46)
Balance 31.12.2016	**52,712,858,17**	**5.657.606,00**	**8.352.971,22**	**66,723,435.39**	**95,687,990,78**
Starting balance 01.01.2017	**52,712,858,17**	**5.657.606,00**	**8.352.971,22**	**66,723,435.39**	**95,687,990,78**
Additions	1.789.616,18	378.681,32	-	**2.168.297,50**	-
Disposals	(18.759.891,80)	(202.938,82)	-	**(18,962,830.62)**	(95.687.990,78)
Change consolidation method	(1.310.880,98)	-	-	**(1.310.880,98)**	-
Transfer	(0.00)	-	(0.00)	**(0.00)**	-
Exchange rate Differences	(2.003.343,38)	690.805,04	(935.899,22)	**(2,248,437.56)**	-
Balance 31.12.2017	**32,428,358,19**	**6.524.153,54**	**7.417.072,00**	**46,369,583.73**	**-**
Accumulated amortization					
Starting balance 01.01.2016	**18,180,350.79**	**3,062,692.00**	**1,144,637.89**	**22,387,680.68**	**290,462.00**
Amortization of period	6.325.608,25	668.677,73	1.063.074,25	**8,057,360.23**	-
Decrease amortization	(404.663,38)	(123.488,45)	-	**(528,151.83)**	-
New subsidiaries	-	-		**-**	-
Transfers	(1.296,00)	-		**(1.296,00)**	-
Exchange Differences	213.068,46	(87.868,43)	57.824,84	**183,024.87**	-
Balance 31.12.2016	**24.313.068,12**	**3.520,012.85**			
Starting balance 01.01.2017	**24,313,068.12**	**3.520,012.85**			
Amortization of period	6.900.719,11	1.135.268,44	116.868,10	**8.152.855,65**	
Decrease amortization	-470.120,76	-8.974,46		**-479.095,22**	-290.462,00
New subsidiaries					
Transfers					
Exchange Differences	876.906,39	197.493,28	298.751,88	**1.373.151,55**	
Balance 31.12.2017	**31,620,572.86**	**4.843.800,11**	**2,681,156.96**	**39,145,529.93**	
Net book value 31.12.2016	**28.399.790,05**	**2.137.593,15**	**6,087,434.24**	**36.624.817,44**	
Net book value	**807,785.33**	**1,680,353.43**	**4.735.915,04**	**7.224.053,80**	

Goodwill amounting to € 95,397 thousand which was recorded in the Group's assets, mainly resulted after the absorption of ELMEC SPORT SA (€ 39,374 thousand) and goodwill had resulted from the acquisition of LINKS (LONDON) LIMITED (€ 52,366) Sales Manager Hellas EPE (€ 1,054 thousand) and JUICY COUTURE EUROPE LTD & JUICY COUTURE IRELAND LTD (€ 2,635 thousand) was fully impaired in the restated financial statements of 2017 because of its inability to document its recoverable revaluation based on available data.

Company

	Software Programs	Rentals Rights	Signs	Production & ownership of ownership	Total
Cost of acquisition					
Starting balance 01.01.2016	**2.141.977,52**	**7.212.968,24**	**112,301.58**	**57.000,00**	**9,524,247.34**
Additions	228.569,96	226.669,00	-	-	**455,238.96**
Disposals	-114,01	-		-	**-114,01**
Balance 31.12.2016	**2,370,433.47**	**7,439,637.24**	**112,301.58**	**57.000,00**	**9,979,372.29**
Starting balance 01.01.2017	**2,370,433.47**	**7,439,637.24**	**112,301.58**	**57.000,00**	**9,979,372.29**
Additions	574.128,95	213.225,00	-	-	**787,353.95**
Disposals	-	-20.000,00	-	-	**-20.000,00**
Balance 31.12.2017	**2,944,562.42**	**7.632.862,24**	**112,301.58**	**57.000,00**	**10,746,726.24**
Accumulated depreciation					
Starting balance 01.01.2016	**2.076.549,77**	**4,858,530.71**	**63,894.53**	**3,737.72**	**7,002,712.73**
Depreciation of period	89.292,59	632.703,87	9.058,08	11.213,16	**742.268,00**
Disposals	-114,01	-	-	-	**-114,01**
Balance 31.12.2016	**2.165.728,35**	**5,491,234.58**	**72,952.61**	**14,950.88**	**7.744.866,72**
Starting balance 01.01.2017	**2.165.728,35**	**5,491,234.58**	**72,952.61**	**14,950.88**	**7.744.866,42**
Depreciation of period	464.453,85	449.472,74	9.044,72	42.049,12	**965,020.73**
Disposals	-	-8.974,46	-	-	**-8.974,46**
Balance 31.12.2017	**2,630,182.20**	**5,931,732.86**	**81.997,33**	**57.000,00**	**8,700,912.69**
Net book value 31.12.2016	**204.705,12**	**1,948,402.66**	**39,348.97**	**42.049,12**	**2.234.505,57**
Net book value 31.12.2017	**314.380,22**	**1,701,129.08**	**30,303.95**	**0,00**	**2.045.813,55**

An amount of 39,374 thousand. Euro appears in the assets of the parent company as goodwill that arose after the absorption of ELMEC SPORT SA.

	Goodwill
Cost of acquisition	
Starting balance 01.01.2015	**39,373,861.68**
Impairment of goodwill	-39.373.861,68
Balance 31.12.2015	**0,00**
Starting balance 01.01.2016	**0,00**
Additions	-
Balance 31.12.2016	**0,00**
Starting balance 01.01.2017	**0,00**
Additions	-
Balance 31.12.2017	**0,00**

8. Investments in subsidiaries and associates

Investments in subsidiaries

	Direct participation rate	Indirect participation	Restated 31.12.2017	Restated 31.12.2016	Restated 31.12.2015
FOLLI-FOLLIE HONG KONG LTD	*99,99%*		-	-	-
FOLLI-FOLLIE UK LTD	*100%*		-	-	-
FOLLI-FOLLIE FRANCE SA	*100%*		-	-	-
FOLLI-FOLLIE SPAIN SA	*100%*		-	-	-
FOLLI-FOLLIE CYPRUS LTD	*100%*		*7.545.983,56*	*7.135.983,56*	*6.835.983,56*
PLANACO SA	*100%*		*5.000.000,00*	*7.776.221,01*	*7.776.221,01*
FOLLI FOLLIE HOLDINGS SA	*100%*		*25,565,933.82*	*41.151.041,16*	*41,416,236.06*
FF GROUP FINANCE LUXEMBOURG SA	*100%*		-	-	-
FF GROUP FINANCE LUXEMBOURG II SA	*100%*		-	-	-
JEWEL ENGLISH SEALS (CLOUDBIZEPE)	*48,99%*		-	1.125.000,00	
STRENABY FINANCE LTD	*100%*		*4,053,274.46*	*3,446,629.61*	*3.180.039,17*
FF GROUP ROMANIA SRL	*100%*		*8.545.971,25*	*8.545.971,25*	*5.545.971,25*
FF GROUP BULGARIA EOOD	*100%*		*1,544,023.14*	*1,544,023.14*	*1,544,023.14*
MOUSTAKIS SA	-		-	*943,650.44*	*943,650.44*
FF COSMETICS A E - (SHISEIDO)	*100%*		*1,000,000.00*	1,000,000.00	*1,000,000.00*
COLLECTIVE TO TRONA.	-		-	1.200.000,00	*960.000,00*
LINKS OF LONDON LTD		100	-	-	-
JUICY COUTURE EUROPE LTD	100		-	-	-
Total			**53.255.186,23**	**73.868.520,17**	**69.202.124,63**

Investments in affiliates in the parent's financial statements are subject to impairment testing based on value in use. If it is found that the value of use of the cash-generating units is less than their carrying amount, an impairment loss equal to the difference is recognized.

i. FF Hong Kong Ltd Group- FF Luxembourg I-FF Luxemburg II: Based on the outcome of the Alvarez & Marsal report, the Company proceeded with a full write-down of the value of its holdings in its subsidiaries in Asia and of its participation in FF Luxembourg I and FF Luxembourg II which are the issuers of the bond loans held by the Company. A & M's findings on Asia's subsidiaries are estimated to affect the Company's creditworthiness and ability to serve the creditor's debt directly. Impairments were made in the year 2015 and for each change in the years 2016,2017 additional impairment was created.

ii. For other subsidiaries (Europe - Greece) due to the specificity of market conditions, especially in recent years they are subject to impairment testing once a year, namely 31.12. For subsidiaries in Europe, a write-down was made because after a check for evidence of impairment, there is a loss-making course of the subsidiaries and therefore the investment is not recoverable.

The reasons for the impairment of investments on a case-by-case basis are summarized below:

FF France - FF Spain - Juicy Couture: The Company estimates that under the market conditions, there is a loss-making course of the three subsidiaries and the value of the investment is considered irrecoverable

FF UK: The main event that led the Company to full impairment is that most of FF UK's turnover comes from sales to FF Asia Cos. based in Asia.

Strenaby: The Company has made a partial impairment so that the value of the participation does not exceed the net asset value of the subsidiary which was estimated using the fair value method for the years 2015-2017.

Qivos: According to a Business Plan, the subsidiary is expected to show a negative EBITDA and the trend of its results tends to be negative. Therefore, the recoverability of the amount is considered uncertain and the Company has fully impaired the value of the participation.

Links of London: Following the Links of London value-in-use, the amount of net assets is lower than the carrying amount of the holding and there is no indication of a recovery. The Company carried out a full impairment of the investment.

Planaco: According to the valuation of the participation, the value-in-use was determined at € 5m and therefore a partial impairment was made so that the amount of the investment does not exceed the recoverable amount of € 5m.

FF Holdings SA: The fact that resulted in a partial impairment of the holding is due to the fact that FF Holdings controls 75% of Links of London for which full impairment has taken place. Therefore, the book value of FF Holdings consists of the value of the participation in "Attica Department Stores S.A." and the fair value of the MINION immovable property owned by it.

For subsidiaries where the investments are considered recoverable and therefore no impairment has been incurred, the Company uses valuation methods in estimating the value-in-use and EBITDA estimates that the investment amounts are recoverable as the net asset value (Net Assets) exceeds the book value of the holding.

For the year 2016, there was evidence of impairment, and a provision for impairment of € 373 thousand was formed that impacted the financial and investment results.

For the year 2017, there were evidence of impairment and for this reason a provision for impairment of € 34,275 thousand was formed, which impacted the financial - investment results.

More information on the impairment of subsidiaries over the three fiscal years is given in Table 2 of [Note.33].

On 31/03/2017 the following was registered in the General Commercial Registry (GEMI) with Registration Number 960017, 2318/2017 - 31/03/2017 Decision of the Deputy Regional Governor of Eastern Attica approving the merger of the Societe Anonyme with the following names:

a) FOLLI FOLLIE HOLDINGS SOCIETE ANONYME, with General Registry Number (G.E.M.I.): 003966601000 (formerly Reg. No 46980/04 / B / 00/73 (2004)) and headquarters in Agios Stefanos, Municipality Dionysos (23 ° km - E.O. Athens - Lamia),

b) MOUSTAKIS SOCIETE ANONYME COMMERCIAL COMPANY, with General Registry Number (G.E.M.I.): 036112116000 (formerly Registry Number Societe Anonymes 9868/22 / B / 86/9) and seat of the Municipality of Patras (Agiou Nikolaou str.24) &

c) COLLECTIVE PATRON SOCIETE ANONYME COMMERCIAL COMPANY OF CLOTHING, SHOES, RELATED ACCESSORIES AND JEWELERY (COLLECTIVE PATRON SOCIETE ANONYME) with a. COLLECTIVE SA, with G.E.M.I. number: 121820701000 (ex 70100/04 / B / 10/160) and headquarters in Agios Stefanos, Municipality of Dionysos (23 ° km - EO. Athens - Lamia) by absorption of the second and the third one by the first, in accordance with the provisions of articles 68 2 - 77a of Codified Law 2190/1920, in conjunction with the provisions of articles 1-5 of Law no. 2166/1993.

Investments in **associates**

Group

Attica Department Stores SA (Attica): The Group through the affiliate company Attica participates in the exploitation of three attica department stores in Athens (in the center of the city, in the shopping center "Golden Hall" and "The Mall Athens"), as well as in two attica department stores in Thessaloniki in the city center and in the shopping center "Mediterranean Cosmos Mall"). The group mistakenly integrated Attica with the full consolidation method in previous years. The remaining € 31,017,312.31 in the restated consolidated financial statements of 31 December 2017 relates to the Group's participation in Attica, using the equity method. On December 12, 2018, an electronic auction of 35.67% of Attica's shares was held. 10% went to its major shareholders, while the remaining 25.7% went to the creditor banks for a total of € 41.6 million.

Marina of Mytilene: According to the three-year financial results, the associate is expected to show a negative EBITDA and the trend of its results tends to be negative. Therefore, the recoverability of the amount is considered uncertain and the Company has fully impaired the value of the participation.

Company

	Direct Participation	Indirect participation	Restated 31.12.2017	Restated 31.12.2016
ATTIKA DPS SA	*32,51%*	13,99%	4.326.947,56	5.024.451,12
MARINA MYTILINIS SA	*50%*		-	-
Total			**4.326.947,56**	**5.024.451,12**

More information on the commencement of the impairment of the associate "Marina Mytilini SA". during the three fiscal years are shown in table 2 of note 33.

9. Investments available for sale

Group

	Dufry	Collar & Booster Hedge Instr.	Eurobank	Various Securities	Total
Balance on 01.01.2016	**136,361,753.58**	**57.196.058,14**	**668,157,36**	**927,230.99**	**195,153,200.07**
Transfer	-	-	-	27.808,39	27.808,39
Valuation 01.01.16-31.12.16	9.244.532,85	465.217,58	(253.771,31)	(25.757,49)	9.430.221,63
Balance at 31.12.2016	**145,606,286.43**	**57,661,275.72**	**414,386.05**	**929.281,89**	**204.611.230,09**
Transfer	-	(1.014.621,80)	-	1.688,70	(1.012.933,10)
Reductions	-	-	-	(583.029,39)	(583.029,39)
Valuation 01.01.17-31.12.17	6.851.124,01	(3.020.161,01)	131.704,10	(29.176,55)	3.933.490,55
Balance at 31.12.2017	**152,457,410.44**	**53,626,492.91**	**546,090.15**	**318,764.65**	**206.948.758,15**

Company

	Dufry	Eurobank	Various securities	Total
Balance on 01.01.2016	**136,361,75**	**668,157,36**	**344,323.72**	**137.374.234,66**
Valuation 01.01.16-31.12.16	9.244.532,85	-253.771,31	-35.457,61	8.955.303,93
Balance at 31.12.2016	**145,606,28**	**414,386.05**	**308.866,11**	**146.329.538,59**
Valuation 01.01.17-31.12.17	6.851.124,01	131.704,10	16.363,81	6.999.191,92
Balance at 31.12.2017	**152,457,41**	**546,090.15**	**325,229.92**	**153.328.730,51**

The Company's available-for-sale investments relate to shares listed on the Athens Stock Exchange, which were valued at the current closing prices of the CSE on 31 December 2016 and 2017 (level 1) as well as Dufry AG shares traded on the SIX Swiss Stock Exchange at each balance sheet date for impairment through other comprehensive income.

The Company owns shares of Dufry AG, of which:

- 804.728 shares of the Company are under escrow, of which 603,543 are subject to an ongoing dispute with Dufry AG, in which the Company sold in 51% of the shares held in the company Duty-Free Shops SA in 2012. (Hellenic Duty-Free Shops) (see note "contingent liabilities").

There is a wide range of value resulting from:

- The result of arbitration (and therefore the release of 603,543 shares),

- The possible payment of a defaulted amount by the Group to Dufry AG in accordance with the initial Agreement for the Transaction of Duty-Free Shops SA. (Hellenic Duty-Free Shops) in 2012 governing the redemption described above.

Due to the fact that part of the implementation of the agreement depends on decisions of third parties (European Union Directive and date of implementation of this Directive in Greece), the Company does not have at its disposal the information necessary for the valuation of the relevant contingent liability at the date of preparation of the financial statements. It is noted that based on a recent decision, Development (2019) extended the right to market fuel by DFS.

The various securities concern shares of "LITO" and "I. BOUTARIS & SON HOLDING SA "owned by the Company.

At Group level, the "Collar & Booster Hedge Instrument", which is made up of the shares of Dufry owned by Strenaby, together with stock options on such shares, is also available for sale. These Dufry shares were acquired with a loan received by the subsidiary from a foreign bank repaid in February 2019 from the proceeds of the sale of the shares owned by Strenaby. The stock options expired in the same period.

10. Other long-term assets

Group

The other long-term receivables of the Group as at 31 December 2017 mainly relate to guarantees paid amounting to € 4.008.311,79

Company

	Restated 31.12.2017	Restated 31.12.2016
Guarantees paid	1.146.082,80	*1.137.842,87*
Other receivables	747,70	-
Total	**1.146.830,50**	**1.137.842,87**

The guarantees paid, mainly concern guarantees of buildings leased by the Company.

11. Inventories

Group

	Group	
	31.12.2017	**31.12.2016**
Goods	113.997.281,65	591.463.991,75
Products - Raw Materials & Consumables	98.675,76	117.356,25
Packaging Materials	143.289,89	149.298,55
Minus: Valuation differences	(5.668.797,63)	(5.734.058,58)
	108.570.449,67	**585.996.587,97**

Company

	31.12.2017	31.12.2016
Goods	44.634.501,01	39.451.031,20
Products - Raw Materials & Consumables	3.339.839,15	3.031.597,91
Packaging Materials	1,070,534.51	806.178,05
Provisions for obsolesce	-2,586,946,13	-3.269.503,65
Total	**46.457.928,54**	**40.019.303,51**

Inventories are measured at the lower of cost and net realizable value, as provided by IAS. 2. The cost is determined using the weighted average cost method. Net realizable value is estimated based on current sales prices of inventories in the ordinary course of business less deductible and any selling expenses where applicable. The Group took into account the findings from Alvarez & Marsal's investigation and recorded impairments of € 464 million.

Inventory on consignment

The Group and the Company have entered into agreements with customers under which the customer undertakes to sell on behalf of the Group goods with its trademarks.

After the delivery of the goods to the Customer, the risk of destruction, loss, theft or any other damage is exclusively by the Customer, who must have them insured against any possible risk with the Group as beneficiary of the insurance.

The Customer is required to send to the Group clearing of the total sales of the previous month and to attribute the value of the products sold less the agreed commission.

The period for which the goods are on the customer's premises until their sale or return is monitored in the "Stocks in Deposits" account.

In the event of unrecognized losses (losses) after inventory or return of goods, the losses are invoiced by the Group in accordance with the terms of each contract.

The amount of return to the Customer (gross value sales - commissions) is recognized when the goods are sold, and the customer clears the related liquidation.

12. Trade and other receivables

Group

	Group	
Trade receivables	**Restated 31.12.2017**	**Published 31.12.2016**
Trade receivables- (Customers)	56.324.487,46	626.849.384,54
Notes & Cheques receivables	21.897.303,59	27.891.348,48
Total	**78.221.791,05**	**654.740.733,02**

	Group	
	Restated 31.12.2017	**Published 31.12.2016**
Balance of provision for doubtful debts	**8,880,529.49**	**6.241.825,00**
Plus: Expenditure on the period	7.589.768,00	3.293.536,00
Minus: Deletions of period	10.150.737,48	654.831,51
Balance of provision for doubtful debts	**6.319.560,01**	**8,880,529.49**

Company

Trade receivables	Restated 31.12.2017	Restated 31.12.2016
Trade receivables- (Customers)	16.546.975,74	20.430.518,73
Advances for stock purchase	1.577.933,59	2.638.638,51
Consignment	684.874,26	84.226,73
Total	**18,809,783.59**	**23,153,383.97**
Provisions for impairment of customers	-4.477.197,38	-7.288.916,52
Net Trade Requirements	**14,332,586.21**	**15,864,467.45**
Trade receivables - Retail Customers	1.382.274,66	15.907,15
Trade receivables - Factoring Customers	5.420.698,93	4.018.821,65
Litigation customers	-271.519,99	-271.519,99
Receivables from sales through credit cards	2.338.383,87	1.973.472,56
Total	**42.766.849,46**	**47.386.450,68**

Trade receivables from associates	Restated 31.12.2017	Restated 31.12.2016
Trade receivables from affiliates	23.029.952,53	22.497.238,29
Trade receivables factoring from associates	11.567.662,58	12.174.566,85
Advances for the purchase of stocks by associates	25.772.435,22	5.918.668,31
Total	**60,370,050.33**	**40,590,473.45**
Provisions for impairment of customers associates	-11.969.828,95	-16.505.956,58
Provisions for impairment of receivables from prepayments linked	-25.681.826,97	0,00
Net commercial claims from associates	**22.718.394,41**	**24.084.516,87**

Provision for impairment	Restated 31.12.2017	Restated 31.12.2016
Balance of provision for impairment	23.794.873,10	21.207.729,98
(+) Formed provision for the current period	20.903.182,79	2.587.143,12
(-) Reversal of provision	-2.569.202,59	-
Balance of provision for impairment	**42.128.853,30**	**23.794.873,10**

The provision for bad and doubtful receivables has arisen from the individual examination of the ability to repay the balance for each client, taking into account its age. For customers' balances that are given for legal action, the legal counsel's assessment is taken into account.

As regards claims from customers-debtors-financial facilities-suppliers' advances based on the conclusions of the report of the advisory company Alvarez & Marsal, there is a large deviation of the assets and liabilities of the affiliated companies in Asia from the previously published ones. The abovementioned report gives a high probability of uncertainty about the collection of claims arising from transactions in Asia and therefore makes their collection unsafe and almost prohibitive. The relevant facts are listed in note 34.

Folli Follie Hong Kong Group & FF Japan Ltd: For subsidiaries in Asia, there is evidence of certain impairment, and a provision for impairment was created in the years 2015-2017 that is the carrying amount of the Company's claim.

For subsidiaries in Europe, a write-down was made because after a check for evidence of impairment, there is a loss-making course of the subsidiaries and therefore the investment is not recoverable. The companies where impairments of commercial and debt claims were carried out are the following:

FOLLI FOLLIE UK LTD
FOLLI FOLLIE FRANCE SA
FOLLI FOLLIE SPAIN SA
PLANACO SA
LINKS OF LONDON - Group
JUICY COUTURE EUROPE LTD UK

For subsidiaries where the investments are considered recoverable and therefore no impairment has been made, the Company used valuation methods to determine the book value and EBITDA, estimates that the amounts of the investment are recoverable as the Net Assets exceed the accounting value of the participation.

Impairment on trade and debt / other receivables is a consequence of the valuation carried out for impairment of investments. Therefore, the analysis of the causes of impairment per affiliate is provided in note 8.

Factoring Arrangements
The amounts of trade receivables attributed to trade receivables with a right of recourse, are presented in "Customers and other receivables" in the Statement of Financial Position.

The maturity of the trade receivables including debit balances of third parties and associates before impairment and after offsetting with supplier credit balances is analyzed as follows:

Group

Adulthood of Trade receivables	**Restated 31.12.2017**	**Restated 31.12.2016**
Claims that are not past due	**29.896.626,11**	**179.992.790,33**
Past due receivables but not impaired		
up to 90 days	39.181.161,91	392.480.106,02
from 91-180 days	1.717.318,68	15.938.650,42
from 181-270 days	3.172.760,10	22.877.472,20
from 271-360 days	2.608.169,48	21.328.593,81
over 360 days	1.645.754,77	22.123.120,24
Total	**48.325.164,94**	**474.747.942,69**
Total receivables	**78.221.791,05**	**654.740.733,02**

Company

Adulthood of Trade receivables	**Restated 31.12.2017**	**Restated 31.12.2016**
up to 90 days	5.279.817,96	3.821.033,56
from 91-180 days	2.542.595,84	2.823.945,82
from 181-270 days	823.249,80	985.950,62
from 271-360 days	1.527.617,48	2.411.741,76
over 360 days	12.956.620,86	9.090.212,16
Total	**23.129.901,94**	**19,132,883.92**

Other receivables

Group

	Group Restated 31.12.2017	Group Published 31.12.2016
Receivables from sales through credit cards	-	18.164.308,64
Current Debt	-	3.601.993,22
Receivables from the state	1.211.591,65	8.034.735,31
Advances for stock purchase	-	130.725.574,15
Advances to to employees	163.540,40	92.507,31
Purchases under settlement	-	2.309.718,22
Other receivables	-	40.317.191,19
Prepaid expenses	3.091.491,38	9.623.675,64
Accrued Income	153.565,58	206.375,31
Total	**4.620.189,01**	**213.076.078,99**

Company

Other receivables	Restated 31.12.2017	Restated 31.12.2016
Current Debt	77.959.526,50	70.331.994,64
(-) Provision for impairment	-75.390.520,24	-66.504.056,51
Net Current Debt	**2,569,006.26**	**3,827,938,13**
Receivables from the state	1.112.458,08	2.882.172,48
Advances to employees	110.342,34	83.768,98
Purchases under settlement	224.279,09	209.681,36
Other receivables	793.112,40	861.264,44
Prepaid expenses	442.687,18	487.058,88
Accrued Income	123.081,04	102.768,34
Total	**5.374.966,39**	**8.454.652,61**

The account "Short-term borrowing receivables" derives mainly from borrowing of the parent company in subsidiary companies of the FF Group, with the exception of the amount of € 835 thousand relating to DFS. Loan claims have been tested for impairment similar to those of trade receivables and the Company has fully impaired its loans to FF Sourcing, Links of London, FF France, FF Spain and Marina Mytilene. Impairment is presented in Note 33.

The fair value of the above receivables does not differ materially from their book value.

13. Cash and short-term deposits

Group

	Restated 31.12.2017	Published 31.12.2016
Cash on hand	714.779,11	11.268.490,60
Sight Deposits and fixed term	175.964.422,62	316.916.210,38
	176.679.201,73	**328.184.700,98**

Company

	Restated 31.12.2017	Restated 31.12.2016
Cash on demand	506.495,62	386.714,61
Sight Deposits and fixed term	**154.680.720,09**	**29.137.908,14**
Visa deposits in EUR	70.025.778,49	17.073.081,01
Deposits in foreign currencies	74.527.314,10	4.530.635,77
Fixed term deposits	10.127.627,50	7.534.191,36
Total	**155.187.215,71**	**29.524.622,75**

	Restated 31.12.2017	Restated 31.12.2016
Sight Deposits in foreign currencies		
US Dollar (USD)	42.857.006,42	1.013.715,07
Pound Sterling (GBP)	28.064,74	3.504.264,46
Japanese Yen (JPY)	39,15	12.656,13
Swiss Franc (CHF)	31.642.203,79	0,11
Total	**74.527.314,10**	**4.530.635,77**

Group

Sight Deposits and fixed term deposits include pledged Cash Collateral of € 10m. for a loan received by the subsidiary Links of London and € 46m for a loan received from FF Group Sourcing Ltd by Safra Sarasin.

14. Equity of Company Owners

Group

	Group 31.12.2017	Group 31.12.2016
Share Capital	20.084.463,00	20.084.463,00
Share Premium	78.441.776,20	81.855.417,03
Treasury shares	(13,409,548.73)	(13,409,548.73)
Other Reserves	314.422.461,17	286.399.611,60
Exchange differences	5.700.550,03	199.531.909,60
Consolidation differences	-	(85.563.675,68)
Retained earnings	(340.865.342,28)	1.362.538.329,58
Total	**64.374.359,39**	**1.851.436.506,40**

The share capital is divided into 66.948.210 ordinary shares of nominal value € 0,30 each. On December 31, 2017, the company held 584.083 shares. own shares. The number of treasury shares held by the Company has not changed since 31 December 2016.

Shares issued and fully paid	**Common Shares**		**Share Premium Difference**	***Total***
	Number of Shares	**Value**		
Balance 01.01.2016	66.948.210,00	20.084.463,00	78.441.776,20	98.526.239,20
Balance 31.12.2016	**66.948.210,00**	**20.084.463,00**	**78.441.776,20**	**98.526.239,20**
Change	-	-	-	-
Balance 31.12.2017	**66.948.210,00**	**20.084.463,00**	**78.441.776,20**	**98.526.239,20**

Company

	Regular Reserve	Treasury shares	Other Reserves Reserves Law 3697/2008 - Taxation 10	Tax-free Reserves Investments	Untaxed Reserves of Fair Value	Profit / Loss from sale / valuation	Total
Balance 01.01.2016	22.813.222,81	-12,152,481.84	11.597.776,62	12.631.662,23	262.574.490,11	-10.933.109,96	286.531.559,97
Purchase of Own Shares	-	-1.257.066,89	-	-	-	-	-1.257.066,89
Valuation of available-for-sale investments						8.955.303,93	8.955.303,93
Balance 31.12.2016	**22.813.222,81**	**-13.409.548,73**	**11.597.776,62**	**12.631.662,23**	**262.574.490,11**	**-1,977,806.03**	**294.229.797,01**
Valuation of available-for-sale investments						7.042.975,87	7.042.975,87
Balance 31.12.2017	**22.813.222,81**	**-13.409.548,73**	**11.597.776,62**	**12.631.662,23**	**262.574.490,11**	**5,065,169.84**	**301.272.772,88**

Statutory reserve
According to Greek Commercial Law, companies are required to make a regular reserve of 5% of their net profits each year, up to a third of their share capital. The distribution of the statutory reserve during the life of the Company is prohibited.

Tax-free reserves of special law provisions
Tax-free reserves of special law provisions refer to undistributed profits which are exempt from taxation under specific development laws. These reserves are primarily investments and are not distributed. For these reserves no tax liabilities have been accounted for.

Untaxed fair value reserves
Fair value free allowances came from the spin-off of the Duty-Free Sector (DAC) and concern the tax-free segmented profits of SW 1297/72 amounting to € 264,729,190.02 reduced by the amount of the shares of € 2,154,699.34.

The reserves are taxed at the time of the distribution or the dissolution of the company at the applicable tax rate, in accordance with the provisions of article 9 par. 2 N. 1297/1972

Reserves of L. 3697/2008 - 10% tax:
In the case of distribution or capitalization, it is taxed in accordance with the applicable provisions by deducting the tax paid 10% (Article 16, par. N. 3697/2008).

Reserve for new investments:
These are untaxed reserves of development law up to and including Law 2601/1998 for which under the provisions of Law 1473/84 there is a possibility of taxation of 5% if capitalized or taxation at the applicable rate if they are distributed. To apply the reduced 5% rate mentioned above, the company must remain listed, otherwise the rate becomes 10%.

Gains / losses on sale / valuation:
In order to be distributed or capitalized, they should be taxed as income from a business activity at the current tax rate.

15. Loan commitments

The borrowings for the year ended 31 December 2017 and 2016 are analyzed as follows:

Group

Loan commitments	**Restated 31.12.2017**	**Published 31.12.2016**
Borrowed funds		
Bond loans	517.051.050,96	283.996.229,93
Bank loans	105.906.192,62	123.126.820,36
Leasing	21.918.822,39	27.138.893,66
Total	**644.876.065,97**	**434.261.943,95**
Long-term borrowings	16.770.646,85	361.742.555,40
Short-term borrowings	628.105.419,12	72.519.388,55
Total	**612.740.267,17**	**434.261.943,95**
Bond loans		
Over 5 years old	-	-
From 1 to 5 years	510.525.141,84	279.329.892,79
Up to 1 year	6.525.909,12	4.666.337,14
Total	**517.051.050,96**	**283.996.229,93**
Bank loans		
Over 5 years old	-	-
From 1 to 5 years	2.451.027,24	59.013.132,25
Up to 1 year	103.455.165,38	64.113.688,11
Total	**105.906.192,62**	**123.126.820,36**
Leasing		
Over 5 years old	9.512.647,83	11.711.542,46
From 1 to 5 years	9.531.161,55	11.687.987,90
Up to 1 year	2.875.013,01	3.739.363,30
Total	**21.918.822,39**	**27.138.893,66**

Company

Loan Liabilities	Restated 31.12.2017	Restated 31.12.2016
Long-term borrowings	16.770.646,85	19.628.528,77
Short-term borrowings	472.064.572,59	256.835.536,50
Total	**488.835.219,44**	**276,464,065.27**
Bond loans		
Up to 1 year	411.208.193,50	223.882.340,33
Total	**411.208.193,50**	**223.882.340,33**
Bank loans		
Up to 1 year	47.124.387,92	20.271.581,99
Total	**47.124.387,92**	**20.271.581,99**
Leasing		
Over 5 years old	9.512.647,83	11.711.542,46
From 1 to 5 years	7.257.999,02	7.916.986,31
Up to 1 year	1.786.188,96	2.027.197,79
Total	**18.556.835,81**	**21.655.726,56**
Settlement of claims		
Up to 1 year	11.945.802,21	10.654.416,39
Total	**11.945.802,21**	**10.654.416,39**

The Company has the following loan agreements for bond loans:
A. Convertible bond loan agreement of € 250 million 5 years ending in 2019 (Fixed Rate: 1,75%)
B. Loan agreement € 50 million (EURIBOR plus margin of 3,10%) C. The FOLLI-FOLLIE SOCIETE ANONYME COMMERCIAL INDUSTRIAL AND TECHNICAL SOCIETE ANONYME concluded on 11 October 2017 the issue of a Swiss franc bond through its subsidiary of the company "FF Group Finance Luxembourg II SA", with its registered office in Luxembourg.

The issue is unrated and unrated (unrated senior unsecured), with a maturity of 4 years ending in 2021 and a total amount of CHF 150 million. The bond has a fixed coupon of 3.25% and the issue price is 100%.

The total obligation on bond loans of € 411 million and € 224 million for years 2017 and 2016 respectively arises from contracts concluded with FF Luxembourg I SA and FF Luxembourg II SA for which the Company is a guarantor.

For the bank loans amounting to € 47 million, the shares held by the Company at ATTIKA Department Stores SA have been pledged / pledged.

The Company has provided cash collateral of € 10m. for a loan received by the subsidiary Links of London and has guaranteed a loan received by its subsidiary in Asia, FF Group Sourcing Ltd, by Safra Sarasin amounting to € 46m. The results for the year 2017 have been burdened with the amount of € 56 million, with corresponding liability recognition, which was paid by the Company during 2018 with the forfeiture of the guarantees.

Amounts pre-paid by commercial credit intermediaries with a right of recourse are shown in the short-term liabilities in "Loans" in the Statement of Financial Position.

Long-term borrowings arising from bond loans were reclassified to short-term as Alvarez & Marsal's report made the loans prematurely overdue as they were immediately due before the contractual maturity of the bondholders.

With respect to the sale and leaseback agreements concluded by the Company (Note 5), the table below shows the minimum lease payments payable until the expiry date of each contract.

Company

Liabilities from finance leases - minimum payment	**2017**	**2016**
<1	2.430.837,96	2.463.243,34
1-5	9.395.833,25	9.581.694,41
>5	10.302.872,20	12.547.849,00
	22,129,543.41	**24,592,786.75**
Future financial expenses from finance leases	-3.572.707,60	-2.937.060,19
Present value of finance lease liabilities	**18,556,835.81**	**21,655,726.56**

16. Derivative Financial Instruments

Derivative financial instruments consist of forward currency swaps and are valued at level 2 determined using valuation techniques.

Risk of diminishing mixed profitability due to appreciation of foreign currencies:
The Group (and the Company) buys the bulk of its commodities at USD-denominated prices and sells these commodities on markets operating at prices denominated in local currency. The sale prices of the goods are finalized several months before their receipt and repayment. Exchange rate risk management is managed using physical hedging instruments, currency swaps and forward currencies.

Company

Derivative financial instruments	**31.12.2017**	**31.12.2016**
Derivative financial instruments from Forwards	-328.314,18	192.029,50
Total	**-328.314,18**	**192.029,50**

The Company has entered into a Forward contract with Alpha Bank, maturing on December 24, 2018.

17. Employee benefit liabilities

Group

	Group	
	01.01. - 31.12.2017	**01.01. - 31.12.2016**
Amounts recognized in the income statement		
Current employment costs	633.248,00	322.816,00
Interest on the obligation	109.602,00	78.724,00
Normal expense in the profit and loss account	**742,850.00**	**401.540,00**
Cutting / Settlement / Termination Costs	635.528,00	643.872,00
Total expense in the profit and loss account	**1,378,378.00**	**1,045,412.00**
Change in the present value of the liability		
Present value of liability at the beginning of the period	4.442.997,91	5.040.581,00
Current employment costs	633.248,00	322.816,00
Interest on the liability	109.602,00	78.724,00
Benefits paid by the employer	(1.166.273,67)	(970.835,00)
Cutting / Settlement / Termination Costs	635.528,00	643.872,00
Adaptation to the liability	-	(955.783,09)
Change consolidation method	(1.357.488,91)	-
Actuarial loss / (gain) recognized in Equity	88.883,00	283.623,00
Present value of liability at the end of the period	**3.386.496,33**	**4.442.997,91**
Actuarial assumptions		
Discount Rate	1,66%	1,77%
Future salary increases	0%	0%
Inflation	1,75%	1,75%
Duration of Liabilities	16,78	17,80

Company

	01.01. - 31.12.2017	01.01. - 31.12.2016
Amounts recognized in the income statement		
Current employment costs	182.691	171.415
Interest on the liability	40.088	54.003
Expense in the profit and loss account	222.779	225.418
Cutting / Settlement / Termination Costs	384.891	493.394
Total expense in the income statement	607.670	718.812
Change in the present value of the liability		
Present value of liability at the beginning of the period	2.290.083	2.179.175
Current employment costs	182.691	171.415
Interest on the liability	40.088	54.003
Benefits paid by the employer	501.027	703.823
Cutting / Settlement / Termination Costs	384.891	493.394
Actuarial loss / (gain) recognized in Equity	47.000	95.919
Present value of liability at the end of the period	**2.443.726**	**2.290.083**
Actuarial assumptions		
Discount Rate	1,66%	1,77%
Future salary increases	0,00%	0,00%
Inflation	1,75%	1,75%
Duration of Liabilities	16,78	17,80

	01.01. - 31.12.2017	01.01. - 31.12.2016
Adjustments		
Adjustments to obligations from change of affairs	42.055	348.758
Empirical adjustments to liabilities	89.055	252.839
Total Actuarial Profit / (Loss) in Equity	47.000	95.919

	01.01. - 31.12.2017	01.01. - 31.12.2016
Changes in the net liability recognized in the balance sheet		
Net liability at the beginning of the year	2.290.083	2.179.175
Benefits paid by the employer	501.027	703.823
Total expense recognized in the income statement	607.670	718.812
Total amount recognized in Equity	47.000	95.919
Net liability at the end of the year	**2.443.726**	**2.290.083**

	01.01. - 31.12.2017	01.01. - 31.12.2016
Finance		
Expected benefits from the plan during the next use	63.869	50.441

	01.01. - 31.12.2018
Expected expense in the next year's profit and loss account	
Current employment costs	199.605
Net interest on the liability / (asset)	40.036
Expected regular expense in the profit and loss account	239.641

Actuarial loss is due:

(a) change in economic affairs: the discount rate was reduced.

(b) change in demographic affairs: increased retirement rates.

c) Year experience differed from relevant assumptions: the loss at the higher than expected salary increases is partly offset by profit due to a difference from the expected mobility of the population.

Susceptibility Analysis PADC (PVDBO)		% Difference from basic scenario
Current Value of Commitment:	2.443.726,00	
Calculation at Discount Rate + 0.5%:	2.255.401,00	-7,70%
Calculation at a discount rate of -0.5%:	2.653.150,00	8,60%
Calculation with a resignation rate of -30%:	2.591.793,00	6,10%

18. Other long-term liabilities

Company	Restated 31.12.2017	Restated 31.12.2016
Other long-term liabilities	211.000,00	211.000,00
Liabilities from building guarantees received	11.000,00	11.000,00
Total	**222.000,00**	**222.000,00**

Group	Restated 31.12.2017	Published 31.12.2016
Provisions for additional taxes	1.030.209,17	289.015,64
Provisions for risks & expenses	2.452.057,62	1.558.858,49
Total	**3.482.266,79**	**1.847.874,13**

19. Trade and other payables

Group

Trade and other payables	Restated 31.12.2017	Published 31.12.2016
Trade payables	7.389.540,06	50.987.721,57
Cheques / promissory notes payables	6.294.535,45	5.230.019,64
Customer prepayments	1.225.602,30	15.136.268,56
Salaries of staff payable	691.106,11	331.858,87
Payee	2.345.205,76	7.146.008,68
Liabilities to insurance institutions	2.495.994,04	3.276.829,60
Other liabilities	895.290,07	45.331.549,63
Expenses accrued	958.583,12	13.251.959,03
Income of next uses	275.053,49	256.862,58
Total	**22.570.910,40**	**140.949.078,16**

Company

Trade and Other Obligations	Restated 31.12.2017	Restated 31.12.2016
Trade payables	13.477.436,15	16.183.949,43
Cheques / promissory notes payables	5.841.851,10	4.785.858,11
Advances from customers	9.471.883,42	14.451.433,27
Salaries of employees payable	74.819,01	55.207,49
Payee	1.629.993,51	1.121.380,98
Liabilities to insurance institutions	1.501.239,83	1.438.545,89
VAT and Other taxes	2.728.154,97	2.749.630,27
Other liabilities	1.554.865,16	3.071.644,59
Expenses accrued	991.218,92	1.457.189,05
Deferred revenue	114.409,89	256.862,58
Obligation to provide guarantees for subsidiaries' loans	56.000.000,00	-
Total	**93.385.871,96**	**45.571.701,66**

Trade and Other Liabilities from Affiliates	Restated 31.12.2017	Restated 31.12.2016
Trade payables to Affiliates	2.047.205,97	2.300.307,74
Customer advances to affiliates	-	91.258,86
Total	**2.047.205,97**	**2.391.566,60**

The accrued expense account includes provisions for joint expenses, premiums, associate fees, rents for the current year, and purchases under settlement for which the goods have been received.

20. Current and deferred income tax

Group

	Restated 31.12.2017	Published 31.12.2016
Income tax	8.233.786,04	66.009.515,46
Taxes from Tax audits	79.871,20	
Total	8.313.657,24	66.009.515,46

	Restated 31.12.2017		Published 31.12.2016	
	Asset	Liability	Asset	Liability
Current assets				
Tangible assets		27.078.527,30		16.792.812,85
Intangible assets		1.449.417,73		189.361,11
Non-current assets				
Long term Liabilities - Provisions	13.140.803,87			4.357.149,95
Losses	293.741,31		456,961.57	
Short term Liabilities - Accruals		(2.651.253,01)		203,660.00
Total	**13.434.545,18**	**25,876,692.02**	**456,961.57**	**21,542,983.91**
Matching	(3.518.553,97)	(3.518.553,97)	(456.961,57)	(456.961,57)
Total	**9.915.991,21**	**22.358.138,05**		**21.086.022,34**

Deferred taxes are calculated based on the tax rate that will be charged to the company's profits for the year when the deferred tax asset or liability is expected to be settled, taking into account the tax provisions in force at the balance sheet date. Therefore, the tax rate used to calculate deferred tax is 29%

Current income tax

	Group	
	Restated 01.01 - 31.12.2017	Published 01.01 - 31.12.2016
Profit / Loss before tax	**(127,802,218.24)**	**253.478.321,88**
Current tax rate	29%	29%
Corresponding tax	**(37,062,643.29)**	**73.508.713,35**
Non-reversible tax differences	6.976.311,25	3.309.036,77
Deferred taxes that were not recognized/derecognized	(1.134.345,46)	9.116.702,40
Effect of different tax rate in subsidiaries	39.606.144,56	(59.366.182,81)
Total	**8.385.467,06**	**26,568,269.71**

Company

	Restated 31.12.2017		Restated 31.12.2016	
	DTA	**DTL**	**DTA**	**DTL**
Current assets				
Tangible assets	-	12.513.406,34	0,00	23.424.102,66
Intangible assets	-	1.170.457,46	137.540,25	-
Non-current assets				
Macro. Liabilities - Provisions	2.588.126,25	-	1.373.932,85	-
Short. Liabilities - Transitional Accruals	-	242.598,99		215.235,00
Total	**2.588.126,25**	**13,926,462.79**	**1.511.473,11**	**23,639,337.66**
Liquidation	-2.588.126,25	-2.588.126,25	-1.511.473,11	-1.511.473,11
Total	**-**	**11.338.336,54**	**-**	**22.127.864,56**

	1 January 2017	Debit / (Credit) to the results	31 December2017
Deferred tax liabilities (before matching)			
Tangible assets	23.424.102,66	-10.910.696,32	12.513.406,34
Short. Liabilities - Transitional Accruals	215.235,00	27.363,99	242.598,99
	23,639,337.66	**-10,883,332.33**	**12,756,005.33**
Deferred tax assets (before matching)			
Intangible assets	137.540,25	-1.307.997,71	-1.170.457,46
Macro. liabilities - Provisions	1.373.932,85	1.214.193,40	2.588.126,25
	1.511.473,11	**-93,804,31**	**1,417,668.80**
Deferred tax liability	**22.127.864,56**	**-10.789.528,02**	**11,338,336.53**

Deferred taxes are calculated based on the tax rate that will be charged to the Company's profits for the year when the deferred tax asset or liability is expected to be settled, taking into account the tax provisions in force at the balance sheet date. Therefore, the tax rate used for the calculation of deferred tax is 29% based on recent amendments to Greek tax legislation.

The Group companies that have not been audited by the local tax authorities are presented in the table below:

Company name	Unaudited Taxation Uses
FOLLI FOLLIE SA	2012-2017(*)
FOLLI FOLLIE UK LTD	2012-2017
FOLLI FOLLIE FRANCE SA	2012-2017
FOLLI FOLLIE SPAIN SA	2012-2017
FF CYPRUS	2012-2017
PLANACO SA	2012-2017(*)
FOLLI FOLLIE JAPAN LTD	2015-2017
FOLLI FOLLIE GROUP SOURCING LTD	2016-2017
FOLLI FOLLIE ASIA LTD	2016-2017
FOLLI FOLLIE TAIWAN LTD	2015-2017
FOLLI FOLLIE KOREA LTD	2016-2017
FOLLI FOLLIE SINGAPORE LTD	2016-2017
FOLLI FOLLIE MACAU LTD	2016-2017
FOLLI FOLLIE GUAM LTD	2012-2017
FOLLI FOLLIE HAWAII LTD	2012-2017
FOLLI FOLLIE HONG KONG INTERNATIONALTD	2016-2017
FOLLI FOLLIE MALAYSIA LTD	2015-2017
FOLLI FOLLIE THAILAND LTD	2016-2017
FOLLI FOLLIE SHANGAI (PILION LTD)	2016-2017
FOLLI FOLLIE SHENZHEN LTD	2016-2017
FOLLI FOLLIE BUSINESS DEVEL. & TECH.CONS. LTD	2016-2017
FF INTERNATIONAL HOLDINGS LTD	2016-2017
FOLLI FOLLIE ORIGINS LTD	2016-2017
FOLLI FOLLIE AUSTRALIA LTD	-
FOLLI FOLLIE HOLDINGS SA	2012-2017(*)
LINKS (LONDON) LIMITED	2012-2017
LINKS OF LONDON (INTERNATIONAL) LTD	2012-2017
LINKS OF LONDON COM LTD (UK)	2012-2017
LINKS OF LONDON INC (USA)	2012-2017
LINKS OF LONDON (ASIA) LTD	2012-2017
LINKS OF LONDON JAPAN CO LTD	2012-2017
FF GROUP ROMANIA SRL	2012-2017
FF GROUP BULGARIA EOOD	2012-2017
ATTICA DPT STORES SA	2012-2017(*)
JUICY COUTURE EUROPE LTD	2015-2017
JUICY COUTURE IRELAND LTD	2015-2017
FF GROUP FINANCE LUXEMBOURG SA	2015-2017
FF GROUP FINANCE LUXEMBOURG II SA	2017
STRENABY FINANCE LTD	2015-2017
APPAREL ROMANIA SRL	2015-2017
WARLABY TRADING LTD	2016-2017
QIVOS AE (prev. SALES MANAGER HELLAS)	2012-2017
NARIACO INVESTMENTS LTD	2016-2017
FF COSMETICS SA	2012-2017(*)

(*) For the years 2011 to 2013, the Company is subject to tax audit by Certified Auditors Accountants pursuant to par. 5 of article 82 of Law no. 2238/1994, received a Tax Compliance Report without reservation. For the tax audit for the years 2014-2017, the Company meets the relevant criteria for inclusion in the tax audit of the Certified Auditors Accountants provided by the provisions of article 65A par.1 of Law 4174/13 and the number POL. 1124/2015, received a Tax Compliance Report without reservation. At 31 December 2017 the uses were decommitted until December 31, 2011 under the provisions of par. 1 of article 36 of Law 41474/2013 as notified by POL.1208 / 2017.

The fiscal years 2012, 2013, to be considered tax-deductible, should be in accordance with the provisions of par. 1a of article 6 of CL 1159/2011, while for the years 2014 and thereafter, the settlement is effected on the basis of POL.1124 / 2015. Such control may take place within the time the Tax Administration has the right to issue tax assessment transactions. In the year 2017, in particular in the last quarter, an audit mandate was notified to the parent company by the relevant Tax Authority for the years 2012, 2013 and 2014. The audit is in progress and until the date of approval of the annual financial statements is not completed. However, we note that the fiscal year 2012 has been audited by the statutory auditor in accordance with the provisions of par. 5 of article 82 of Law no.

2238/1994 and a tax compliance report has been issued without reservation. Also, according to the provisions of par. 1 and 4 of article 5 of the CL 1159/2011 and the decision of the Council of State 1738 / 27.6.17, the use is completed.

Other taxes

	Restated 31.12.2017	Published 31.12.2016
VAT	2.008.241,10	8.113.815,09
Other taxes fees	2.161.266,74	2.306.096,57
	4.169.507,84	**10.419.911,66**

21. Turnover

Breakdown of turnover per operating segment is shown in par. 3 of the notes to the financial statements.

Group

	Restated 01.01. - 31.12.2017	Restated 01.01. - 31.12.2016
Sales of goods	338.535.050,66	1.321.038.489,37
Sales of finished-unfinished products.	6.660.161,12	6.082.677,22
Sales of other inventory and waste material	476.861,05	244.353,70
Services	13.546.319,54	9.909.699,19
Total	**359.218.392,37**	**1.337.275.219,48**

Company

	31.12.2017	31.12.2016
Sales of goods	119.432.048,42	120.235.547,70
Sales of finished-unfinished products.	6.660.161,12	6.082.677,22
Sales of other inventory and waste material	493.248,14	324.391,53
Services	8.627.570,43	8.122.255,48
Total	**135.213.028,11**	**134.764.871,93**

In accordance with IAS 18, the Company did not recognize the income arising from transactions with its subsidiaries in Asia, FF Spain, FF France, FF UK, Links of London and Juicy Couture for the years 2015-2017 for which the criterion of the collectability of invoiced sales becomes uncertain and the recoverability of the claims created in the three years above was zero. (Note 34, paragraph 4)

22. Other operating income

Group

	Restated 01.01. - 31.12.2017	Published 01.01. - 31.12.2016
Marketing Income	211.729,75	494.221,20
Other Income	4.303.454,27	5.668.684,21
Revenue from grants	186.093,75	42.071,98
Rental income	1.050.804,27	1.075.110,87
Credit FX gains	2.816.707,11	6.629.111,78
Other operating income (extraordinary & non-operating)	326.921,74	2.115.332,47
Income from prior periods	495.678,38	334.958,62
Total	**9.391.389,27**	**16.359.491,13**

Company

	Restated 31.12.2017	Restated 31.12.2016
Marketing Income	-169.933,05	795.041,60
Revenue from Promoters & Merch.	741.973,50	-
Other Income	2.762.374,62	2.821.338,14
Revenue from grants	-	39.666,98
Rental income	1.049.084,60	1.001.336,60
Dividends from other investments	2.000.000,00	79.856,70
Total	**6.383.499,67**	**4.737.240,02**

23. Administrative & Selling Expenses

Group

Administrative expenses	Restated 01.01. - 31.12.2017	Published 01.01. - 31.12.2016
Remuneration & staff costs total	25.401.779,01	30.551.000,22
Fees & Expenses	3.272.070,45	6.627.728,35
Credit card commissions & commissions for wholesale		
Telephone & Postage Expenses	585.844,81	763.949,72
Rentals	3.930.404,25	557.099,12
Rentals-finance leases	194.038,04	227.815,45
Insurance	551.991,16	597.795,21
Repairs & maintenance	1.644.350,59	1.088.893,80
Electricity, water supply, heating, cleaning	657.966,25	772.337,74
Taxes Fees	1.379.043,78	2.026.931,15
Transportation costs - Logistics	1.672.069,63	2.841.450,96
Promotional & advertising costs	3.149.998,22	6.334.816,06
Exhibition Expenses	51.260,66	363.782,20
Stationery, printed matter and consumables	290.076,19	1.093.602,29
Other Expenses	634.758,05	2.880.797,24
Depreciation	12.052.797,46	9.520.932,50
Provisions for staff compensation	395.890,02	878.807,55
Expect others	-	12.106,77
	55,864,338.57	**67.139.846,33**

Selling expenses	Restated 01.01. - 31.12.2017	Published 01.01. - 31.12.2016
Remuneration & staff costs total	73.277.292,74	91.378.255,47
Fees & Expenses	4.933.479,38	20.434.777,08
Credit card commissions & commissions for wholesale	3.377.351,25	5.466.710,21
Telephone & Postage Expenses	1.407.872,75	1.606.497,40
Rentals	70.035.600,86	78.132.551,92
Rentals-finance leases cars	285.262,22	269.698,99
Insurance	1.152.631,71	1.629.852,40
Repairs & maintenance	3.185.948,52	3.190.383,24
Electricity, water supply, heating, cleaning	3.613.424,53	6.217.144,11
Taxes Fees	1.246.705,14	1.111.026,61
Transportation costs - Logistics	6.910.532,39	8.105.132,95
Promotional & advertising costs	10.142.254,47	31.606.190,01
Exhibition Expenses	27.559,86	518.186,31
Stationery, printed matter and consumables	1.136.914,87	2.833.798,34
Other Expenses	11.616.615,52	8.194.979,42
Depreciation	19.497.438,63	19.971.272,13
Provisions for staff compensation	894.025,57	608.510,33
Provision others	76.250,00	806.598,73
	212.817.160,41	**282.081.565,65**

Company

Administrative expenses		Restated 31.12.2017	Restated 31.12.2016
Remuneration & staff costs total	29	7.158.561,13	7.050.115,29
Fees & Expenses		2.633.167,71	3.224.188,16
Telephone & Postage Expenses		130.289,80	124.223,34
Rentals		359.794,45	355.814,72
Rentals-finance leases car		163.921,39	163.921,49
Insurance		115.182,29	131.049,23
Repairs & maintenance		324.094,66	297.845,68
Electricity, water supply, heating, cleaning		401.375,09	466.500,52
Taxes Fees		1.034.548,30	913.129,99
Transportation costs - Logistics		380.724,36	407.487,70
Promotional & advertising costs		297.450,60	236.626,95
Exhibition Expenses		4.989,81	70.313,05
Stationery, printed matter and consumables		27.047,77	21.736,20
Other Expenses		593.447,93	348.653,90
Depreciation		814.349,56	785.210,23
Provisions for staff compensation		-	539.921,04
Total		**14,438,944.84**	**15,136,737.49**

Selling Expenses		Restated 31.12.2017	Restated 31.12.2016
Remuneration & staff costs total	29	22.455.184,82	22.112.050,74
Fees & Expenses		2.730.791,77	3.343.724,17
Credit card commissions & commissions for wholesale		1.650.743,60	2.033.189,36
Telephone & Postage Expenses		697.472,62	664.997,38
Rentals		7.892.371,83	7.805.073,43
Rentals-finance leases car		197.059,43	197.059,55
Insurance		881.204,27	1.002.594,66
Repairs & maintenance		813.079,57	747.226,87
Electricity, water supply, heating, cleaning		1.677.211,62	1.949.348,91
Taxes Fees		504.271,13	445.088,05
Transportation costs - Logistics		3.536.192,94	3.784.772,56
Promotional & advertising costs		8.105.108,74	6.447.750,24
Exhibition Expenses		36.696,13	517.097,56
Stationery, printed matter and consumables		58.600,64	47.092,81
Other Expenses		3.060.788,08	1.798.229,69
Depreciation		4.981.732,70	4.803.474,66
Provisions for staff compensation		707.796,05	158.282,81
Total		**59,986,305.95**	**57,857,053.45**

Non-audit services for the Company and its subsidiaries amount to € 15 thousands for the year ended 31/12/2017

24. Other expenses

Group

Other expenses	Group Restated 01.01 - 31.12.2017	Group Published 01.01 - 31.12.2016
Penalties & Fines	165.362,82	64.059,77
Duties and taxes on deficits	34.492,71	16.859,99
Impairment of fixed assets	4.397.954,78	413.566,75
Losses on the disposal of fixed assets	2.148.399,16	13.104.781,07
Bad Debts	7.589.768,00	230.996,06
Provisions for risks and expenses	7.180.115,74	-
FX differences losses	9.607.565,99	1.298.597,07
Previous Year Expenses	396.527,61	148.956,79
Losses from fair value revaluation	32.406.220,60	
Other Expenses	1.052.490,29	1.895.474,01
Total	**64,978,897.70**	**17,173,291.51**

Company

	Restated 31.12.2017	Restated 31.12.2016
Other expenses		
Penalties & fines	15.082,43	56.233,58
Losses from disposal / valuation of fixed assets	4.452.822,09	3.358.369,34
Bad Debts	675.459,27	218.866,53
FX differences losses	3.191.035,58	198.053,53
Previous Year Expenses	176.529,57	111.211,40
Other Expenses	-	13.395,36
Losses from fair value revaluation	32.452.588,86	19.460,72
Affiliate loan guarantees	56.000.000,00	-
Other earnings		
Gains from sale of fixed assets	1.413.002,88	7.443.059,69
FX difference gains	166.531,24	608.088,77
Other operating income (extraordinary & non-	179.075,57	51.588,21
Income from previous periods)	474.515,35	157.680,59
Total	**94,730,392.76**	**-4.284.826,80**

Provisions for impairment	Restated 31.12.2017	Restated 31.12.2016
Impairment of participations	34.099.697,53	98.614,96
Impairment of participations in associates	175.000,00	275.000,00
Impairment of trade receivables from associates	21.145.699,34	2.458.514,74
Losses from impairment of borrowings and other receivables from associates	8.886.463,09	18.913.583,32
Total	**64,306,859.96**	**21,745,713.02**

Concerning the guarantee liability amounting to € 56m. and the fair value revaluation loss of € 33 million, a related statement for the corresponding items of the Financial Position is given in items 20 and 6 respectively.

25. Financial income - expenses

Group

Financial income	Restated 01.01. - 31.12.2017	Published 01.01. - 31.12.2016
Profit from sale of Investments & other investments	-	-
Gains from FX derivatives	72.927,17	311.613,13
Revaluation of fair value investments		112.594,80
Derivative earnings	2.000.000,00	1.179.218,40
Dividends from investments at fair value		8,08
Interest received	2.758.690,58	229.378,39
Other Interests	295.014,06	455.575,54
Gains on the sale of fixed assets	1.475.411,01	9.288.827,98
Other financial income	2.364.899,90	1.010.915,34
Total	**8.966.942,72**	**12.588.131,66**

Financial expenses	Restated 01.01. - 31.12.2017	Published 01.01. - 31.12.2016
Losses from FX derivatives	-	187.326,58
Devaluation of fair value investments	3.020.161,01	-
Valuation losses on other assets	23.612,72	-
Losses of derivatives	1.274.212,43	-
Losses on the sale of fixed assets	1.487.434,88	2.479.421,34
Valuation of Fixed Assets	-	-
Other financial expenses	1.482.534,95	1.514.872,32
Impairment of participations	-	-
Interests and Expenses of Loan Liabilities	15.416.130,37	13.739.311,24
Interest on finance leases	855.325,89	887.562,94
Other Interests	43.957,42	316.323,04
Banking commissions and taxes	1.875.074,44	2.023.867,72
Total	**25,478,444.11**	**21.148.685,18**

Company

Financial Income	Restated 01.01. - 31.12.2017	Restated 01.01. - 31.12.2016
Gains from FX derivatives	-	288.870,94
Profit from convertible bonds	2.000.000,00	750.000,00
Interest receivable	10.368,62	141.702,32
Other Interests	35.677,44	38.631,74
Other financial income	335.641,75	184.022,23
Total	**2.381.687,81**	**1.403.227,23**

Financial expenses	Restated 01.01. - 31.12.2017	Restated 01.01. - 31.12.2016
Losses from FX derivatives	520.343,68	187.326,58
Losses of derivatives	0,00	-
Interests and Expenses of Loan Liabilities	18.344.943,84	14.006.300,16
Interest on finance leases	723.513,79	676.941,51
Banking commissions and taxes	1.048.129,63	1.061.818,36
Total	**20,636,930.94**	**15,932,386.61**

26. Cost of Sales

Company

	Restated 01.01. - 31.12.2017	Restated 01.01. - 31.12.2016
Cost of Sales	86.461.236,91	85.609.370,72
Inventory losses	-2.554.734,86	-1.875.684,94
Provision for obsolete inventory	1.865.000,00	2.332.413,73
Fees & Expenses	901.976,14	899.046,36
Salaries and wages	682.419,44	738.040,62
Other benefits	14.520,38	13.269,59
Employer contributions	169.629,64	181.252,09
Rent-car rental	-	2.130,75
Telephone & Postage Expenses	1.823,58	1.480,46
Insurance	361,70	344,54
Transportation costs - Logistics	132,33	599,28
Repairs & maintenance	3.191,54	3.178,57
Electricity, water supply, heating, cleaning	10.574,29	15.440,22
Taxes Fees	1.970,81	-
Promotional & advertising costs	11,88	-
Stationery, printed material and consumables	250,52	1.316,69
Depreciation	17.071,22	20.561,14
Banking commissions and taxes	3.331,97	-
Other Expenses	65.103,97	67.567,96
Total	**87,643,871.46**	**88,010,327.78**

27. Earnings / Losses per share

Group

	Group	
Earnings per Share	**Restated 01.01. - 31.12.2017**	**Published 01.01. - 31.12.2016**
Net profit for the period	**(136.187.685,30)**	**226.910.052,17**
It is distributed in:		
Profits attributable to the shareholders of the parent	(140.998.014,47)	222.466.621,12
Non-controlling interests	4.810.329,17	4.443.431,05
Weighted average number of shares	**66.364.127,00**	**66,378,312,19**
Basic earnings / (losses) per share (€)	**(2.12)**	**3.35**

Company

Losses per Share	**Restated 01.01. - 31.12.2017**	**Restated 01.01. - 31.12.2016**
Net Loss for the Period	**-186,975,562.30**	**-52.526.493,85**
Weighted average number of shares	**66.364.127,00**	**66,378,312,19**
Basic losses per share (€ / gross)	**-2,8174**	**-0.7913**
Loss after tax	**-186,975,562.30**	**-52.526.493,85**

28. Transactions and balances with affiliated parties

The following transactions relate to transactions with affiliated parties, as defined by IAS. 24.

Group

Group Transactions with other related parties

	Restated 01.01. - 31.12.2017	Published 01.01. - 31.12.2016
Sales of goods	173.181,00	46.784,82
Sales of Services - Other Revenues	238.341,00	36.996,00
Purchases of goods	1.344.531,00	3.275.292,00
Service provision - Other costs	89.686,00	73.161,00

Transactions & Remuneration with Executives	Restated 01.01. - 31.12.2017	Published 01.01. - 31.12.2016
Group	3.721.683,97	3.651.812,1

Company

Transactions between Parent and Subsidiary	Restated 01.01. - 31.12.2017	Restated 01.01. - 31.12.2016
Sales of goods	19.963.826,09	15.244.352,08
Sales of Services - Other Revenues	717.214,82	555.485,00
Purchases of goods	13.944.877,41	9.871.140,35
Service provision - Other costs	1.230.803,68	164.012,68

Mutual and other related parties Restructuring	Restated 01.01. - 31.12.2017	Restated 01.01. - 31.12.2016
Sales of goods	81.662,23	45.989,25
Sales of Services - Other Revenues		
Purchases of goods	194.919,98	157.227,82
Service provision - Other costs		

Transactions & Remuneration of BoD members and other executives	Restated 01.01. - 31.12.2017	Restated 01.01. - 31.12.2016
BoD and Management fees	1.241.914,32	1.253.860,32
Sales of goods	13.522,80	7.956,61

Other related parties include ATTIKA DPT STORES SA, ETERNAL Inc, Cosmobrands, Marina Mytilene SA, Retail Power I.K.E and ENTELECHY PROCESS ZYGOMALAS SOCRATES & CO.

The aforementioned companies are considered related either by indirect participation in the capital or relative affiliation or due to the exercise of substantial influence on the Management.

Group

	Other period endings Restated 31.12.2017	Published 31.12.2016
Group		
From other related parties		
Receivables	1.614.256,00	390.634,76
Liabilities	-	169.825,00
By management		
Receivables	-	-
Liabilities	1.619,00	78.105,08

Company

	Other period endings Restated 31.12.2017	Restated 31.12.2016
Parent		
From affiliates		
Receivables		
- Trade receivables	22.718.394,97	24.084.516,94
- Other receivables	19.559,68	59.080,42
- Loans	1.733.396,16	2.992.327,84
Liabilities		
- Trade liabilities	2.047.205,97	2.391.566,60
- Loan liabilities	411.208.193,50	223.882.340,33
- Other liabilities	-	28.612,45
From other related parties		
Receivables		
- Trade receivables	225.045,81	167.911,38
- Other receivables	-	-
- Loans	-	-
Liabilities		
Trade liabilities	-	-
Other liabilities	4.402,00	4.402,00
Board of Directors and executives		
Receivables	325,19	325,19
Liabilities	9.981,24	-

	People	
Company	1.142	1.099

The impairments that have been made to receivables from associates and sales are presented in detail in note 33.

Corporate Announcement Procedure under IAS 24

The Company's management found that the Company had not adopted procedures for the application of the provisions of International Accounting Standard 24 relating to "Related Party Transactions Disclosures", which is mainly applied to the identification of relationships and transactions between related parties and imposes an obligation to businesses to communicate through corporate and consolidated financial statements their financial relationships, transactions and outstanding balances that may have connected parts.
The current management of the Company proceeded with the adoption of the relevant procedures and policies, which adopted a relevant meeting on 11 April 2019 in order to ensure full and accurate information on these transactions.

When recruiting new members of the Board of Directors and / or Executives, the Company is responsible for receiving notifications regarding natural persons who have access to privileged information 3340/2005) as well as to legal entities that may have a conflict of interest with its objectives.

Transactions will be prepared in accordance with the applicable law, statutes and decisions of the decision-making bodies.

Monitoring Transaction Information

The Human Resources Division will receive the structure of the Group, the composition of the Company's Boards of Directors and the services structure, in order to identify the persons (hereinafter referred to as "the persons mentioned") to whom it will send communication for the transactions of the Affiliates Parties to the reporting entity. Communication will be twenty (20) business days and will be renewed at the end of each year.

The insiders will be sent a related transaction disclosure request and a form for registering transactions. This request will be sent at the end of each calendar year. The Human Resources Division will send the completed forms summarized (country and person mentioned) to the Financial Department.

The Financial Department will be responsible for recognizing transactions relating to transactions between the parent and the companies of the group, associates and other companies in accordance with IAS 24 (§9) and for the preparation of the tables included in the Financial Statements Situations. These tables reflect the total values (by category and type of transaction).

In addition, the Financial Department, the Shareholders' Service, the Purchasing Department and the Legal Department, jointly or separately, and for significant amounts of transactions (over € 10,000 per year) will perform additional background checks to verify the transactions of Affiliates counterparty with the reporting entity.

Additional procedures may, for example, relate to the comparison of contact information and tax IDs. Other procedures may relate to the review of data obtained from the company registers.

Approval of Transactions

Formed tables of transaction values will be submitted to the Audit Committee of the Board of Directors for approval.

The Audit Committee, with the participation of the Directors of the Financial Department, meets with the approval of the transaction, receives the relevant suggestion of the Financial Directorate with the personalized explanation of the transactions and will decide on the approval of the transactions.

Approved tables will be included in the BoD's Management Report and the financial statements that are approved by the Board of Directors prior to their review by the Company's Certified Auditors.

29. Contingent liabilities

Company

Guarantees for Affiliated Loans	31.12.2017
FF Bulgaria	921.487,61
FF Cosmetics	2.340,00
FF Cyprus	254.100,97
FF Holdings	668.494,11
FF Japan	677.347,98
FF LUX I	249.497.000,00
FF LUX II	183.659.186,01
FF Romania	10.328.788,80
Planaco	77.277,00
QIVOS	1.064.877,00
	447.150.899,48

A. The Company has secured loans in favor of its subsidiaries, amounting to approximately Euro 447 million. The guarantees include the bond loans made by the subsidiaries "FF Group Finance Luxembourg" and "FF Group Finance Luxembourg II". For the aforementioned loans, violations occurred in the year 2018. An amount of € 415 million that is included in the "Short-term borrowings" account in the statement of financial position of the Company concerns liabilities to these subsidiaries.

B. Based on the initial Trading and Purchase Agreement, in which the Company sold in 51% of the shares it held in Duty Free Shops SA. (Hellenic Duty-Free Shops) to Dufry AG, the Company received, among other things, 804,728 shares under escrow, of which 603,543 are the subject of an ongoing dispute with Dufry AG. There is a wide range of value resulting from the outcome of the arbitration (and hence the release of 603,543 shares) and the possible payment of a defaulted amount by the Company to Dufry AG in accordance with the initial Understanding and Trading Agreement of Stores Duty Free Products SA (Hellenic Duty Free Shops) in 2012 governing the redemption described above. (Note 12)

C On 28 November 2018, the Anti-Money Laundering Authority issued two provisions under which the sale of the real estate of the Company, which is located in Agios Stefanos, Attica, New Psichiko, Koropi, Santorini and Glyfada.

D. Pending Legal Matters with Defendant of the Company: According to the letter from the Legal Services Directorate there are legal proceedings and lawsuits under which seven suits are pending in which third parties have requested the custodial seizure of movable and immovable property of the company for a total amount of € 3,600,000. and claim damages of a total amount of € 5.462 thousand, which the Company will be required to pay if it is terminated at its expense.

Compensations relate mainly to material and non-pecuniary damage suffered by the shareholders following the fall of the share.

Within the framework of its usual activities, the Company has filed other actions against clients and former employees amounting to € 660 thousand.

E. Imposition of fines

Following the disclosure of the Hedge Fund Quintessential Capital Management report on 4.5.2019, which challenged various elements of the Company's consolidated financial statements, certain fines have been imposed by the Securities and Exchange Commission - which have been challenged with the filing of appeals - for a total amount of € 720 mm

F. Advisory Fees

During 2018, contracts were signed with consultants whose part of the remuneration would depend on the successful outcome of the Company's restructuring plan and the inclusion in Article 106b / d. The total amount of these fees is estimated to be at least 22 million. Euro, however, the Management of the Company is already in consultation with its legal advisors regarding the termination of part of these contracts, which in practice have already become non-executed and inactive, and in any case the stipulated remuneration of the contracts in force is the subject of regulation in the context of company restructuring under Article 106b / d of the Bankruptcy Code.

Assigned Obligations from Future Leases - As a lessee

The Company leases buildings that mainly operate as retail and transport facilities. Lease agreements contain various clauses, provisions and renewal rights.

Group

Future payable rents	2017	2016
<1	8.810.289,83	8.489.031,96
1-5	28.442.387,42	29.846.927,03
>5	23.571.706,81	30.200.154,80
	60.824.384,06	**68.536.113,79**

Company

Future payable rents	2017	2016
<1	8.918.477,15	7.809.571,08
1-5	28.939.877,90	31.161.377,63
>5	23.658.977,69	30.355.955,10
	61.517.332,74	**69.326.903,81**

30. Remuneration and staff costs

Group

Remuneration & employee costs	Restated 01.01. - 31.12.2017	Published 01.01. - 31.12.2016
Salaries and wages	82.318.760,00	104.531.208,75
Employer contributions	13.968.263,59	15.392.252,20
Compensated compensation	71.744,63	407.312,02
Other benefits	3.377.066,27	2.687.978,80
Total	**99.735.834,49**	**123,018,751.77**

Company

Remuneration & employee costs	01.01. - 31.12.2017.	Restated 31.12.2016.
Salaries and wages	24.097.466,41	23.988.587,07
Employer contributions	5.777.426,52	5.648.783,60
Other benefits	605.422,48	457.357,66
Total	**30.480.315,41**	**30.094.728,33**

On 31.12.2017 the Company employed 1,142 employees against 1,099 employees on 31.12.2016 and 1,104 in 2015.

31. Financial risk management

Exchange rates for translation of financial statements and sensitivity

The exchange rates used to convert the financial statements of subsidiaries and branches abroad into EUR (€) are as follows:

Prudent liquidity risk management requires (a) sufficient cash collateral and (b) availability of funding through sufficient credit lines. Due to the dynamic nature of its operations, the Company retains flexibility in funding by maintaining high unused limits on short-term bank lending contracts. The Treasury Department prepares statements of expected cash flows that are reviewed by management for better planning of liquidity management.

In spite of the financial crisis and the limitation of global liquidity, the Company maintains high liquidity due to the retail nature of most of its sales and is looking to further enhance its liquidity with the successful creation of discount stores for the disposal of old stocks, and with the containment of costs.

Credit risk

It is the risk of default on the part of the counterparty. Retail sales are made in cash through debit and / or credit cards and cover the largest proportion of turnover, whereas in terms of wholesale sales, the Company, on the basis of internal procedures, grants credit by examining the customer's credit standing on a case-by-case basis. For the most part, most of the wholesale sales are made in well-known department stores and in a network of selected franchisees. Additionally, the company makes a provision for bad customers. Finally, according to the Company's policy, part of the receivables from customers is secured.

Market Risk

Interest Rate Risk

This risk arises from the Company's bond and short-term bank loans as well as from the contracts for the leasing of buildings and equipment which it has concluded, namely the fact that these agreements are expressed at a floating rate linked to the EURIBOR. As a result, the Company is exposed to interest rate risk.

The impact of interest rate fluctuations on the income statement is limited, as shown in the following sensitivity analysis:

Interest Rate Sensitivity Analysis

	Variability Interest rate	Impact on earnings before taxes
01.01.2017-31.12.2017	1%	- 165.747,17
	-1%	165,747.17
01.01.2016-31.12.2016	1%	-118.635,23
	-1%	118.635,23

Currency risk

Risk of diminishing mixed profitability due to appreciation of foreign currencies:

The risk arises from the fact that the Group buys the bulk of its commodities at prices denominated in USD and markets these commodities on markets that operate at prices denominated in local currency. Additionally, the Group holds deposits in foreign currencies as well as holds debt securities and a Swiss franc (CHF) bond loan. Relevant information is given in note 14.

Currency Sensitivity Analysis

	Foreign currency	Exchange Rate / Foreign Currency	Impact on earnings before taxes		
			Intra-group	Third Parties	Total
01.01.2017-31.12.2017	USD	5%	-447.576,17	-374.314,77	-821.890,94
		-5%	447.576,17	374.314,77	821.890,94
01.01.2016-31.12.2016		5%	-235.484,25	-527.490,36	-762.974,61
		-5%	235.484,25	527.490,36	762.974,61
01.01.2017-31.12.2017	GBP	5%		-16.558,37	-16.558,37
		-5%		16.558,37	16.558,37
01.01.2016-31.12.2016		5%		-16.041,46	-16.041,46
		-5%		16.041,46	16.041,46
01.01.2017-31.12.2017	CHF	5%		-13.980,47	-13.980,47
		-5%		13.980,47	13.980,47
01.01.2016-31.12.2016		5%		-8.590,71	-8.590,71
		-5%		8.590,71	8.590,71
01.01.2017-31.12.2017	JPY	5%		-1.442,17	-1.442,17
		-5%		1.442,17	1.442,17
01.01.2016-31.12.2016		5%	-17,40	-2.063,42	-2.080,82
		-5%	17,40	2.063,42	2.080,82
01.01.2017-31.12.2017	HKD	5%			
		-5%			
01.01.2016-31.12.2016		5%		-47,44	-47,44
		-5%		47,44	47,44

A significant portion of US dollar purchases are related to intra-group transactions. The company's exposure to foreign exchange fluctuations in respect of transactions with third parties is addressed using Forward derivatives. (Note 17)

Price risk - Inflation

In the Company's opinion, the Company is not at significant risk from the price fluctuation of products as the prices of the products it markets are not very varied. An international increase in inflationary pressures coupled with the disruption of the international financial system may alter consumer habits, affecting sales and profitability. With regard to the securities portfolio it owns and which consists predominantly of shares in the Swiss-listed SIX stock of Dufry AG, its value may change significantly. A significant proportion of these shares are under escrow and are the subject of an ongoing dispute with Dufry AG.

Liquidity risk

Despite the volatile macroeconomic and financial environment in Greece, the Company seeks to further enhance its liquidity with the overall management of its old reserves and with the containment of costs. With respect to liquidity risk, Management manages liquidity needs by carefully monitoring planned payments for long-term liabilities and cash outflows from its day-to-day business. Liquidity needs are monitored in different time zones (daily, weekly, monthly). Due to the high borrowing, the Company considers it appropriate to control the adequacy of working capital to enhance liquidity.

Group

Group				
Liquidity analysis 31.12.2017	*Up to 1 year*	*From 1 to 5 years*	*Over 5 years old*	*Total*
Bond loans	6.525.909,12	510.525.141,84	-	517.051.050,96
Bank loans	103.455.165,38	2.451.027,24	-	105.906.192,62
Leasing	2.875.013,01	9.531.161,55	9.512.647,83	21.918.822,39
	112,856,087.51	**522.507.330,63**	**9.512.647,83**	**644.876.065,97**
31.12.2016	*Up to 1 year*	*From 1 to 5 years*	*Over 5 years old*	*Total*
Bond loans	4.666.337,14	279.329.892,79	-	283.996.229,93
Bank loans	64.113.688,11	59.013.132,25	-	123.126.820,36
Leasing	3.739.363,30	11.687.987,90	11.711.542,46	27.138.893,66
	72.519.388,55	**350,031,012.94**	**11.711.542,46**	**434.261.943,95**

Company

Liquidity analysis 31.12.2017	*Average Interest Rate*	*Up to 1 year*	*From 1 to 5 years old*	*More than 5 years old*	*Total*
Floating rate loans	3,51%	458.332.581,42		--	458.332.581,42
Liabilities from finance leases	3,64%	1.786.188,96	7.257.999,02	9.512.647,83	18,556,835.81
Settlement of Claims		11.945.802,21			11.945.802,21
Suppliers etc interest-free liabilities		19.319.287,25		--	19.319.287,25
		491.383.859,84	**7.257.999,02**	**9.512.647,83**	**508.154.506,69**
31.12.2016	*Average Interest Rate*	*Up to 1 year*	*From 1 to 5 years old*	*More than 5 years old*	*Total*
Floating rate loans	1,96%	244.153.922,32		--	244.153.922,32
Liabilities from finance leases	2,89%	2.027.197,79	7.916.986,31	11.711.542,46	21,655,726.56
Settlement of Claims		10.654.416,39			10.654.416,39
Suppliers etc interest-free liabilities		20.969.807,54		--	20.969.807,54
		277.805.344,04	**7.916.986,31**	**11.711.542,46**	**297.433.872,81**

32. Capital management

Capital Management aims to enable the Company to continue its operations in order to provide profits to shareholders and benefits to other stakeholders, while maintaining a capital structure that minimizes capital costs.
A key indicator used in managing funds is the leverage ratio, which is calculated as net debt divided by total capital. The leverage ratio stood at 31.12.2017 and 31.12.2016 respectively as follows:

Group

Company

Leverage ratio	**Restated 31.12.2017**	**Restated 31.12.2016**
Borrowed funds	488.835.219,44	276,464,065.27
Minus: Cash and cash equivalents	155.187.215,71	29.524.622,75
Net debt	333.648.003,73	246.939.442,52
Equity	-25,328,640.67	154,530,847.69
	108.2%	**61.5%**

33. Significant Events of the Closed Use

FOLLI-FOLLIE SOCIETE ANONYME COMMERCIAL & TECHNICAL SOCIETE ANONYME concluded a bond issue in Swiss franc on 11 October 2017 through its subsidiary "FF Group Finance Luxembourg II SA", based in Luxembourg. The issue is unrated and unrated (unrated senior unsecured), with a duration of 4 years and a total amount of 150 million Swiss francs. The bond has a fixed coupon of 3.25% and the issue price is 100%.

34. Reform of Financial Statements

The Company's Management carried out within the current year, in application of IAS 8, the change in accounting estimates and errors of previous accounting policies in the financial statements.

As a result, the Company's and Group's financial statements have been restated.

Group

In the consolidated financial statements, the corrections could not be applied retrospectively due to lack of data and cumulatively affected equity by 2017. Consequently, the amounts of 31 December 2016 are incorrect and not comparable.

Due to the continuous changes in the Group's management staff, the current Administration does not have reliable data for the revision of both the comparative reporting period, 31/12/2016 and the beginning of the earlier comparative period, ie 01/01/2016, so they could not be restated.

The restatements presented below have an effect on the retained earnings for the year 2017.

	Group	
	Restated	**Published**
Leverage ratio	**01.01 - 31.12.2017**	**01.01 - 31.12.2016**
Borrowed funds	644.876.065,97	434.261.943,95
Minus: Cash and cash	176.679.201,73	328.184.700,98
Net debt	468.196.864,24	106.077.242,97
Equity	69.553.317,11	1.884.362.817,86
	87,07%	**5.33%**

Company

In the corporate financial statements, the corrections that were made were applied retroactively by affecting the current and comparative reporting period, ie 31/12/2017 and 31/12/2016, and the beginning of the earlier comparative period presented, at 01/01/2016.

Amounts in € unless otherwise stated

Restated Consolidated Statement of Financial Position 2017

The following table shows the Restated Statement of Financial Position 2017 and the adjustments that mainly relate to past period errors

	Published	Group Adjustments 31.12.2017	Restated
Assets			
Non-current assets			
Tangible assets	266.817.155,59	(131.048.021,29)	135.769.134,30
Real estate investments	73.942.734,47	(32.408.633,05)	41.534.101,42
Intangible assets	26.694.180,26	(19.470.126,46)	7.224.053,80
Goodwill	95.397.528,79	(95.397.528,79)	-
Investments in affiliated companies	406.302,11	30.611.010,20	31.017.312,31
Investments available for sale	207.003.568,15	(54.810,00)	206.948.758,15
Other long-term assets	9.479.153,20	(5.470.841,41)	4.008.311,79
Total non-current	**679.740.622,57**	**(253,238,950.80)**	**426.501.671,77**
Current assets			
Inventories	634.997.509,35	(526.427.059,68)	108.570.449,67
Trade receivables	663.959.020,70	(585.737.229,65)	78.221.791,05
Other current assets	330.519.463,12	(325.899.274,11)	4.620.189,01
Derivative financial instruments	7.506,76	-	7.506,76
Financial assets at fair value through results	19.584.587,17	(19.584.587,17)	-
Cash and cash equivalents	446.339.865,37	(269.660.663,64)	176.679.201,73
Total current	**2.095.407.952,47**	**(1,727,308,814.25)**	**368.099.138,22**
Total assets	**2.775.148.575,04**	**(1,980,547,765.05)**	**794.600.809,99**
Equity & Liabilities			
Equity			
Share Capital	(20.084.463,00)	-	(20.084.463,00)
Share Premium	(81.730.417,03)	3.288.640,83	(78.441.776,20)
Other Reserves	(284.584.917,99)	(16.427.994,45)	(301.012.912,44)
Other equity items	79.863.125,65	(85,563,675.68)	(5.700.550,03)
Retained earnings	(1.576.033.698,91)	1.916.899.041,19	340.865.342,28
	(1,882,570,371.28)	**1.818.196.011,89**	**(64,374,359,39)**
Minority rights	(36.661.174,70)	31.482.216,98	(5.178.957,72)
Total equity	**(1.919.231.545,98)**	**1.849.678.228,87**	**(69.553.317,11)**
Liabilities			
Long-term liabilities			
Long-term borrowings	(496.942.646,00)	480.171.999,15	(16.770.646,85)
Deferred tax liabilities	(22.358.138,05)	9.915.991,21	(12.442.146,84)
Employee benefit liabilities	(5.088.642,50)	1.702.146,17	(3.386.496,33)
Other long-term provisions	(3.531.107,96)	48.841,17	(3.482.266,79)
Other long-term liabilities	(25.478.106,32)	210,00	(25.477.896,32)
Total long-term liabilities	**(553,398,640.83)**	**491.839.187,70**	**(61,559,453.13)**
Short-term liabilities			
Short-term borrowings	(115.797.621,17)	(512.307.797,95)	(628.105.419,12)
Derivative financial instruments	(328.314,18)	(230,97)	(328.545,15)
Trade and other liabilities	(139.130.401,17)	116.559.490,77	(22.570.910,40)
Current income tax	(39.816.742,80)	31.503.085,56	(8.313.657,24)
Current tax liabilities	(7.445.308,91)	3.275.801,07	(4.169.507,84)
Dividends payable	-	-	-
Total short-term liabilities	**(302,518,388.23)**	**(360.969.651,52)**	**(663,488,039.75)**
Total liabilities	**(855.917.029,06)**	**130.869.536,18**	**(725,047,492.88)**
Total Equity & Liabilities	**(2.775.148.575,04)**	**1.980.547.765,05**	**(794,600,809,99)**

Amounts in € unless otherwise stated

Restated Financial Position 2017

	Group		
	Published 01.01. - 31.12.2017	**Adjustments 01.01. - 31.12.2017**	**Restated 01.01. - 31.12.2017**
Turnover	(1.419.274.262,48)	1.060.055.870,11	(359.218.392,37)
Cost of Sales	785.509.052,41	(635.631.011,36)	149.878.041,05
Gross Profit	**(633,765,210.07)**	**424.424.858,75**	**(209,340,351.32)**
% Gross Profit	**44,7%**	**40.0%**	**58,3%**
Other operating income	(15.348.360,04)	5.956.970,77	(9.391.389,27)
Administrative expenses	71.701.159,92	(15.836.821,35)	55,864,338.57
Selling expenses	288.279.900,15	(75.462.739,74)	212.817.160,41
Other profits / (losses)	28.565.484,46	36.413.413,24	64,978,897.70
Operating profit	**(260,567,025.58)**	**375,495,681.67**	**114,928,656.09**
Financial income	(11.740.546,17)	2.773.603,45	(8.966.942,72)
Financial expenses	29.837.228,92	(4.358.784,81)	25,478,444.11
Investments accounted for using the equity method	432.152,90	(4.070.092,14)	(3.637.939,24)
(Loss) / Profit before tax	**(242,038,189.93)**	**369.840.408,17**	**127.802.218,24**
Income tax	25.336.252,76	(6.032.374,04)	19.303.878,72
Deferred Tax	(119.047,26)	(10.799.364,40)	(10.918.411,66)
(Loss) / Profit after tax	**(216,820,984.43)**	**353,008,669.73**	**136.187.685,30**
Depreciation	(34.301.291,42)	(5.039.825,16)	(39.341.116,58)
Earnings before interest and tax depreciation (EBITDA)	**(294,868,317.00)**	**370.455.856,51**	**75,587,539.51**
Other Comprehensive Income / (Expenses): Recognized in Equity			
Amounts that will not be transferred to income statement			
Reassessment of employee benefit obligations	88.882,90	(23.340,36)	65.542,54
Amounts that may be transferred income statement			
in subsequent periods			-
Available-for-sale financial assets	(10.530.239,32)	-	(10.530.239,32)
Valuation of Fixed Assets	(6.463.235,35)	7.480.587,77	1.017.352,42
Valuation of Financial Instruments	-		-
Deferred taxes non-profit period	-		-
Exchange rate differences from conversion overseas holdings	193.831.361,57	(20.651.411,03)	173.179.950,54
Other comprehensive income / (expenses) after tax	**176.926.769,80**	**(13,194,163.62)**	**163.732.606,18**
Income after tax	**(39,894,214.63)**	**339.814.506,11**	**299.920.291,48**
The profit is attributed to:			
(Losses) / Profits attributable to its shareholders parent company	(212.010.655,26)	353,008,669.73	140.998.014,47
Non-controlling interests	(4.810.329,17)		(4.810.329,17)
Total	**(216,820,984.43)**	**353,008,669.73**	**136.187.685,30**
The Comprehensive income attributed to:			
(Losses) / Profits attributable to its shareholders parent company	(35.083.187,60)	339.814.506,11	304.731.318,51
Non-controlling interests	(4.811.027,03)		(4.811.027,03)
Total	**(39,894,214.63)**	**339.814.506,11**	**299.920.291,48**

Amounts in € unless otherwise stated

FINANCIAL POSITION

	Published	Adjustments	Restated 31.12.2017
Assets			
Non-current assets			
Tangible assets	46.685.920,09	-1.556.850,96	45.129.069,13
real estate investments	73.942.734,47	-32.408.633,05	41.534.101,42
Intangible assets	2.045.813,55	-	2.045.813,55
Goodwill	39,373,861.68	-39.373.861,68	-
Investments in subsidiaries	219.681.017,38	-166.425.831,15	53.255.186,23
Investments in affiliated companies	1.900.000,00	2.426.947,56	4.326.947,56
Investments available for sale	153.347.701,15	-18.970,64	153.328.730,51
Other long-term assets	1.415.349,48	-268.518,98	1.146.830,50
Total non-current Assets	**538.392.397,80**	**-237.625.718,90**	**300.766.678,90**
Inventories	46.457.928,54	-	46.457.928,54
Trade receivables	89.451.263,41	-46.684.413,95	42.766.849,46
Trade receivables from affiliates	-	22.718.394,41	22.718.394,41
Other receivables	116.922.947,71	-111.547.981,32	5.374.966,39
Derivative financial instruments	-	-	-
Cash and cash equivalents	154.563.427,79	623.787,92	155.187.215,71
Total current assets	**407.395.567,45**	**-134.890.212,94**	**272.505.354,51**
Total assets	**945.787.965,25**	**-372,515,931.84**	**573.272.033,41**
Equity & Liabilities			
Equity			
Share Capital	20.084.463,00	-	20.084.463,00
Share Premium	81.730.417,03	-3.288.640,83	78.441.776,20
Other Reserves	298.003.102,69	3.269.670,19	301.272.772,88
Other equity items	-85.554.366,48	85.554.366,48	-
Retained earnings	85.993.861,32	-511.121.514,07	-425.127.652,75
Total equity	**400.257.477,56**	**-425.586.118,23**	**-25,328,640.67**
Liabilities			
Long-term liabilities			
Long-term borrowings	432.570.980,51	-415.800.333,66	16.770.646,85
Deferred tax liabilities	21.188.326,90	-9.849.990,36	11.338.336,54
Employee benefit liabilities	2.443.726,01	-0,01	2.443.726,00
Other long-term provisions	1.589.350,59	-1.589.350,59	-
Other long-term liabilities	1.011.000,01	-789.000,01	222.000,00
Total long-term liabilities	**458.803.384,02**	**-428,028,674.63**	**30.774.709,39**
Short-term liabilities			
Short-term borrowings	48.845.998,13	423.218.574,46	472.064.572,59
Derivative financial instruments	328.314,18	-	328.314,18
Trade and other liabilities	34.824.636,39	58.561.235,57	93.385.871,96
Trade and other liabilities to affiliates	-	2.047.205,97	2.047.205,97
Current Tax Liabilities	2.728.154,97	-2,728,154.97	
Total short-term liabilities	**86.727.103,67**	**481.098.861,03**	**567.825.964,70**
Total liabilities	**545,530,487.69**	**53,070,186,39**	**598.600.674,08**
Total Equity & Liabilities	**945.787.965,25**	**-372,515,931.84**	**573.272.033,41**

In the table below, the adjustments are separated from those relating to reclassifications and errors of prior periods.

		Adjustments 2017		
		Reclass due to errors	**Refunds of funds**	**Total adjustments**
Assets				
Non-current assets				
Tangible assets	1	-1.556.850,96	-	-1.556.850,96
Real estate investments	1	-32.408.633,05	-	-32.408.633,05
Goodwill	7	-39.373.861,68	-	-39.373.861,68
Investments in subsidiaries	2	-162.098.883,59	- 4.326.947,56	-166.425.831,15
Investments in affiliated companies	2	-1.900.000,00	4.326.947,56	2.426.947,56
Investments available for sale		-18.970,64	-	-18.970,64
Other long-term assets		-	-268.518,98	-268.518,98
Total non-current		**-237.357.199,92**	**-268.518,98**	**-237.625.718,90**
Current assets				
Trade receivables	3	-360.641,46	-46.323.772,49	-46.684.413,95
Trade receivables from affiliates	4	-70.445.263,34	93.163.657,75	22.718.394,41
Other receivables	5	-75.390.534,21	-36.157.447,11	-111.547.981,32
Cash and cash equivalents		-	623.787,92	623.787,92
Total current assets		**-146.196.439,01**	**11,306,226.07**	**-134.890.212,94**
Total assets		**-383.553.638,93**	**11,037,707.09**	**-372,515,931.84**
Equity & Liabilities				
Equity				
Share Premium		-	-3.288.640,83	-3.288.640,83
Other Reserves	8	-18.970,64	3.288.640,83	3.269.670,19
Other equity items		-	85.554.366,48	85.554.366,48
Retained earnings	7	-425.567.147,59	-85.554.366,48	-511.121.514,07
		-425.586.118,23	-	**-425.586.118,23**
Total equity		**-425.586.118,23**	**-**	**-425.586.118,23**
Liabilities				
Long-term liabilities				
Long-term borrowings		-	-415.800.333,66	-415.800.333,66
Deferred tax liabilities	6	-9.849.990,36	-	-9.849.990,36
Other long-term provisions		-	-1.589.350,59	-1.589.350,59
Other long-term liabilities		-	-789.000,01	-789.000,01
Total long-term liabilities		**-9,849,990,37**	**-418.178.684,27**	**-428,028,674.63**
Short-term liabilities				
Short-term borrowings	9	-4.117.530,33	427.336.104,79	423.218.574,46
Trade and other liabilities		56.000.000,00	2.561.235,57	58.561.235,57
Trade and other liabilities to affiliates		-	2.047.205,97	2.047.205,97
Current Tax Liabilities		-	-2,728,154.97	-2,728,154.97
Total short-term liabilities		**51,882,469.67**	**429.216.391,36**	**481.098.861,03**
Total liabilities		**42,032,479.30**	**11,037,707.09**	**53,070,186,39**
Total Equity & Liabilities		**-383.553.638,93**	**11,037,707.09**	**-372,515,931.84**

Amounts in € unless otherwise stated

Restated Financial Statement of Financial Position 2015-2016

FINANCIAL POSITION	Published	Adjustments 31.12.2016	Restated	Published	Adjustments 31.12.2015	Restated
Assets Non-current assets						
Tangible assets	47.596.164,90	2.597.315,95	50.193.480,85	45.929.766,18	4.634.092,81	50.563.858,98
Real estate investments	75.150.146,14	-1.932,45	75.148.213,69	75.285.901,43	-2.412,44	75.283.488,98
Intangible assets	2.234.505,57	-	2.234.505,57	2.521.534,61	-0,36	2.521.534,31
Goodwill	39,373,861.68	-39.373.861,68	-	39,373,861.68	-39.373.861,67	-
Investments in subsidiaries	209.892.157,35	-136.023.637,18	73.868.520,17	214.770.996,29	-145.568.871,65	69.202.124,63
Investments in affiliated companies	1.725.000,00	3.299.451,12	5.024.451,12	1.450.000,00	4.218.300,57	5.668.300,56
Investments available for sale	146.394.049,59	-64.511,00	146.329.538,59	137.429.044,66	-54.809,99	137.374.234,66
Other long-term assets	1.313.641,86	-175.798,99	1.137.842,87	1.407.257,33	0,01	1.407.257,33
Total non-current	**523.679.527,09**	**-169,742,974.23**	**353.936.552,86**	**518.168.362,18**	**-176.147.562,72**	**342,020,799.45**
Current assets						
Inventories	40.019.303,51	-	40.019.303,51	37.671.158,84	-	37.671.158,84
Trade receivables	82.670.411,55	-35.283.960,87	47.386.450,68	72.146.994,77	-14.962.742,80	57.184.251,97
Trade receivables from affiliates	-	24.084.516,87	24.084.516,87	-	12.382.080,33	12.382.080,33
Other receivables	93.286.075,58	-84.831.422,97	8.454.652,61	66.150.559,81	-60.738.323,38	5.412.236,43
Derivative financial instruments	192.029,50	-	192.029,50	778.104,61	-	778.104,61
Cash and cash equivalents	29.494.616,60	30.006,15	29.524.622,75	61.283.352,71	28.441,66	61.311.794,36
Total current	**245.662.436,74**	**-96,000,860.82**	**149,661,575.92**	**238.030.170,74**	**-63,290,544,19**	**174.739.626,54**
Total assets	**769.341.963,83**	**-265.743.835,05**	**503.598.128,78**	**756,198,532.92**	**-239.438.106,91**	**516,760,425.99**
Equity & Liabilities						
Equity						
Share capital	20.084.463,00	-	20.084.463,00	20.084.463,00	-	20.084.463,00
Share premium	81.730.417,03	-3.288.640,83	78.441.776,20	81.730.417,03	-3.288.640,83	78.441.776,20
Other Reserves	291.005.667,18	3.224.129,83	294.229.797,01	283.297.729,14	3.233.830,84	286.531.559,97
Other equity items	-85.554.366,48	85.554.366,48	-	-85.554.366,48	85.554.366,48	-
Retained earnings	115.284.875,06	-353.510.063,58	-238.225.188,52	140.249.492,33	-325.957.952,34	-185.708.460,01
	422.551.055,79	**-268.020.208,10**	**154,530,847.69**	**439,807,735.02**	**-240.458.395,85**	**199.349.339,16**
Total equity	**422.551.055,79**	**-268.020.208,10**	**154,530,847.69**	**439,807,735.02**	**-240.458.395,85**	**199.349.339,16**
Liabilities						
Long-term liabilities						
Long-term borrowings	251.297.897,98	-231.669.369,21	19.628.528,77	246.566.785,16	-224.923.228,15	21.643.557,01
Deferred tax liabilities	21.375.203,35	752.661,21	22.127.864,56	21.750.235,77	1.343.187,30	23.093.423,07
Employee benefit liabilities	2.290.083,00	-	2.290.083,00	2.179.175,80	-	2.179.175,80
Other long-term provisions	1.623.241,09	-1.623.241,09	-	1.624.382,84	-1.624.382,84	-
Other long-term liabilities	3.011.000,01	-2.789.000,01	222.000,00	3.942.283,35	-3.539.000,01	403.283,34
Total long-term liabilities	**279,597,425.43**	**-235.328.949,10**	**44.268.476,33**	**276,062,862.92**	**-228.743.423,70**	**47,319,439.22**
Short-term liabilities						
Short-term borrowings	22.268.773,63	234.566.762,87	256.835.536,50	1.861.030,07	226.521.310,39	228.382.340,46
Derivative financial instruments	-	-	-	-	-	-
Trade and other liabilities	42.175.078,71	3.396.622,95	45.571.701,66	36.133.054,52	4.896.718,56	41.029.773,08
Trade and other liabilities to affiliates	-	2.391.566,60	2.391.566,60	-	679.534,07	679.534,07
Current Tax Liabilities	2.749.630,27	-2.749.630,27	-	2.333.850,38	-2.333.850,38	-
Total short-term liabilities	**67,193,482.61**	**237.605.322,15**	**304.798.804,76**	**40,327,934.97**	**229,763,712.64**	**270.091.647,61**
Total liabilities	**346.790.908,04**	**2,276,373.06**	**349.067.281,10**	**316,390,797.89**	**1,020,288.94**	**317.411.086,83**
Total Equity & Liabilities	**769.341.963,83**	**-265.743.835,05**	**503.598.128,78**	**756,198,532.92**	**-239.438.106,91**	**516,760,425.99**

In the table below, the adjustments are separated from those relating to reclassifications and errors of prior periods.

		Adjustments 2016			Adjustments 2015		
		Reclass due to errors	**Refunds of funds**	**Total adjustments**	**Rectification due to errors**	**Refunds of funds**	**Total adjustments**
Assets							
Non-current assets							
Tangible assets	1	2.597.315,95	-	2.597.315,95	4.634.092,81	-	4.634.092,81
real estate investments	1	-1.932,45	-	-1.932,45	-2.412,44	-	-2.412,44
Goodwill	7	-39.373.861,68	-	-39.373.861,68	-39.373.861,67	-	-39.373.861,67
Investments in subsidiaries	2	-130.999.186,06	- 5.024.451,12	-136.023.637,18	-139.900.571,09	- 5.668.300,56	-145.568.871,65
Investments in affiliated companies	2	-1.725.000,00	5.024.451,12	3.299.451,12	-1.450.000,00	5.668.300,56	4.218.300,57
Investments available for sale		-64.511,00	-	-64.511,00	-54.809,99	-	-54.809,99
Other long-term assets		-	-175.798,99	-175.798,99	-	-	0,01
Total non-current		**-169.567.175,24**	**-175.798,99**	**-169,742,974.23**	**-176.147.562,38**	**0,00**	**-176.147.562,36**
Current assets							
Trade receivables	3	-159.911,99	-35.124.048,88	-35.283.960,87	-159.911,99	-14.802.830,81	-14.962.742,80
Trade receivables from affiliates	4	-37.434.496,13	61.519.013,00	24.084.516,87	-23.652.344,51	36.034.424,87	12.382.080,33
Other receivables	5	-66.504.013,79	-18.327.409,19	-84.831.422,97	-47.590.430,80	-13.147.892,95	-60.738.323,74
Cash and cash equivalents		-	30.006,15	30.006,15	-	28.441,66	28.441,66
Total current		**-104,098,421.91**	**8,097,561.08**	**-96,000,860.82**	**-71.402.687,30**	**8.112.142,77**	**-63,290,544.55**
Total assets		**-273.665.597,15**	**7.921.762,09**	**-265.743.835,05**	**-247.550.249,68**	**8.112.142,77**	**-239.438.106,91**
Equity & Liabilities							
Equity							
Share premium		-	-3.288.640,83	-3.288.640,83	-	-3.288.640,83	-3.288.640,83
Other Reserves	8	-64.511,00	3.288.640,83	3.224.129,83	- 54.809,99	3.288.640,83	3.233.830,84
Other equity items	7	-	85.554.366,48	85.554.366,48	-	85.554.366,48	85.554.366,48
Retained earnings	7	-267.955.697,10	-85.554.366,48	-353.510.063,58	-240.403.585,86	-85.554.366,48	-325.957.952,34
		-268.020.208,10	-	**-268.020.208,10**	**-240.458.395,85**	-	**-240.458.395,85**
Total equity		**-268.020.208,10**	**-**	**-268.020.208,10**	**-240.458.395,85**	**-**	**-240.458.395,85**
Liabilities							
Long-term liabilities							
Long-term borrowings		-	-231.669.369,21	-231.669.369,21	-	-224.923.228,15	-224.923.228,15
Deferred tax liabilities	6	752.661,21		752.661,21	1.343.187,30	-	1.343.187,30
Other long-term provisions		-	-1.623.241,09	-1.623.241,09	-	-1.624.382,84	-1.624.382,84
Other long-term liabilities		-	-2.789.000,01	-2.789.000,01	-	-3.539.000,01	-3.539.000,01
Total long-term liabilities		**752.661,21**	**-236.081.610,31**	**-235.328.949,10**	**1.343.187,30**	**-230.086.611,00**	**-228.743.423,70**
Short-term liabilities							0,00
Short-term borrowings	7	-6.398.050,25	240.964.813,12	234.566.762,87	- 8.435.041,13	234.956.351,52	226.521.310,39
Trade and other liabilities		-	3.396.622,95	3.396.622,95	-	4.896.718,56	4.896.718,56
Trade and other liabilities to affiliates		-	2.391.566,60	2.391.566,60	-	679.534,07	679.534,07
Current Tax Liabilities		-	-2.749.630,27	-2.749.630,27	-	-2.333.850,38	-2.333.850,38
Total short-term liabilities		**-6.398.050,25**	**244.003.372,40**	**237.605.322,15**	**-8.435.041,13**	**238,198,753.77**	**229,763,712.64**
Total liabilities		**-5.645.389,04**	**7.921.762,09**	**2,276,373.06**	**-7,091,853.83**	**8.112.142,77**	**1,020,288.94**
Total Equity & Liabilities		**-273.665.597,14**	**7.921.762,09**	**-265.743.835,05**	**-247.550.249,68**	**8.112.142,77**	**-239.438.106,91**

Restated Total Income Statement

TOTAL INCOME STATUS

	Published 01.01-31.12.2017	**Reclassifications**	**Rectification due to errors**	**Restated 01.01-31.12.2017**	**Published 01.01-31.12.2016**	**Reclassifications**	**Rectification due to errors**	**Restated 01.01-31.12.2016**
Turnover	147.078.095,98		-11.865.067,87	135.213.028,11	146.088.508,88		- 11.323.636,95	134.764.871,93
Cost of Sales	-85.775.420,36	-1.865.000,10	- 3.451,00	-87.643.871,46	-85.695.327,78	-2.315.000,00		-88.010.327,78
Gross Profit	**61,302,675.62**	**-1.865.000,10**	**-11,868,518.87**	**47,569,156.65**	**60.393.181,10**	**-2.315.000,00**	**-11,323,636.95**	**46,754,544.15**
Administrative expenses	-14.557.057,69	118.112,85		-14.438.944,84	-15.201.944,64	65.207,15		-15.136.737,49
Selling expenses	-60.098.663,86	-126.849,42	239.207,33	-59.986.305,95	-58.269.569,03	-154.470,13	566.985,73	-57.857.053,45
Other operating income	0,00	6.383.499,67		6.383.499,67	0,00	4.737.240,02		4.737.240,02
Other profits / losses	-687.172,33	-1.246.596,68	-92.796.623,75	-94.730.392,76	2.513.743,72	4.326.128,49	-2.555.045,41	4.284.826,80
Provisions for impairment		-2.799.270,53	-61.507.589,43	-64.306.859,96		-9.000.000,00	-12.745.713,02	-21.745.713,02
Operating profit	**-14.040.218,26**	**463,895.79**	**-165,933,524.72**	**-179.509.847,19**	**-10,564,588.85**	**-2,340,894.47**	**-26.057.409,65**	**-38,962,892.99**
Financial income	6.479.851,74	-4.098.163,94		2.381.687,81	9.225.258,68	-7.822.031,45		1.403.227,23
Financial expenses	-21.870.581,09	3.634.268,15	-2.400.618,00	-20.636.930,94	-23.952.637,29	10.162.925,91	- 2.142.675,23	-15.932.386,61
Profit / Loss before tax	**-29,430,947.61**		**-168,334,142.72**	**-197,765,090.32**	**-25,291,967.46**		**-28.200.084,88**	**-53.492.052,36**
Deferred Tax	-186.876,45		-10.602.651,57	-10.789.528,02	-423.269,19		-542.289,32	-965.558,51
Profit / Loss after tax	**-29.244.071,16**		**-157.731.491,15**	**-186,975,562.30**	**-24.868.698,27**		**-27,657,795.56**	**-52.526.493,85**

1. Tangible assets

Errors of prior periods relate to the recalculation of depreciation for tangible assets as fixed assets that were depreciated over a useful life that was not in line with the Company's accounting policy.

Additionally, the Company, on the basis of estimates made for the buildings and land plots, carried out an impairment of the value of the property under IAS 36 as there were significant indications.

For investment properties measured at fair value, fair value adjustments were made in accordance with an assessment carried out by a certified appraiser on 30.06.2018

The movement of the revaluation of tangible assets is as follows:

	Land	Buildings & Buildings	Machinery & Mechanical Equipment	Transportation	Furniture & Other Equipment	Investment Real estate
31.12.2015						
Remaining depr value (Published)	12,243,777.69	26.907.763,33	289.412,35	1.195.720,03	5.288.842,78	**75.285.901,43**
Adjustment of depreciation	-	-4.796.244,93	-6.460,97	57.913,59	110.699,78	**2,412,45**
Net book value (Restated)	12,243,777.69	31.704.008,26	295.873,32	1.137.806,44	5.178.143,00	**75.283.488,98**
31.15.2215						
Remaining depr value (Published)	14,204,662.45	28.774.455,12	232.153,00	131.577,94	4.253.316,39	**75.150.146,14**
Reclassification		-480,00				480,00
Adjustment of depreciation	-	-147.929,39	-12.905,58	1.380,10	-407.530,86	-
Impairment based on valuation	-	2.603.282,29	-	-	-	-
Net book value (Restated)	14,204,662.45	31.114.867,15	251,519.55	72.284,25	4,550,147, 47	**75.148.213,69**
31.12.2015						
Remaining depr value (Published)	14,204,662.45	28.068.005,61	186.478,01	103.068,88	4.104.299,67	**73.942.734,47**
Adjustment of depreciation	-	105.408,19	10.441,15	-3.952,40	-392.784,79	-
Spoofing	-	-37.579,94	-	-	-	-
Revaluation of fair value	-	-	-	-	-	**32.406.220,60**
Impairment based on valuation	3.759.688,57	638.266,21	-	-	-	-
Net book value (Restated)	10,444,973.88	29.627.643,30	195,403.41	47.727,59	4,793,915.54	**41.534.101,42**
	10,444,973.88	**29.627.643,30**	**195,403.41**	**47.727,59**	**4,793,915.54**	**41.534.101,42**

2. *Investments in affiliates / relatives*

The Company took note of the report prepared by Alvarez & Marsal, which resulted in a write-down of the holdings and receivables it held with its subsidiaries in Asia and Europe as there were indications of non-recovery. Relative analysis is given in Note 7.

The movement of the provision for impairment of investments in subsidiaries / associates is as follows:

Subsidiary	31.12.2015				31.12.2016.		
	Initial	**Impairment**	**Restated**	**Additions-Reductions**	**Initial**	**Impairment**	**Restated**
PLANACO SA	7.776.221,01		7.776.221,01		7.776.221,01		7.776.221,01
FF HOLDINGS	109.417.114,01	-68.000.877,95	41,416,236.06	10,50	109.417.124,51	-68.266.083,35	41.151.041,16
CLOUDBIZ LTD (QIVOS)				1.125.000,00	1.125.000,00		1.125.000,00
FOLLI-FOLLIE HONG KONG LTD	22.627.986,94	-22.627.986,94			22.627.986,94	-22.627.986,94	
FOLLI-FOLLIE UK LTD	3.110.450,19	-3.110.450,19			3.110.450,19	-3.110.450,19	
FOLLI-FOLLIE FRANCE SA	7.155.791,41	-7.155.791,41			7.155.791,41	-7.155.791,41	
FOLLI-FOLLIE SPAIN SA	12.293.581,68	-12.293.581,68		0,32	12.293.582,00	-12.293.581,68	
LINKS OF LONDON LTD	20.261.000,00	-20.261.000,00			20.261.000,00	-20.261.000,00	
FF GROUP FINANCE LUXEMBOURG SA	2.600.000,00	-2.600.000,00			2.600.000,00	-2.600.000,00	
STRENABY FINANCE LTD	13.030.922,10	-9.850.882,93	3.180.039,17		13.030.922,10	-9.584.292,49	3,446,629.61
FF GROUP FINANCE LUXEMBOURG II SA				100.000,00	100.000,00	-100.000,00	
JUICY COUTURE EUROPE LTD							
	198.273.067,34	**-145.900.571,10**	**52,372,496.24**	**1,225,010.82**	**199.498.078,16**	**-145,999,186.06**	**53,498,891.78**
Reversal of already formed provision		**6.000.000.00**				**9.000.000.00**	
Net Impairment		**-139,900,571.10**				**-136,999,186.06**	
Impact on the Statement of Total Income		**-139.900.571,10**				**8,901,385.04**	
Impact on the Financial Position		**-145.900.571,10**				**-145,999,186.06**	

Amounts in € unless otherwise stated

Subsidiary	Additions-Reductions	31.12.2017. Initial	Impairment	Restated
PLANACO SA.	-	7.776.221,01	-2.776.221,01	5.000.000,00
FF HOLDINGS	2.143.650,49	111.560.775,00	-85.994.841,16	25.565.933,84
CLOUDBIZ LTD (QIVOS)	1.268,00	1.126.268,00	-1.126.268,00	-
FOLLI-FOLLIE HONG KONG LTD	-	22.627.986,94	-22.627.986,94	-
FOLLI-FOLLIE UK LTD	-	3.110.450,19	-3.110.450,19	-
FOLLI-FOLLIE FRANCE SA	2.599.999,00	9.755.790,41	-9.755.790,41	-
FOLLI-FOLLIE SPAIN SA	-	12.293.582,00	-12.293.581,68	0,32
LINKS OF LONDON LTD	-	20.261.000,00	-20.261.000,00	-
FF GROUP FINANCE LUXEMBOURG SA	250.000,00	2.850.000,00	-2.850.000,00	-
STRENABY FINANCE LTD	404.573,90	13.435.496,00	-9.382.222,20	4.053.273,80
FF GROUP FINANCE LUXEMBOURG II SA	-	100.000,00 -	100.000,00	-
JUICY COUTURE EUROPE LTD	9.820.522,00	9.820.522,00	-9.820.522,00	-
	15,220,013.39	**214.718.091,55**	**-180.098.883,59**	**34,619,207.96**
Reversal of already formed provision			**3,000,000.00**	

Net impairment	**-177,098,883.59**
Impact on the Statement of Total Income	**-31,099,697.53**
Impact on the Financial Position	**-180.098.883,59**

Subsidiary	31.12.2015 Initial	Impairment	Restated	Additions-Reductions	31.12.2016 Initial	Impairment	Restated
MARINA MYTILINIS	1.450.000,00	-1.450.000,00	-	275.000,00	1.725.000,00	-1.725.000,00	-
	1.450.000,00	**-1.450.000,00**	**-**	**275.000,00**	**1.725.000,00**	**- 1.725.000,00**	**-**
Impact on the Statement of Total Income	**0,00**	**-1.450.000,00**				**-275.000,00**	**-**
Impact on the Financial Position	**0,00**	**-1.450.000,00**				**-1.725.000,00**	**-**

Subsidiary	Reductions	31.12.2017. Initial	Impairment	Restated
MARINA MYTILINIS	175.000,00	1.900.000,00	-1.900.000,00	-
	175.000,00	**1.900.000,00**	**-1.900.000,00**	**-**
Impact on the Statement of Total Income			**-175.000,00**	**-**
Impact on the Financial Position			**-1.900.000,00**	**-**

The amount of the impairment of investments of € 147 million realized in 2015 appears directly through Equity on 01/01/2016.

3. *Third party trade receivables*

With regard to the formation of risk for third parties, an additional provision was created in the years 2015 and 2017 of € 159,911.99 and € 200,729.47 respectively if the maturity of the claim was over one year and the remainder remained open until 31.12.2017.

4. Trade receivables from affiliates

The movement of the provision for impairment of the trade receivables of the subsidiaries is as follows:

Subsidiary	2015 Initial pre-impairment	Deletion of sales	Impairment	Restated	Additions-Reductions	2016 Initial pre-impairment	Deletion of sales	Impairment	Restated
FOLLI-FOLLIE H.K. - Group	7.308.570,06	-1.487.121,72	-5.821.448,34		4.385.983,53	11.694.553,59	-2.723.214,34	-8.971.339,25	
FOLLI-FOLLIE JAPAN LTD	192.516,01	-150.851,28	-41.664,73		175.401,24	367.917,25	-326.773,80	-41.143,45	
FOLLI FOLLIE UK LTD	5.209,14		-5.209,14		-743,77	4.465,37		-4.465,37	
FOLLI FOLLIE FRANCE SA	57.068,55	-21.813,79	-35.254,76		16.457,05	73.525,60	-38.270,84	-35.254,76	
FOLLI FOLLIE SPAIN SA	-786,50			-786,50	120.554,73	119.768,23	-59.099,73	-60.668,50	
PLANACO SA	42.352,68		-42.352,68		19.479,54	61.832,22		-61.832,22	
LINKS OF LONDON - Group	15.727.451,84	-7.625.939,65	-8.101.512,19		8.595.256,93	24.322.708,77	-16.991.455,74	-7.331.253,03	
JUICY COUTURE EUROPE LTD UK		-319.176,16		-229.768,05	-409.133,06	-319.724,95	-789.725,10		-1.109.450,05
Total	**23,332,381.78**	**-9.604.902,60**	**- 14.047.441,8**	**-230,554.55**	**12.903.256,19**	**36,325,046.08**	**-20,928,539.55**	**-**	**-1.109.450,05**
Impact on the Statement of Total Income		**-9.604.902,60**	**-14.047.441,84**				**-11,323,636.95**	**-2,458,514.74**	
Impact on the Financial Position		**-9.604.902,60**	**-14.047.441,84**				**-20,928,539.55**	**-16,505,956.58**	

Subsidiary	2017					
	Initial pre-impairment	Additions-Reductions	Initial pre-impairment	Deletion of sales	Impairment	Restated
FOLLI-FOLLIE H.K. - Group	26.563.970,60	14.869.417,01	26.563.970,60	-4.574.206,26	-21.989.764,34	-
FOLLI-FOLLIE JAPAN LTD	475.150,00	107.232,75	475.150,00	-475.563,12	-	-413,12
FOLLI FOLLIE UK LTD	4.309,00	-156,37	4.309,00	-	-4.309,00	-
FOLLI FOLLIE FRANCE SA	109.999,00	36.473,40	109.999,00	-74.743,98	-35.255,02	-
FOLLI FOLLIE SPAIN SA	-421.335,00	-541.103,23	-421.335,00	-99.642,34	-	-520.977,34
PLANACO SA	127.225,00	65.392,78	127.225,00	-	-127.225,00	-
LINKS OF LONDON - Group	39.164.292,82	14.841.584,05	39.164.292,82	-26.693.017,19	-12.471.275,63	-
JUICY COUTURE EUROPE LTD UK	3.900.261,46	4.219.986,41	3.900.261,46	-876.434,53	-3.023.826,93	-
Total	**69,923,872.88**	**33.598.826,80**	**69,923,872.88**	**-32.793.607,42**	**-37,651,655.92**	**-521,390.46**
Impact on the Statement of Total Income				**-11,865,067.87**	**-21,145,699.34**	
Impact on the Financial Position				**-32.793.607,42**	**-37.651.655,92**	

The Company formed the provision for impairment after offsetting any trade and loan receivables / liabilities.

An analysis of the reasons for the impairment of trade receivables is given in Note 11

The amount of write-offs of sales and impairment of € 9.6m. and € 14m. which occurs in 2015, appears directly through Equity on 01/01/2016.

5. Other receivables

The movement of the provision for impairment of the receivables of subsidiaries is as follows:

Associate company	2015				2016			
	Initial	Impairment	Restated	Additions-Decreases	Initial	Impairment	Additions-Reductions	Restated
FOLLI-FOLLIE H.K. - Group	25.530.000,00	-25.530.000,00			25.530.000,00	-25.530.000,00		
FOLLI FOLLIE FRANCE SA	2.383.000,00	-2.383.000,00		490.796,00	2.873.796,00	-2.873.796,00	490.796,00	
FOLLI FOLLIE SPAIN SA				4.341.424,49	4.341.424,49	-4.341.424,49	4.341.424,49	
PLANACO SA	6.076.350,00	-6.076.350,00		819.028,00	6.895.378,00	-6.895.378,00	819.028,00	
LINKS OF LONDON - Group	13.570.153,59	-13.570.153,59		13.262.334,83	26.832.488,42	-26.832.488,42	13.262.334,83	
MARINA MYTILINIS	30.969,19	-30.969,19			30.969,19	-30.969,19		
	47,590,472.78	**-47,590,472.78**		**18.913.583,32**	**66.504.056,10**	**-66.504.056,10**	**18.913.583,32**	**-**
Impact on the Statement of Total Income		**-47,590,472.78**				**-18,913,583.32**		
Impact on the Financial Position		**-47,590,472.78**				**-66.504.056,10**		

Associate company	2017			
	Initial	Additions-Reductions	Impairment	Restated
FOLLI-FOLLIE H.K. - Group	36.308.080,00	10.778.080,00	-36.308.080,00	
FOLLI FOLLIE FRANCE SA	48.000,00	-2.825.796,00	-48.000,00	
FOLLI FOLLIE SPAIN SA	5.861.815,00	1.520.390,51	-5.861.815,00	
PLANACO SA	7.355.378,00	460.000,00	-7.355.378,00	
LINKS OF LONDON - Group	25.786.277,00	-1.046.211,42	-25.786.277,00	
MARINA MYTILINIS	30.969,19	-	-30.969,19	
	75,390,519,19	**8.886.463,09**	**-75,390,519,19**	**-**
Impact on the Statement of Total Income			**-8,886,463.09**	
Impact on the Financial Position			**-75,390,519,19**	

A related breakdown of the causes for impairment of loan receivables is given in Note 11

The amount of € 47.5m. which occurs in 2015, appears directly through Equity on 01/01/2016.

6. Deferred Tax Liabilities

The adjustments in depreciation and fair values also had an effect on the deferred tax calculation as detailed below:

Deferred Tax Liabilities	
31.12.2015	
Published	21.750.235,77
Adjustment to Financial Position	1.343.187,30
Restated	**23.093.423,07**
31.12.2016.	
Published	21.375.203,35
Adjust to status financial position	1.343.187,30
Year to Year Adjustment financial position	-590.526,09
Restated	**22.127.864,56**
31.12.2017.	
Published	21.188.326,90
Adjust to status financial position	752.661,21
Year to Year Adjustment financial position	-10.602.651,57
Restated	**11.338.336,54**

7. *Balance of retained earnings / losses*

The aforementioned adjustments mentioned in footnotes 1-6 have an equal effect on the Balance of Retained Earnings through the change in results for the years 2015-2016-2017.

Balance of retained earnings	2015	2016	2017
		Expenditure	
Turnover	-9.604.902,60	-11,323,636.95	-11.865.067,87
Repairs and maintenance			-37.579,94
Provisions for impairment of participations	-147.350.571,10	-373.614,96	-34.274.697,53
Reversal of impairment of participations	6.000.000,00	9.000.000,00	3.000.000,00
Provisions for impairment of trade receivables associates	-14.047.441,84	-2,458,514.74	-21.145.699,34
Provisions for impairment of trade receivables of third parties	-159.911,99	-	-200.729,47
Provisions for impairment of loan receivables	-47.590.430,82	-18,913,583.32	-8,886,463.09
Depreciation	4.631.680,34	566.985,44	273.336,27
Revaluation of fair value	-	-	-32.406.220,60
Damages Impairment of fixed assets	-	-2.603.282,29	-4,397,954.78
Losses from the sale of fixed assets			7.551,63
Impairment of goodwill	-39.373.861,68	-	-
Interest on bond loans	-1.905.922,42	-2.142.675,23	-2.400.618,00
Affiliate loan guarantees	-	-	-56.000.000,00
Deferred Tax	-1.343.187,30	542.289,32	10.602.651,57
Other extraordinary and non-operating income	-	48.236,77	-
Impact on the Statement of Total Income	**-250.744.549,41**	**-27.657.795,96**	**-157.731.491,14**
Debt bond valuation (direct to equity)	10.340.963,55	105.684,34	120.098,08
Reclassification of Consolidation Differences	-85.554.366,48	-	-
Impact on the Statement of Financial Position	**-325.957.952,34**	**-353,510,063.96**	**-511.121.457,02**
Impact on the Statement of Total Income	**-250.744.549,41**	**-27.657.795,96**	**-157.731.491,14**

Restated expenses for the year 2015 are presented directly through the Balance of Retained Earnings on 01/01/2016.

In 2015, the Company proceeded to a full impairment of Elmec's goodwill of € 39m. which has affected the results in the next two years.

In 2017, an obligation was created for the Company's warranties for loans received by its subsidiaries, Links of London and FF Group Sourcing, amounting to € 56m.

Due to the cancellation of the guarantee in 2018 (note 35), the event has been ascertained and the Company's liability can be reliably estimated.

The Company proceeded to revaluation of the bond loan of € 250m. which has been obtained from FF Luxembourg with an option that has resulted in a difference on initial recognition using the effective interest method and part of the change was recognized directly in Equity in accordance with IAS 39. Fair value of the option value at the issue of the loan in 2014 is € 46,9 m. The relative adjustments per year are summarized below:

	Retrieval results	Accrued interest	Loan commitment	Prepayment of a bond loan
3312.2005.				
Published	-	11.301.301,72	-224.923.205,91	1.298.104,37
Year Reform	-10.340.963,55	1.905.922,42	9.282.235,70	- 847.194,58
Restated	**-10.340.963,55**	**13.207.224,14**	**-215.640.970,21**	**450.909,79**
33.22.0002				
Published	-	11.622.547,42	-231.669.369,21	927.217,25
Conversion adjustment	-10.340.963,55	-	9.282.235,70	-847.194,58
Year Reform	-105.684,34	2.142.675,23	-2.296.696,65	259.705,77
Restated	**-10,446,647.89**	**13,765,222.65**	**-224.683.830,15**	**339,728.45**
33.22.0005				
Published	-	11.958.355,16	-238.752.837,51	556.330,39
Conversion adjustment	-10,446,647.89	-	6.985.539,06	-587.488,80
Year Reform	-120.098,08	2.400.618,00	-2.527.308,71	246.788,78
Restated	**-10,566,745.98**	**14,358,973.16**	**-234.294.607,16**	**215,630.37**

8. *Other Reserves*

The Company proceeded to a relevant valuation of the available-for-sale investment of LITO based on the value of the share. The relative adjustments per year are summarized below:

	Valuation of available-for-sale investments
31.10.0015	
Published	-18.591.632,11
Adjustment to other reserves	-54.810,00
Restated	-18.646.442,11
31.10.0016	
Published	-9.626.627,18
Adjustment to other reserves mil Transfer	-54.810,00
Adjustment of year to other reserves	-9.701,00
Restated	-9.691.138,18
31.10.0017	
Published	-2.629.191,67
Adjustment to other reserves mil Transfer	-64.511,00
Adjustment of year to other reserves	45.540,36
Restated	-2.648.162,31

Reclassifications of Funds

i. Statement of Financial Position

The "Commercial Claims" and "Trade and Other Liabilities" items have been reduced by the amounts that are related to customers who are also customers and suppliers of the Company.

In addition, the "Other Receivables" and "Loan Liabilities" items have been reduced by the amounts relating to subsidiaries that have both the borrower and the lender's control, funds with a negative sign have been identified that have been transferred to "Commercial and Other Liabilities "as well as accounts which, due to the commercial nature of the transaction, were reclassified from the" Other Receivables "and" Long-term Provisions and Receivables "to" Trade Receivables "and "Trade payables" respectively.

From the "Trade receivables" and "Trade Payables" items, the amounts relating to affiliated companies have been transferred to the new accounts "Trade Receivables from Associated" and "Trade Payables to Associates".

The share capital increase expenses included in the "Other Reserves" have been reclassified in the "Prepayment reserve" subtotal.

The total amount of the Current Tax Liabilities item has been transferred to 'Trade and Other Liabilities'.

The amount reclassified from the item "Long-Term Loans" to "Short-term Loans" refers to the bond loans received by the Company that became due in 2018 (Relevant reference to note 35). Additionally, an amount of € 556,330.39 and € 927,217.00 related to post-loan expenses of "Debt" has been transferred to the "Short-term Loan Liabilities" and included in "Other Receivables"

Additionally, the amounts relating to debt redemption have been transferred on the basis of the Factoring contracts entered into by the Company respectively from the "Other Receivables" to "Short-term Loan Liabilities".

The amount of € 624 thousand and € 30 thousand has been transferred in the years 2017 and 2016 respectively from "sight deposits" to "short-term borrowings" due to the fact that the balance is negative.

ii. Income Statement

Losses / gains on sale of fixed assets, dividend income, gains on sale of investments, losses / gains on valuation of assets were reclassified from "Financial Income / Expenses" to "Other Income / Expenses" respectively.

Damage from destruction and loss of inventory has been transferred from "Other Expenses" to "Cost of Sale" as it relates to the value of the Company's goods.

Additionally, the impairment loss for the associate's participations and receivables is presented separately in the "Provisions for impairment" item in the Company's financial statements.

35. Events after the balance sheet date

✓ The events that occurred after the reporting date of financial position date and which have a significant influence on the financial position and results of the Company as at 31st December 2017 as set up and adjustments described in note 37 for the years ended at 31st December 2015 and 31st December 2016 are described below:

✓ May 7, 2018: On the occasion of the report of the investment fund Quintessential Capital Management, the Capital Market Commission called on the Company to proceed immediately with the assignment of an independent audit of the consolidated financial statements for the year 2017 to a recognized independent international audit firm.

✓ May 25, 2018: The trading of the Company's shares in the Athens Stock Exchange was suspended upon request of the Company.

✓ 28 May 2018: Conversion of bonds of the company "Attica Department Stores S.A." pursuant to the bond loan of € 2.365.000,00 dated 30.08.2013, following a statement of conversion of the bondholder. The conversion of the 23,650 bonds led to the issue of 4,730,000 new ordinary shares of the company, of a nominal value of € 0.50 each. As a result, the share capital of the company amounted to € 10,617,500 divided into 21,235,000 common registered shares of nominal value € 0.50 each. The Company's share in the share capital of this subsidiary amounted to 25,27% at Company level and 35,68% at Group level.

✓ June 25, 2018: The Company commissioned a forensic assessment of the most recent financial statements of its Asian subsidiaries to Alvarez & Marsal. On June 14, 2018, the re-audit of financial data was entrusted to the independent international audit firm "Ernst & Young".

✓ July 16, 2018: The Company's Certified Public Accountants (ECOVIS VNT Auditing sa) revoked its audit report dated 26 April 2018 on the consolidated financial statements of the Company for the year ended 31 December 2017.

✓ July 23, 2016: The management of the Company, in order to safeguard and protect its activity from aggressive actions, filed a request for preventive measures pursuant to article 106a para. 6 of L. 3588/2007, as amended and in force, on which an interim injunction was issued, until the hearing and the decision on the interim measures of the Company, which was finally issued on 19/10/2018 and was rejected.

✓ August 9, 2018: The only EUR 20 million Schuldschein holder provided a notice of termination that rendered the subsidiary FF Group Finance Luxembourg II SA owed and the liability of the Company out of its guarantee immediately due and payable.

✓ September 10, 2018: The four creditor banks issued statements of termination of the existing credit agreements with an open account of the company with a total value of 43 million euro.

✓ September 26, 2018: The preliminary results of the Alvarez & Marsal investigation were announced. It turns out that these figures change significantly the Group's image compared to those presented in the published consolidated financial statements for 2017 (26 April 2018) for which the Statutory Auditor revoked the audit report (16 July 2018). To the extent that the Alvarez & Marsal investigation was completed, there was no misappropriation or other misuse of the Company's assets. The findings of the report have led to the recognition of a material impairment provision for participations and claims with its subsidiaries in Asia.

✓ October 2, 2018: The application of the Hellenic Capital Market Commission to the Athens Court of First Instance was discussed with a request for an audit of the consolidated financial statements of the Company for the year 2017, in which the Company consented. Subsequently, the decision of the First Instance Court of Athens was issued under No. 2893/2018, which ordered the audit and appointed as auditor the audit firm PricewaterhouseCoopers.

✓ October 17, 2018: The only holder of Schuldschein of 31 million Euro with its service of October 17, 2018, and the guarantee claim of 18 October 2018, made the debt immediately due and payable by the issuer FF Group Finance Luxembourg II SA and the guarantor Company.

✓ October 18, 2018: The Company announced that its subsidiary, Links of London, Inc., filed an optional application for Article 7 of the United States Bankruptcy Code before the United States Bankruptcy Court for the District of Delaware.

✓ October 22, 2018: The Extraordinary General Meeting of "Attica Department Stores S.A.", dated 22-10-2018, decided a reverse split (increase of the nominal value of shares from 0,50 Euro to 1 Euro with simultaneous reduction of the number of shares in half) and the reduction of the share capital from € 10.617.500 to € 5.308.750 with a reduction in the nominal value of the shares from € 1 to € 0.50.

✓ October 26, 2018: The Company announces that the financial liability of its subsidiary, FF Group Finance Luxembourg II SA, CHF, which is under the guarantee of the Company, has become immediately due and payable before its contractual expiry due to a complaint of 26.10.2018 of the Bondholder's Representative and Chief Payment Officer of CHF 150,000,000 3.25% maturity bonds 2021 (with ISIN CH0385518052) and the same date of the Company's warranty.

✓ November 23, 2018: Assignment of a special purpose audit to the restated separate and consolidated Financial Statements for the year ended 31 December 2017 to the auditing company PricewaterhouseCoopers.

✓ November 28, 2018: The Company has announced that the Anti-Money Laundering Authority has issued two provisions under which the sale or otherwise transfer of the real estate of the Company, which is located in Agios Stefanos, Attica, Neo Psychiko, Koropi, Santorini and Glyfada is prohibited.

✓ December 12, 2018: The electronic auction of the Group's participation in the company "Attica Department Stores S.A." took place. (35,67%). The highest bid for 10% was from the company "Attica Department Stores S.A." and the highest bid for the remaining 25.7% from National Bank of Greece SA.

✓ December 18, 2018: The Company presented a plan for a proposed financial restructuring of the Group following the conclusion of a term sheet with a part of bondholders.

✓ February 13, 2019: The Board of Directors of the Company approved the conclusion of an updated term sheet with a group of creditors - bondholders in relation to its proposed financial restructuring.

✓ During 2018 and 2019 there were changes in the Company's Management as a result of resignations of members of the Company's Board of Directors and subsequent reorganizations of the Company.

✓ During the second half of 2018, the Company sold Dufry AG shares worth a total of € 47.69 million.

✓ During 2018, contracts were signed with consultants whose part of the remuneration would depend on the successful outcome of the Company's restructuring plan and the inclusion in Article 106b / d. The total amount of these fees is estimated to be at least 22 million Euro. However, the Management of the Company is already in consultation with its legal advisors regarding the termination of part of these contracts, which in practice have already become inactive and in any case the foreseeable remuneration of the contracts in force are subject to regulation in the context of the Company's restructuring of Article 106b/d of the Bankruptcy Code.

✓ In 2018 the guarantees provided for the Links of London and FF Group Sourcing loans, amounted to € 56 million, which was paid by the Company.

✓ In February 2019, a loan of the Group's subsidiary Strenaby's to Morgan Stanley was repaid, which was covered by the sale of the Dufry AG shares owned by that subsidiary.

✓ February 28, 2019: Sale of a helicopter of the Group, sold by the owner Warlaby Trading Limited (subsidiary of the Cypriot subsidiary of the Group FF Cyprus Limited) for a total consideration of 1.600.000 Euros.

✓ March 28, 2019: Sale of property in Hong Kong owned by the subsidiary FF GROUP SOURCING LTD, against the amount of HKD 130.0 million.

✓ May 16, 2019: The Court of First Instance of Athens partially accepted the application for interim measures of 56 investors under the no. 2419/2019 and ordered the precautionary seizure of the Company's movable and immovable property up to the amount of 1.8 million Euro. Pursuant to that judgment, the applicants imposed a provisional seizure upon certain of the Company's bank accounts up to the amount of 1.8 mil. EUR.

✓ During the financial years 2018 and 2019, most of the Group's contracts with foreign firms belonging to the functional sector of Apparel - Footwear were resolved / not renewed.

✓ During the years 2018 and 2019 within the Group's restructuring plan the operation of specific subsidiaries of the Group has been suspended, namely: i) Strenaby Finance Ltd. ii) Juicy Couture Europe Ltd. iii) Juicy Couture Ireland Ltd., iv) Links of London Com Ltd., (v) Folli Follie Thailand Ltd. (iv) Folli Follie Malaysia Ltd. (vii) Folli Follie Hawaii Ltd. (viii) Folli Follie Guam Ltd. (ix) Folli Follie Singapore Ltd. And Folli Follie Korea Ltd., x) Links of London Inc. (USA)

✓ During the fiscal year 2018, the Company received € 3,92 million of dividends from shares of DUFRY AG that it held, while in 2019 the corresponding amount reached € 2,85 million.

✓ During 2018, the Company granted loans to Group subsidiaries totaling approximately € 41 million. Despite the fact that the Company already has claims to these subsidiaries, the above funding was deemed necessary in order to avoid multiple losses that would result in the discontinuance of these subsidiaries in the absence of liquidity. It is noted that part of this funding has already been recovered following the sale of a property in Hong Kong owned by subsidiary FF GROUP SOURCING LTD on 28/3/2019, as well as by the sale of the Group's Helicopter owned by Warlaby Trading Limited (subsidiary of the Cypriot subsidiary of FF Cyprus Limited Group) on 28/2/2019.

Decisions to impose fines from the Hellenic Capital Market Commission against the Company

- By virtue of no. 1/825 / 2.8.2018 of the Board of Directors of the Hellenic Capital Market Commission, a fine of 600.000,00 Euro was imposed on the Company for breach of articles 12 and 15 of Regulation (EC) 596/2014 and by extension Article 37 of the Law. 4443/2016 (prohibiting market manipulation). The respondent accepted that the Company disclosed false and misleading information about its cash reserves through the consolidated financial statements for the year 2017. Against this decision was filed no.

1347/2018 appeal before the Athens Administrative Court of Appeal. In the Administration's view, there is a reasonable likelihood of a 20-30% reduction in the fine.

- By virtue of no. 12/825 / 2.8.2018 of the Board of Directors of the Hellenic Capital Market Commission imposed on the Company a fine of 20.000,00 Euros due to violation of articles 36 §11 of Law no. 4443/2016, 23 §2 (a) and (c) 3556/2007 and 76 §12 of the Law no. 1969/1991, for failing to provide the Commission with the information requested by the latter, thereby obstructing the investigation of the content of its consolidated financial statements. Against this decision was filed no. PR1358 / 30.10.2018 Appeal before the Athens Administrative Court of Appeal, which has been determined to be discussed postponed 11.12.2019. In the Administration's view, there is a possibility of a small reduction of the fine.

- By virtue of no. 1/838 / 28.02.2019 Decision of the Board of Directors of the Hellenic Capital Market Commission imposed on the Company a fine of 100.000,00 Euro due to violation of articles 12 and 15 of Regulation (EU) 596/2014 and article 37 of Law no. 4443/2016 (prohibiting market manipulation). The Hellenic Capital Market Commission has stated that the Company has distributed, through the consolidated financial statements for the year 2016, false and misleading information about the amount of cash, turnover, trade receivables, stock advances, gross profits and equity , and that this information has been provided, however, it was likely to give false and misleading indications about the supply, demand, and price of the Company's financial instruments. Against this decision was filed no. 487/2019 Appeal before the Athens Administrative Court of Appeal. In the Administration's view, there is a possibility of a reduction of the fine by 20-30%.

Agios Stephanos, July 15, 2019

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