



**GROUP OF COMPANIES**

**HOUSEMARKET S.A.**

**REG. NO: 46208/04/B/00/37(04)**

**GENERAL ELECTRONIC COMMERCIAL REGISTRY NO: 003804201000**

**OFFICES: BUILDING 501 – ATHENS INTERNATIONAL AIRPORT**

# **INTERIM CONDENSED FINANCIAL REPORT**

**For the period**

**1/1/2019 to 30/6/2019**

**(TRANSLATED FROM THE GREEK ORIGINAL)**

**(In accordance with Law 3556/2007)**



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## **Statements of Members of the Board of Directors**

(In accordance with article 5 par. 2 L. 3556/ 2007)

The members of the Board of Directors

1. Dafni A. Furlis, Chairman
2. Vassilis S. Furlis, Vice Chairman and
3. Panagiotis D. Katiforis, CEO

We confirm that to the best of our knowledge:

- a. The Interim Condensed Financial Statements of the Company HOUSEMARKET S.A. and the Group for the period 1/1/ - 30/6/2019 which have been prepared in accordance with International Financial Reporting Standards (IAS 34), provide a true and fair view of the Assets, Liabilities and Shareholders Equity along with the income statement of HOUSEMARKET S.A. as well as of the companies that are included in the consolidation taken as a whole, in compliance with the provisions of paragraphs 3 to 5 of article 5 of L. 3556/2007.
- b. The Six-Month Report of Board of Directors provides a true and fair view of the information required based on paragraph 6 of Art. 5 of L. 3556/2007.

**Paiania, September 2 2019**

The Chairman

The Vice Chairman

The CEO

Dafni A. Furlis

Vassilis S. Furlis

Panagiotis D. Katiforis



## **Report of the Board of Directors of the Company HOUSEMARKET SA for the period 1/1 – 30/6/2019**

(In accordance with L. 3556/ 2007)

### **1. THE GROUP – Business Segment**

The parent Company HOUSEMARKET S.A. along with its subsidiaries and their subsidiaries compose Group HOUSEMARKET which operates in the retail trading of home furniture and household goods segment (IKEA Stores). The parent company is a subsidiary of the company FOURLIS HOLDINGS S.A. with a direct shareholding of 100%.

The subsidiary companies of the Group and their subsidiaries included in the consolidated financial statements for the period 1/1 – 30/6/2019, are as follows:

#### **a) Full method**

- H.M. HOUSEMARKET (CYPRUS) LTD which operates in Cyprus and the Company has a shareholding of 100%.
- HOUSE MARKET BULGARIA AD which operates in Bulgaria and the Company has a shareholding of 100% (except one share).
- WYLDES LTD which operates in Cyprus and the Company has a shareholding of 100%. Through associated companies WYLDES LTD, VYNER LTD and SW SOFIA MALL ENTERPRISES LTD, the Group has a shareholding in the company SOFIA SOUTH RING MALL EAD which operates one of the biggest malls in Sofia of Bulgaria as well as all relative activities.
- RENTIS REAL ESTATE INVESTMENTS SA which operates in Greece and the company HM HOUSEMARKET (CYPRUS) LTD has a shareholding of 100%.
- TRADE LOGISTICS S.A. which operates in Greece and the Company has a shareholding of 100% (except one share).

#### **b) Net Equity method**

##### **Affiliated companies**

The Group's consolidated data include, the following affiliated companies:

- VYNER LTD which operates in Cyprus and the company WYLDES LTD has a direct shareholding of 50%.
- SW SOFIA MALL ENTERPRISES LTD which operates in Cyprus, in which WYLDES LTD has a direct shareholding of 50%.

### **2. Group Consolidated Results**

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



The Group realized sales of amount € 134,8 million for the 1<sup>st</sup> semester of 2019 (1<sup>st</sup> semester of 2018: € 132,6 million). The EBITDA totaled € 13,1 million compared to € 9,2 million in 2018 and reported profits before tax € 1,0 million versus € 1,4 million profits in 2018.

In an effort to present a complete and real view of the Group's performance, we report the consolidated results per segment for the period 1/1 – 30/6/2019 versus 1/1 – 30/6/2018 at the following tables.

(Amounts are in thousands of euros)

	<b>a' semester 2019</b>	<b>a' semester 2018</b>	<b>2019/2018</b>
Revenue	134.824	132.617	1,02
EBITDA	13.060	9.187	1,42
EBIT	5.441	4.958	1,10
Profit before Tax	980	1.416	0,69
Net Profit After Tax and Minority Interests	1.064	1.820	0,58

\* Comparable EBITDA, EBIT and PBT of a'semester 2019 (without the impact of adoption of IFRS 16 since 1/1/2019) amount to € 9.400 th., € 4.784 th. and € 1.706 th. respectively for the Group.

We note that on a consolidated basis the parent company's Total Equity (after minority interest) at June 30, 2019 amounts to € 154,6 million versus an amount of € 153,7 million at December 31, 2018.

Today, seven (7) IKEA Stores are operating, five (5) of which in Greece, one (1) in Cyprus and one (1) in Bulgaria and six (6) Pick up & Order Points with IKEA products in Greece (in Rhodes Island, Patras, Chania, Heraklion and Komotini), while on 27/6/2019 one (1) new Pick up & Order Point started operating in Kalamata, three (3) in Bulgaria in Varna, Burgas and Plovdiv. Moreover, three e-commerce stores are operating in Greece, Cyprus and Bulgaria.

All supply chain services are provided by the company of the Group TRADE LOGISTICS which supports IKEA Stores in Greece and Cyprus with automated warehousing and order delivery systems.

### **3. Basic Financial Indicators (Consolidated)**

Below please find basic Indicators for the Group Financial Structure and Performance & Efficiency according to the consolidated financial statements included in the Interim Condensed Financial Statements of the Group.



### Financial Structure Indicators:

	30/6/2019	31/12/2018
Total Current assets/ Total Assets	18,43%	22,51%
Total Liabilities/ Total SHAREHOLDERS EQUITY & LIABILITIES	60,26%	52,54%
Total Shareholders Equity / Total SHAREHOLDERS EQUITY & LIABILITIES	39,74%	47,46%
Total Current assets / Total Current Liabilities	102,66%	92,41%

\* Comparable Total Current Assets / Total Assets on 30/6/2019 (without the impact of adoption of IFRS 16 since 1/1/2019) is 22,18%. The comparable Total Liabilities / Total SHAREHOLDERS EQUITY & LIABILITIES is 52,02%, the comparable Total Shareholders Equity / Total SHAREHOLDERS EQUITY & LIABILITIES is 47,98% and comparable Total Current assets / Total Current Liabilities is 110,16%.

### Performance & Efficiency basic Indicators:

	a' semester 2019	a' semester 2018
Operating Profit / Revenue	4,04%	3,74%
Profit before Tax / Shareholders Equity	0,63%	0,97%

\* Comparable Operating Profit / Revenue and Profit before Tax / Total Shareholders Equity of a' semester 2019 (without the impact of adoption of IFRS 16 since 1/1/2019) is 3,55% and 1,10% respectively.

### 4. Operating Performance – Important developments:

During the period 1/1 – 30/6/2019 the following share capital changes were realised:

**RENTIS S.A.:** Following the resolutions of 30/4/2019 of the General Assembly of the shareholders of the Company (relevant minutes of the G.A. with number 42/30.04.2019), the share capital of the company increased by the amount of € 8.000.000 by issuing 8.000.000 new common nominal vote shares of nominal value € 1,00 per share. The share capital increase was totally covered by the shareholder H.M. HOUSEMARKET (CYPRUS) LIMITED.

The aforementioned change was registered to the General Electronic Commercial Registry (GECR) on 12/6/2019 (Code Registration Number 1763876), with the relevant 1550823/12.06.2019 announcement issued by GECR service of Athens Chamber of Commerce and Industry.

Following the aforementioned changes, the share capital of the Company amounts to € 25.810.000,00 divided into 25.810.000 shares of nominal value € 1,00 per share, totally paid.



**WYLDES LTD:** The BoD of the shareholder HOUSEMARKET S.A. decided, on 6/5/2019, to proceed to the payment of the amount € 30,00 for acquiring 30 issued common nominal vote shares of nominal value €1,00 per share, plus the amount of € 299.970,00 share premium namely the payment of the total amount of € 300.000,00.

It is noted that, with a resolution still pending until today regarding the aforementioned share capital increase by the BoD of WYLDES LTD, the share capital of the company still amounts to € 7.004,00 divided into 7.004 common (ordinary) nominal vote shares of nominal value € 1,00 per share.

Moreover, WYLDES LTD has an indirect shareholding of 50% in the company SOFIA SOUTH RING MALL EAD which exploits the mall owned by Sofia Ring Mall and all funds invested aim to the development and optimization of the mall's operation.

**VYNER LTD:** On 3/6/2019 the shareholder WYLDES LTD paid, against future share capital increase, the amount of € 20,00 for acquiring 20 issued common nominal vote shares of nominal value € 1,00 per share, plus the amount of € 19.980,00 share premium, namely the payment of the total amount of € 20.000,00.

It is noted that until today a resolution is pending for the aforementioned share capital increase by the BoD of WYLDES LTD and its share capital still amounts to € 10.176,00 divided into 10.176 common (ordinary) nominal vote shares, of nominal value €1,00 per share, of which the subsidiary WYLDES LTD owns 5.087 shares.

It is noted that VYNER LTD, through the associated company SOFIA SOUTH RING MALL EAD ([www.sofiaring.bg](http://www.sofiaring.bg)), operates and exploits the mall of its ownership, Sofia Ring Mall. The dynamically growing mall of surface 68.250 sqm which was constructed by the company, started its operation on 6 November 2014. Geographically, it is located 10 km southeast of Sofia in one of the most developing regions of Bulgaria's capital, while it is adjacent to the only IKEA Store in Sofia of the subsidiary of the Group HOUSE MARKET BULGARIA EAD.

**SW SOFIA MALL ENTERPRISES LIMITED:** Following the resolutions of 3/6/2019 and 11/6/2019 of shareholder WYLDES LTD, the latter paid, against future share capital increase, the total amount of € 250,00 for acquiring 250 issued common nominal vote shares of nominal value €1,00 per share, plus the amount of € 249.750,00 share premium, namely the payment of the total amount of € 250.000,00.

It is noted that, with a resolution still pending until today regarding the aforementioned share capital increase by the BoD of SW SOFIA MALL ENTERPRISES LIMITED, the share capital of the company still amounts to € 8.230,00 divided into 8.230 common (ordinary) nominal vote shares of nominal value € 1,00 per share, of which the subsidiary WYLDES LTD owns 4.115 shares.

Apart from the above, no other changes in the share capital of the companies of the Group were made within the 1<sup>st</sup> semester of 2019.

Subsidiaries and especially retail companies have developed and continue to develop a significant Stores network in Greece and abroad.



## **5. Information about Group's plan of development (2<sup>nd</sup> semester 2019)**

The Group continues to implement its investing program. Within the second semester of 2019, it operates seven (7) IKEA Stores, nine (9) Pick up & Order Points in all countries where the Group operates (Greece, Cyprus and Bulgaria) as well as e-commerce Stores in all aforementioned countries, is expected to contribute with increased revenues within the second semester of 2019 compared to the first semester. Moreover, a new Pick Up & Order Point in Cyprus (Limassol) is expected to start operating within the second semester of 2019.

The Group continues the exploitation of new investment opportunities which are linked with the approval from HCMC for the granting of license for the company under formation "TRADE ESTATES REAL ESTATES INVESTMENT COMPANY" for its operation as a) a Real Estate Investment Company according to the provisions of L. 2778/1999 and b) an internally managed Alternative Investments Fund Manager ("AIFM") according to the provisions of L. 4209/2013. Under the same context, the actions of the Group are integrated for the establishment of companies operating in real estate in Cyprus and Bulgaria.

The Management of the Group expects that the second semester will have a higher financial performance regarding financial results compared to the first semester, due to historically increased revenues within the second semester, strong competitive position of retail companies of the Group but also due to balanced expansion of its activities and therefore its income. These estimations regarding the improvement of financial data of the Group within the second semester of 2019, are directly depended on the financial and political conditions especially in Greece, from where the biggest part of its revenues arises (63% 1<sup>st</sup> semester 2019), where the reforms implementation speed is the criteria for the attraction of investments and consumption increase.

Management's orientation towards gaining benefits from synergies within the Group will be continued for the 2<sup>nd</sup> semester of 2019. "Integrity", "Respect" and "Efficiency" continue to compose major comparative advantages through which the Group aims to achieve its goals.

## **6. Stock Option Plan**

Members of the Management of the Company and its subsidiaries participate in a Stock Option Plan of the parent company FOURLIS HOLDINGS SA.

The Ordinary General Assembly of the parent Company FOURLIS HOLDINGS SA on 16/6/2017, under the context of Stock Option Plan, approved the disposal of 2.566.520 stock options and authorized the Board of Directors to regulate the procedural issues and details. The program will be implemented in four waves, with a maturity period of five years per wave. Options must be exercised within five years from maturity date. In case that there are undisposed options, after the allocation of options mentioned above, these options will be cancelled. The underlying share price of each wave is the closing stock price of the share at the decision date of the General Assembly regarding the approval of the SOP.





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

On 19/11/2018, the BoD granted 641.630 stock options, which compose the second of the four waves. The underlying share price to which the granted stock options refer, is determined to the amount of euros 5,666 per share which is the closing stock price of the share adjusted with the share capital decrease which was implemented after the date of the General Assembly.

On 20/11/2018, the BoD of the Company issued an Invitation to the beneficiaries of the SOP which was approved by the Extraordinary General Assembly held on 27/9/2013 and the Ordinary General Assembly held on 16/6/2017, regarding the exercise of their options. 16 beneficiaries responded to this Invitation and exercised their option for the purchase of 163.626 shares, of nominal value € 0,91 and underlying price € 3,28 per share and paid the total amount of € 537.069,61.

It is noted that the underlying price of shares to which the distributed options reflect, had been initially determined at the amount of € 3,40 per share, which was the closing stock price of the share on the date of the resolution of the General Assembly regarding the SOP since 27/9/2013 (Extraordinary General Assembly date). Due to corporate events (capital return by cash payment), the historical closing price of the share was readjusted and formed at the amount of € 3,34 per share (following the resolution of the BoD on 20/11/2017). Following the resolution of the Ordinary General Assembly on 15/6/2018, there was a change at the historical price of the share, as a result of corporate action related to the decrease of the Company's share capital with decrease of the nominal value of the share by the amount of € 0,10 and capital return to shareholders. Therefore, the historical price now amounts to € 3,28.

Moreover, the underlying price of shares to which the options established by the Ordinary General Assembly of shareholders of the Company on 16/6/2017 reflect, had been initially determined at the amount of € 5,87 per share, which was the closing stock price of the share. Due to corporate events (capital return by cash payment), the historical closing price of the share was readjusted and formed at the amount of € 5,77 per share (following the resolution of the BoD on 20/11/2017). Following the resolution of the Ordinary General Assembly on 15/6/2018, there was a change at the historical price of the share, as a result of corporate action related to the decrease of the Company's share capital with decrease of the nominal value of the share by the amount of € 0,10 and capital return to shareholders. Therefore, the historical price now amounts to € 5,67.

During the period 1/1 – 30/6/2019, no option that was granted based on the first, second and third wave of the SOP of 27/9/2013 and the first and second wave of SOP of 16/6/2017, was exercised.

## **7. Major Threats & Uncertainties for the Group**

### **a) Financial Risk Management**

The Group is exposed to financial risks such as foreign exchange risk, interest rate risk and liquidity



risk. The management of risk is achieved by the central Treasury department of the parent company FOURLIS HOLDINGS SA. The Treasury department identifies, determines and hedges the financial risks in cooperation with the Groups' subsidiaries. The Board of Directors provides written instructions and directions for the general management of the risk, as well as specific instructions for the management of specific risks such as foreign exchange risk and interest rate risk.

#### **Foreign Exchange Risk:**

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

#### **Interest rate risk/liquidity:**

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

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

#### **b) Legal Issues**

There are no litigations or legal issues that might have a material impact on the Annual Financial Statements of the Group or Company for the period 1/1 - 30/6/2019.

### **8. Social Responsibility**

By focusing on FOURLIS Group Values, *Integrity, Respect, Efficiency*, during the first half of 2019 at HOUSEMARKET Group we continued to contribute to the UN Sustainable Development Goals which are the guidelines for our strategy and implementation of new innovative actions that meet the most important challenges of our time for sustainable development and prosperity.

At the same time we continued to commit to ensuring and maintaining the ten (10) Principles of UN GLOBAL COMPACT (which is supported by FOURLIS Group) regarding Human Rights, Working Conditions, Protection of the Environment and Anti-Corruption.

In this context we implemented a number of actions aiming to support the Group's employees and the society as well as to protect the environment. Some of the most important of them are presented below.

Aiming to the support of the Group's employees, the Corporate Social Responsibility Department continued the EF ZIN (Wellbeing) program, a wellness program implemented since 2010, aiming to motivate employees towards a healthier lifestyle. Some of the actions that the program included during the first half of 2019 are the following:

- The new MEDITERRANEAN DIET program, in the context of which the Group's employees in



Greece, Cyprus and Bulgaria:

- Participated in speeches for the Mediterranean Diet and the importance of adopting it in their everyday lives
- Participated in a free fat measurement examination
- Receive a monthly informative poster as well as a daily menu based on the Mediterranean Diet model
- FOURLIS Group's Scholarships program which gives the opportunity to HOUSEMARKET Group employees' children in Greece and Cyprus, who study away from their permanent place of residence and whose families are experiencing financial difficulties, to continue their studies.
- The FOURLIS Group Lending Library, a new action for the Group employees in Greece, which was inaugurated in June. In the context of this action lending libraries can be found at HOUSEMARKET Group companies' premises.

Some of the actions implemented for the support of the society are:

- A voluntary blood donation organized at HOUSEMARKET Group companies' premises in Greece and Cyprus.
- The FURNISHED WITH JOY program in the context of which, since 2013, HOUSEMARKET S.A. (IKEA) undertakes the full refurbishment of municipal nursery schools and kindergartens in Greece, in cooperation with the municipal authorities. Since the beginning of 2019 four schools have already been refurbished.
- A cooperation with the Non-Profit Organization BOROUME, in the context of which HOUSEMARKET S.A. (IKEA) daily offers the meals not consumed at its stores' restaurants in Greece, to people in need. A relevant action was also implemented by IKEA Cyprus store in cooperation with Cyprus Red Cross Society.
- Support to the work of Foundations and Organizations, either by donating products or by providing discounts for the purchase of products from IKEA and INTERSPORT stores.
- The Volunteering Day for FOURLIS Group employees in Greece, a new action in the context of which HOUSEMARKET Group employees in Attica, Thessaloniki, Larisa and Ioannina prepared, together with their families, crafts which were offered to organizations for the support of their Easter bazaars.

Regarding the protection of the environment, HOUSEMARKET Group continued the implementation of programs and actions that are not limited to those dictated by the environmental legislation, taking initiatives that highlight the environmental awareness as a special value for the Group. Typical such examples are:



- the interventions aimed at improving the energy efficiency of the Group companies' premises
- the natural resources conservation and recycling programs
- the operation of a photovoltaic system for producing electricity at TRADE LOGISTICS S.A. as well as the calculation of the carbon emissions for the entirety of its operations
- the promotion of environmentally friendly products
- the actions for raising employees' and customers' awareness regarding the protection of the environment and the adoption of a responsible way of life

In June 2019 the Social Responsibility Department issued the 10th Social Responsibility and Sustainable Development Report, which includes information on HOUSEMARKET Group's management and sustainable development performance and covers the period from January 1<sup>st</sup>, 2018 to December 31<sup>st</sup>, 2018. The Report is available on [www.fourlis.gr](http://www.fourlis.gr).

### **9. Related parties transactions**

Related parties transactions are analysed in Note 18 of the Interim Condensed Financial Statements of the period 1/1 – 30/6/2019.

### **10. Human Recourses**

The total number of employees of the Group as at 30, June 2019 and 30, June 2018 was 2.353 and 2.323 respectively. The total number of employees of the Company for the same reporting periods set above was at 1.488 and 1.509 respectively.

### **11. Management members' transactions and remuneration**

Transactions and fees with the Management members are analyzed in Note 18 of the Interim Condensed Financial Statements of the period 1/1 – 30/6/2019.

### **12. Subsequent Events**

There are no other commitments and subsequent events that can significantly affect the financial condition and results of the Group.

This Report, the Interim Condensed Financial Statements of the 1<sup>st</sup> semester of 2019, the Notes on the Interim Condensed Financial Statements along with the Auditor's Report, are published at the Group's web site, address: [http:// www.housemarket.gr](http://www.housemarket.gr).

Paiania, September 2<sup>nd</sup> 2019

The Board of Directors



The Interim Condensed Financial Statements of the Company and Group included in pages 16 to 40 are in accordance with the IFRS (IAS 34) as applied in the European Union and approved by the Board of Directors on 2/9/2019 and are signed by the following:

Chairman of the Board of Directors

CEO

Dafni A. Furlis  
ID No. S – 019071

Panagiotis D. Katiforis  
ID No. AK – 129648

Finance Manager Controlling & Planning

Chief Accountant

Emmanouil D. Manousakis  
ID No. T - 669252

Christos G. Vasilopoulos  
ID No. AI – 067556  
Ch. Acct. Lic. No. 62815 A Class

**THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK**

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION**

**To the Shareholders of “HOUSEMARKET S.A.”**

**Introduction**

We have reviewed the accompanying interim condensed separate and consolidated statement of financial position of “Housemarket S.A.” (the “Company”) as at 30 June 2019, and the related interim condensed separate and consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim condensed financial information, which is an integral part of the six-month financial report of Law 3556/2007.

Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as incorporated in Greek Law and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

### **Report on other legal requirements**

Our review has not identified any inconsistency or error in the declarations of the members of Board of Directors and the information contained in the six-month Board of Director's report prepared in accordance with article 5 and 5a of Law 3556/2007, compared to the accompanying interim condensed financial information.

Athens, 2 September 2019

The Certified Auditor Accountant

SOFIA KALOMENIDES  
S.O.E.L. R.N. 13301  
ERNST & YOUNG (HELLAS)  
CERTIFIED AUDITORS ACCOUNTANTS S.A.  
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**Interim Condensed Statement of Financial Position (Consolidated and Separate)**  
**as at June 30, 2019 and at December 31, 2018**

(In thousands of Euro, unless otherwise stated)

Assets	Note	Group		Company	
		30/6/2019	31/12/2018	30/6/2019	31/12/2018
<b>Non-current Assets</b>					
Property plant and equipment	6	182.283	182.772	87.879	89.265
Right of use assets	7	65.495	0	60.613	0
Investment Property	8	28.363	28.350	13.463	13.450
Intangible Assets	9	6.222	6.402	4.826	4.988
Investments		28.996	28.246	80.217	79.917
Long Term receivables		2.812	2.867	2.796	2.853
Deferred Taxes		3.158	2.365	2.634	1.367
<b>Total non-current assets</b>		<b>317.329</b>	<b>251.002</b>	<b>252.429</b>	<b>191.839</b>
<b>Current assets</b>					
Inventory		38.412	35.873	23.488	22.904
Income tax receivable		362	390	324	320
Trade receivables		3.046	2.834	2.329	2.256
Other receivables		9.071	11.364	8.441	14.088
Cash & cash equivalent		20.815	22.457	11.381	9.877
<b>Total current assets</b>		<b>71.706</b>	<b>72.917</b>	<b>45.963</b>	<b>49.445</b>
<b>Total Assets</b>		<b>389.034</b>	<b>323.920</b>	<b>298.392</b>	<b>241.284</b>
<b>SHAREHOLDERS EQUITY &amp; LIABILITIES</b>					
<b>Shareholders equity</b>					
Share Capital	10	47.451	47.451	47.451	47.451
Share premium reserve		(649)	(561)	(217)	(217)
Reserves		17.588	17.684	17.853	17.771
Retained earnings		90.225	89.161	72.477	76.827
<b>Total shareholders equity (a)</b>		<b>154.615</b>	<b>153.735</b>	<b>137.564</b>	<b>141.832</b>
Non controlling interest (b)		0	0	0	0
<b>Total Equity (c)=(a)+(b)</b>		<b>154.615</b>	<b>153.735</b>	<b>137.564</b>	<b>141.832</b>
<b>LIABILITIES</b>					
<b>Non Current Liabilities</b>					
Non - current loans	13	94.609	83.099	53.582	39.531
Lease liabilities	14	61.459	0	57.390	0
Employee retirement benefits		3.594	3.428	3.126	2.996
Deferred Taxes		50	27	0	0
Other non-current liabilities		4.856	4.727	37	37
<b>Total non current Liabilities</b>		<b>164.568</b>	<b>91.280</b>	<b>114.135</b>	<b>42.564</b>
<b>Current Liabilities</b>					
Short term loans for working capital	13	5.995	4	5.991	0
Current portion of non-current loans and borrowings	13	8.193	7.197	1.000	0
Short term portion of long term lease liabilities	14	4.761	0	3.909	0
Income Tax Payable		655	0	0	0
Accounts payable and other current liabilities		50.247	71.704	35.794	56.888
<b>Total current Liabilities</b>		<b>69.851</b>	<b>78.904</b>	<b>46.694</b>	<b>56.888</b>
<b>Total liabilities (d)</b>		<b>234.419</b>	<b>170.185</b>	<b>160.828</b>	<b>99.452</b>
<b>Total Equity &amp; Liabilities (c) + (d)</b>		<b>389.034</b>	<b>323.920</b>	<b>298.392</b>	<b>241.284</b>

The accompanying notes on pages 24 to 40 are an integral part of the Interim Condensed Financial Statements.





**Interim Income Statement (Consolidated) for the period**  
**1/1 to 30/6/2019 and 1/1 to 30/6/2018**

(In thousands of Euro, unless otherwise stated)

		<b>Group</b>	
	<b>Note</b>	<b>1/1 - 30/6/2019</b>	<b>1/1 - 30/6/2018</b>
Revenue		134.824	132.617
Cost of Goods Sold		(78.760)	(78.288)
<b>Gross Profit</b>		<b>56.064</b>	<b>54.329</b>
Other operating income		3.427	3.500
Distribution expenses		(46.685)	(45.917)
Administrative expenses		(6.966)	(6.505)
Other operating expenses		(399)	(451)
<b>Operating Profit</b>		<b>5.441</b>	<b>4.958</b>
Total finance cost		(5.036)	(3.655)
Total finance income		78	54
Contribution associate companies profit and loss		497	59
<b>Profit before Tax</b>		<b>980</b>	<b>1.416</b>
Income tax	15	84	403
<b>Net Profit (A)</b>		<b>1.064</b>	<b>1.820</b>
<b>Attributable to:</b>			
Equity holders of the parent		1.064	1.820
<b>Net Profit (A)</b>		<b>1.064</b>	<b>1.820</b>
Basic Earnings per Share (in EURO)	16	0,0224	0,0383
Diluted Earnings per Share (in EURO)	16	0,0224	0,0383

Revenue is meant as income from contacts with customers

The accompanying notes on pages 24 to 40 are an integral part of the Interim Condensed Financial Statements.



**Interim Statement of Comprehensive Income (Consolidated) for the period 1/1 to 30/6/2019 and 1/1 to 30/6/2018**

(In thousands of Euro, unless otherwise stated)

	Note	Group	
		1/1 - 30/6/2019	1/1 - 30/6/2018
<b>Net Income (A)</b>		<b>1.064</b>	<b>1.820</b>
<b>Other comprehensive income/(expenses) transferred to the income statement</b>			
Effective portion of changes in fair value of cash flow hedges		(183)	(48)
<b>Total Other comprehensive income/(expenses) transferred to the income statement</b>		<b>(183)</b>	<b>(48)</b>
<b>Other comprehensive income/(expenses) not transferred to the income statement</b>			
<b>Other Comprehensive Income/(Losses) after Tax (B)</b>		<b>(183)</b>	<b>(48)</b>
<b>Total Comprehensive Income/(Losses) after Tax (A) + (B)</b>		<b>880</b>	<b>1.772</b>
<b>Attributable to:</b>			
Equity holders of the parent		880	1.772
<b>Total Comprehensive Income/(Losses) after Tax (A) + (B)</b>		<b>880</b>	<b>1.772</b>

The accompanying notes on pages 24 to 40 are an integral part of the Interim Condensed Financial Statements.



**Interim Income Statement (Separate) for the period 1/1 to 30/6/2019 and 1/1 to 30/6/2018**

(In thousands of Euro, unless otherwise stated)

	Note	Company	
		1/1 - 30/6/2019	1/1 - 30/6/2018
Revenue		83.337	84.163
Cost of Goods Sold		(47.757)	(48.925)
<b>Gross Profit</b>		<b>35.579</b>	<b>35.238</b>
Other operating income		2.268	2.011
Distribution expenses		(33.758)	(32.478)
Administrative expenses		(5.631)	(7.262)
Other operating expenses		(363)	(298)
<b>Operating Loss</b>		<b>(1.904)</b>	<b>(2.789)</b>
Total finance cost		(3.788)	(2.348)
Total finance income		76	47
<b>Loss before Tax</b>		<b>(5.617)</b>	<b>(5.090)</b>
Income tax		1.267	1.246
<b>Net Loss (A)</b>		<b>(4.349)</b>	<b>(3.844)</b>
<b>Attributable to :</b>			
Equity holders of the parent		(4.349)	(3.844)
<b>Net Loss (A)</b>		<b>(4.349)</b>	<b>(3.844)</b>

Revenue is meant as income from contacts with customers

The accompanying notes on pages 24 to 40 are an integral part of the Interim Condensed Financial Statements.



**Interim Statement of Comprehensive Income (Separate) for the period 1/1 to 30/6/2019 and 1/1 to 30/6/2018**

(In thousands of Euro, unless otherwise stated)

	Note	Company	
		1/1 - 30/6/2019	1/1 - 30/6/2018
Net Loss (A)		<u>(4.349)</u>	<u>(3.844)</u>
Other comprehensive income/(expenses)			
Other comprehensive income/(expenses) transferred to the income statement			
Total Other comprehensive income/(expenses) transferred to the income statement		<u>(0)</u>	<u>(0)</u>
Other comprehensive income/(expenses) not transferred to the income statement			
Total Other comprehensive income/(expenses) not transferred to the income statement		<u>(0)</u>	<u>(0)</u>
Other Comprehensive Income/(Losses) after Tax (B)		<u>(0)</u>	<u>(0)</u>
Total Comprehensive Income/(Losses) after Tax (A) + (B)		<u>(4.349)</u>	<u>(3.844)</u>

The accompanying notes on pages 24 to 40 are an integral part of the Interim Condensed Financial Statements.



## **Interim Statement of Changes in Equity (Consolidated) for the period 1/1 to 30/6/2019 and 1/1 to 30/6/2018**

(In thousands of Euro, unless otherwise stated)

Note	Share Capital	Share premium reserves	Reserves	Revaluation Reserves	Foreign exchange diff. from Statement of Financial Position transl. reserves	Retained earnings / (Accumulated losses)	Total	Non controlling interest	Total Equity
<b>Balance at 1.1.2018</b>	<b>47.451</b>	<b>(561)</b>	<b>16.850</b>	<b>722</b>	<b>5</b>	<b>82.042</b>	<b>146.509</b>	<b>0</b>	<b>146.509</b>
Effect of adoption of new accounting standards	0	0		0	0	(1.690)	<b>(1.690)</b>	0	(1.690)
<b>Balance at 1.1.2018 (Restated)</b>	<b>47.451</b>	<b>(561)</b>	<b>16.850</b>	<b>722</b>	<b>5</b>	<b>80.352</b>	<b>144.819</b>	<b>0</b>	<b>144.819</b>
<b>Total comprehensive income/(loss) for the period</b>									
Profit	0	0	0	0	0	1.820	<b>1.820</b>	0	<b>1.820</b>
Effective portion of changes in fair value of cash flow hedges	0	0	(48)	0	0	0	<b>(48)</b>	0	(48)
<b>Total comprehensive income/(loss)</b>	<b>0</b>	<b>0</b>	<b>(48)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(48)</b>	<b>0</b>	<b>(48)</b>
<b>Total comprehensive income/(loss) after taxes</b>	<b>0</b>	<b>0</b>	<b>(48)</b>	<b>0</b>	<b>0</b>	<b>1.820</b>	<b>1.772</b>	<b>0</b>	<b>1.772</b>
<b>Transactions with shareholders recorded directly in equity</b>									
SOP Reserve	0	0	78	0	0	0	<b>78</b>	0	78
<b>Total transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>78</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78</b>	<b>0</b>	<b>78</b>
<b>Balance at 30.6.2018</b>	<b>47.451</b>	<b>(561)</b>	<b>16.880</b>	<b>722</b>	<b>5</b>	<b>82.171</b>	<b>146.669</b>	<b>0</b>	<b>146.669</b>
<b>Balance at 1.1.2019 (Restated)</b>	<b>47.451</b>	<b>(561)</b>	<b>16.956</b>	<b>722</b>	<b>5</b>	<b>89.161</b>	<b>153.735</b>	<b>0</b>	<b>153.735</b>
<b>Total comprehensive income/(loss) for the period</b>									
Profit	0	0	0	0	0	1.064	<b>1.064</b>	0	1.064
Effective portion of changes in fair value of cash flow hedges	0	0	(183)	0	0	0	<b>(183)</b>	0	(183)
<b>Total comprehensive income/(loss)</b>	<b>0</b>	<b>0</b>	<b>(183)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(183)</b>	<b>0</b>	<b>(183)</b>
<b>Total comprehensive income/(loss) after taxes</b>	<b>0</b>	<b>0</b>	<b>(183)</b>	<b>0</b>	<b>0</b>	<b>1.064</b>	<b>880</b>	<b>0</b>	<b>880</b>
<b>Transactions with shareholders, recorded directly in equity</b>									
SOP Reserve	0	0	88	0	0	0	<b>88</b>	0	88
Net Income directly booked in the statement movement in Equity	0	(88)	0	0	0	0	<b>(88)</b>	0	(88)
<b>Total transactions with shareholders</b>	<b>0</b>	<b>(88)</b>	<b>88</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
<b>Balance at 30.6.2019</b>	<b>47.451</b>	<b>(649)</b>	<b>16.861</b>	<b>722</b>	<b>5</b>	<b>90.225</b>	<b>154.615</b>	<b>0</b>	<b>154.615</b>

The accompanying notes on pages 24 to 40 are an integral part of Interim Condensed Financial Statements.



**Interim Statement of Changes in Equity (Separate) for the period 1/1 to 30/6/2019 and 1/1 to 30/6/2018**

(In thousands of Euro, unless otherwise stated)

	Note	Share Capital	Share premium reserves	Reserves	Revaluation Reserves	Retained earnings / (Accumulated losses)	Total Equity
<b>Balance at 1.1.2018</b>		47.451	(217)	16.865	722	78.993	143.814
Effect of adoption of new accounting standards		0	0		0	(1.093)	(1.093)
<b>Balance at 1.1.2018 (Restated)</b>		47.451	(217)	16.865	722	77.900	142.721
<b>Total comprehensive income/(loss) for the period</b>							
Profit /(Loss)		0	0	0	0	(3.844)	(3.844)
Total comprehensive income/(loss) after taxes		0	0	0	0	(3.844)	(3.844)
<b>Transactions with shareholders recorded directly in equity</b>							
SOP Reserve		0	0	72	0	0	72
Total transactions with shareholders		0	0	72	0	0	72
<b>Balance at 30.6.2018</b>		47.451	(217)	16.938	722	74.056	138.950
<b>Balance at 1.1.2019</b>		47.451	(217)	17.049	722	76.827	141.832
<b>Balance at 1.1.2019 (Restated)</b>		47.451	(217)	17.049	722	76.827	141.832
<b>Total comprehensive income/(loss) for the period</b>							
Profit /(Loss)		0	0	0	0	(4.349)	(4.349)
<b>Total comprehensive income/(loss) after taxes</b>		0	0	0	0	(4.349)	(4.349)
<b>Transactions with shareholders, recorded directly in equity</b>							
SOP Reserve		0	0	81	0	0	81
<b>Total transactions with shareholders</b>		0	0	81	0	0	81
<b>Balance at 30.6.2019</b>		47.451	(217)	17.131	722	72.477	137.564

The accompanying notes on pages 24 to 40 are an integral part of the Interim Condensed Financial Statements.



**Interim Statement of Cash Flow (Consolidated and Separate) for the period 1/1 to 30/6/2019 and 1/1 to 30/6/2018**

(In thousands of Euro, unless otherwise stated)

Note	Group		Company	
	1/1 - 30/6/2019	1/1 - 30/6/2018	1/1 - 30/6/2019	1/1 - 30/6/2018
<b>Operating Activities</b>				
<b>(Loss)/Profit before taxes</b>	<b>980</b>	<b>1.416</b>	<b>(5.617)</b>	<b>(5.090)</b>
Adjustments for:				
Depreciation / Amortization	7.619	4.229	5.172	2.535
Income on depreciation in fixed subsidy	(75)	(75)	0	0
Provisions	333	268	288	233
Foreign exchange differences	(27)	(6)	(26)	(13)
Results (Income, expenses, profit and loss) from investment activity	(15)	(31)	(12)	(31)
Interest Expense	5.012	3.636	3.764	2.340
<b>Plus/less adj for changes in working capital related to the operating activities</b>				
Decrease / (increase) in inventory	(2.539)	(6.616)	(584)	(3.402)
Decrease / (increase) in trade and other receivables	1.833	9.141	2.551	9.167
(Decrease) / increase in liabilities (excluding banks)	(22.023)	(4.404)	(21.094)	(5.783)
<b>Less</b>				
Interest paid	(3.513)	(3.544)	(2.354)	(2.241)
Income taxes paid	(31)	(81)	0	(0)
<b>Net cash generated from operations (a)</b>	<b>(12.446)</b>	<b>3.933</b>	<b>(17.911)</b>	<b>(2.285)</b>
<b>Investing Activities</b>				
Purchase or Share capital increase of subsidiaries and related companies	0	(5.200)	(300)	(5.220)
Purchase of tangible and intangible fixed assets	(4.017)	(2.141)	(1.088)	(1.105)
Proceeds from disposal of tangible and intangible assets	62	11	0	10
Addition of other investments	(14)	(341)	(14)	(163)
Proceeds from dividends	0	0	3.000	0
Interest Received	23	29	23	26
<b>Total inflow / (outflow) from investing activities (b)</b>	<b>(3.946)</b>	<b>(7.643)</b>	<b>1.621</b>	<b>(6.453)</b>
<b>Financing Activities</b>				
Proceeds from issued loans	13 36.501	7.000	23.500	7.000
Repayment of loans	13 (18.092)	(4.163)	(2.547)	(0)
Repayment of leasing	14 (3.660)	0	(3.158)	0
<b>Total inflow / (outflow) from financing activities (c)</b>	<b>14.749</b>	<b>2.837</b>	<b>17.795</b>	<b>7.000</b>
<b>Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)</b>	<b>(1.643)</b>	<b>(872)</b>	<b>1.504</b>	<b>(1.738)</b>
Cash and cash equivalents at the beginning of the period	22.457	20.295	9.877	11.827
<b>Closing balance, cash and cash equivalents</b>	<b>20.815</b>	<b>19.423</b>	<b>11.381</b>	<b>10.089</b>

The accompanying notes on pages 24 to 40 are an integral part of the Interim Condensed Financial Statements.



## **Notes to the interim condensed financial statements (Consolidated and Separate) as of Jun 30, 2019 and for the year then ended**

### **1. Corporate information**

#### **1.1 General Information**

HOUSEMARKET S.A. (the Company) is located in Greece and has its headquarters located at Internation Airport of Athens "Eleftherios Venizelos", Building 501. It is registered in the Companies Registry of the Ministry of Development with registration number 46208/04/B/00/37(04). It is subsidiary of the company FOURLIS HOLDINGS S.A. with a shareholding of 100%.

The Company's term, in accordance with its Articles of Incorporation, is set for 50 years and expires at 24<sup>th</sup> April 2050.

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

1. Dafni A. Furlis, Chairman, executive member
2. Vassilis St. Furlis, Vice Chairman, executive member
3. Eftihios Th. Vassilakis, Independent Vice Chairman, independent non executive member
4. Panagiotis D. Katiforis, CEO, executive member
5. Apostolos D. Petalas, Director, non executive member
6. Christos G. Tsamitropoulos, Director
7. Ioannis Ath. Kostopoulos, Director, independent non executive member

The total number of employees of the Company and its subsidiaries (hereinafter the "Group") on 30/6/2019 is 2.353 (30/6/2018 2.323) while the total number of employees of the Company on 30/6/2019 is 1.488 (30/6/2018 1.509).

#### **1.2 Activities**

The Group's Companies activities are the retail trading of home furniture and household goods and real estate.

The Financial Statements include the direct and indirect subsidiaries of the Group as presented below:

<b>Name</b>	<b>Location</b>	<b>% Holding</b>	<b>Consolidation Method</b>
RENTIS SA*	Athens, Greece	100,00	Full
HOUSE MARKET BULGARIA AD	Sofia, Bulgaria	100,00	Full
HM HOUSEMARKET (CYPRUS) LTD	Nicosia, Cyprus	100,00	Full
TRADE LOGISTICS SA	Athens, Greece	100,00	Full
WYLDES LIMITED LTD	Nicosia, Cyprus	100,00	Full
VYNER LTD*	Nicosia, Cyprus	50,00	Net Equity





SW SOFIA MALL ENTERPISES LTD\*

Cyprus

50,00

Net Equity

\* Companies with indirect shareholding

## 2. Basis of presentation of the Financial Statements

The accompanying Interim Condensed Consolidated and Separate Financial Statements (hereinafter «Interim Condensed Financial Statements») have been prepared in accordance with International Financial Reporting Standards (IFRS) and therefore they do not include all required information for the annual financial statements and must be studied combined with the published financial statements of the Group on 31/12/2018 which have been uploaded at the internet, at the website <http://www.housemarket.gr>. The Board of Directors of the Company approved the Interim Condensed Financial Statements on 2/9/2019.

All amounts are presented in thousands of Euro, unless otherwise stated and any differentiations in sums are due to rounding.

## 3. Significant accounting policies – Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group and Company as of 1 January 2019:

- **IFRS 16: Leases**

The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

IFRS 16 replaces the current accounting treatment of leases based on IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives and SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease.

The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. More specifically, IFRS 16 introduces a single presentation model of all leases at the Statement of Financial Position of all companies. The lessee has to recognize a right of use which represents its obligation to pay the relative leases. The standard provides exceptions for current leases (lower than 12 months) and leases of assets of low value. Accounting treatment of leases for lessors remains the same with the currently existing standard, namely the lessors will continue to classify their leases at financial and operating.

The actual impact of the adoption of the standard on 1/1/2019 is presented in Notes 7 and 14.



## **Transition to the new standard**

The Group / Company implemented for the first time IFRS 16 on 1/1/2019 by using the modified retrospective approach. Based on this approach the Group/Company:

- Recognized a liability which will be measured at present value as resulted from the discounting of leases remaining to be paid, with the extra loan interest rate that was in force on the date of the initial implementation.
- Recognized an asset right of use, by measuring this right to an amount which will equal to the respective liability which will be recognized.

The impact of the implementation was registered as adjustment in retained earnings on 1/1/2019, without any amendment at comparative information.

The Group/Company also used the exception provided by the standard regarding the determination of leases. This practically means that the requirements of IFRS 16 were implemented at all contracts which were in force on 1/1/2019 and had been recognized as leasing based on IAS 17 and IFRIC 4.

## **Group's accounting policy for the new standard**

### What is a lease under IFRS 16

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Recognition exemptions under IFRS 16

- Short-term leases
- Leases where the underlying asset has a low value
- Leases with variable lease payments

### Lease duration

The non-cancellable period for which a lessee has the right to use an underlying asset, plus extension or termination options if the lessee is reasonably certain to exercise them.

The Group defines the leasing duration as the contractual time of leasing and takes into account the extension or termination options of leasing as long as there is a certainty that they will be exercised. The majority of leasing contracts of the Group include early termination terms almost without penalty.

### Starting date of leasing period



Upon lease commencement the lessee recognises a right-of-use asset and a lease liability as follows:

Initial measurement of right of use asset = Initial measurement of leasing liability.

The present value of the lease payments payable over the lease term, discounted at the implicit rate of the lease if that can be readily determined or the lessee's incremental borrowing rate (the interest rate that a lessee would accept to borrow the necessary funds under similar terms namely a loan duration equals to the lease term and with similar security to obtain the asset).

Moreover, the Group/Company decided to implement a single discount rate in every lease category with similar characteristics (leases with respective duration, similar assets and respective economic environment).

#### Subsequent measurement of right of use asset

The lessee measures the right of use asset at cost less accumulated depreciation and accumulated impairment.

#### Subsequent measurement of lease liability

The lessee measures lease liability by increasing book value with lease liability interest and decreasing book value with lease payments.

Lease liability interest results from the implementation of lease interest rate or borrowing rate.

#### Revaluation of liability

It is conducted if there is a change at lease duration.

#### Presentation

- Right of use assets separately from the other assets in statement of financial position.
  - Lease liabilities separately from the other liabilities.
  - Interest expense of lease liability separately from depreciation cost for right of use asset in income statement and statement of comprehensive income.
  - Cash payments for the part of the liability regarding capital, interests and non-IFRS 16 leases in cash flow statement.
- **IFRS 9: Prepayment features with negative compensation (Amendment)**

The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative



compensation'), to be measured at amortized cost or at fair value through other comprehensive income. Management of the Group and Company estimates that this amendment does not have any impact on the financial statements.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**

The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. Management of the Group and Company estimates that this amendment does not have any impact on the financial statements.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This change does not have an impact on the Group's companies.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**

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 plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. Management of the Group and Company estimates that this amendment does not have any impact on the financial statements.

- The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. Management of the Group and Company estimates that this amendment does not have any impact on the financial statements.

- **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to



where the past transactions or events that generated distributable profits has been recognized.

- **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

#### **Standards issued but not yet effective and not early adopted by the Group / Company**

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management of the Group and Company estimates that this amendment will not have any impact on the financial statements.

- **Conceptual Framework in IFRS standards**

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- **IFRS 3: Business Combinations (Amendments)**

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application



permitted. These Amendments have not yet been endorsed by the EU. Management of the Group and Company estimates that this amendment will not have any impact on the financial statements.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU. Management of the Group and Company estimates that this amendment will not have any impact on the financial statements.

#### **4. Financial Risk Management**

Policies regarding management of financial risk and capital of the Group are those analyzed in the annual financial statements of 31/12/2018.

#### **5. Management estimates**

The preparation of the Interim Condensed Financial Statements according to IFRS requires the management to make estimations and assumptions that may influence the accounting balances of Assets & Liabilities, the disclosures relating to Contingent Receivables & Payables, along with the recording of the amounts of Revenues and Expenses, recorded during the current period. The use of available information and subjective judgment are an integral part of making assumptions.

Future results may vary from the above estimates. Management's estimates and adjustments are under constant evaluation, based on historical data and the expectations for future events which are considered as realistic under the current circumstances. Management estimates and adjustments are consistent with those followed for the issuance of the annual Financial Statements Separate and Consolidated for the year ended 31/12/2018 other than those mentioned in the Group's accounting policy for IFRS 16 Leases (Note 3). Historically, the consumers' demand for the Group products increases during the last four months of the year.

#### **6. Property, plant and equipment**

Property, plant and equipment for the period 1/1 – 30/6/2019 are analyzed as follows:



	Group						Total
	Land	Buildings and installations	Machinery /Installations	Vehicles	Furniture	Assets under construction	
<b>Net book value at 31.12.2018</b>	<b>52.266</b>	<b>119.141</b>	<b>1.775</b>	<b>966</b>	<b>5.936</b>	<b>2.688</b>	<b>182.772</b>
<b>1.1 - 30.6.2019</b>							
Additions	288	1.519	269	59	951	650	3.736
Other changes in acquisition cost	0	61	(27)	(19)	(232)	(140)	(357)
Depreciation/amortization	0	(2.886)	(223)	(104)	(942)	0	(4.155)
Other changes in depreciation	0	30	18	19	219	0	286
<b>Acquisition cost at 30.6.2019</b>	<b>52.553</b>	<b>182.878</b>	<b>5.901</b>	<b>5.266</b>	<b>36.001</b>	<b>3.198</b>	<b>285.797</b>
<b>Accumulated depreciation at 30.6.2019</b>	<b>0</b>	<b>(65.013)</b>	<b>(4.089)</b>	<b>(4.345)</b>	<b>(30.068)</b>	<b>0</b>	<b>(103.514)</b>
<b>Net book value at 30.6.2019</b>	<b>52.553</b>	<b>117.865</b>	<b>1.812</b>	<b>922</b>	<b>5.933</b>	<b>3.198</b>	<b>182.283</b>

	Company						Total
	Land	Buildings and installations	Machinery /Installations	Vehicles	Furniture	Assets under construction	
<b>Net book value at 31.12.2018</b>	<b>31.316</b>	<b>53.200</b>	<b>1.310</b>	<b>298</b>	<b>3.141</b>	<b>0</b>	<b>89.265</b>
<b>1.1 - 30.6.2019</b>							
Additions	0	297	119	3	457	0	876
Other changes in acquisition cost	0	(30)	(18)	0	(186)	0	(234)
Depreciation/amortization	0	(1.528)	(152)	(35)	(536)	0	(2.251)
Other changes in depreciation	0	30	18	0	176	0	223
<b>Acquisition cost at 30.6.2019</b>	<b>31.316</b>	<b>92.091</b>	<b>4.120</b>	<b>1.553</b>	<b>21.718</b>	<b>0</b>	<b>150.798</b>
<b>Accumulated depreciation at 30.6.2019</b>	<b>0</b>	<b>(40.122)</b>	<b>(2.843)</b>	<b>(1.287)</b>	<b>(18.666)</b>	<b>0</b>	<b>(62.918)</b>
<b>Net book value at 30.6.2019</b>	<b>31.316</b>	<b>51.969</b>	<b>1.277</b>	<b>266</b>	<b>3.052</b>	<b>0</b>	<b>87.879</b>

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

On 27/6/2019, one new Pop Up Store in Kalamata started operating.

Moreover, other changes in property, plant and equipment are related to write-offs and sales of assets.

Depreciation of property, plant and equipment for the period 1/1 - 30/6/2019 amounted to € 4.155 th. (30/6/2018: € 4.051 th.). Total depreciation of property, plant and equipment and intangible assets of amount € 4.616 th. (30/6/2018: € 4.229 th.) was registered by the amount of € 241 th. (30/6/2018: € 239 th.) in cost of sales, € 3.999 th. (30/6/2018: € 3.650 th.) in distribution expenses and € 377 th.



(30/6/2018: € 340 th.) in administrative expenses.

## 7. Right of use assets

Right of use assets recognized by the Group and Company upon the first implementation of IFRS 16 on 1/1/2019 are analyzed as follows:

	Initial Recognition	
	Group 1/1/2019	Company 1/1/2019
Leasing Buildings	65.125	62.432
Leasing Machinery /Installations	2.379	
Leasing Vehicles	636	417
<b>Total</b>	<b>68.140</b>	<b>62.849</b>

Additions/changes in right of use assets of the Group and Company for the period 1/1 – 30/6/2019 are analyzed as follows:

	Leasing Buildings	Group Leasing Machinery /Installations	Leasing Vehicles	Total
<b>Initial Recognition 1.1.2019</b>	<b>65.125</b>	<b>2.379</b>	<b>636</b>	<b>68.140</b>
Other changes				
Additions	304	0	53	357
Depreciation/amortization	(2.702)	(196)	(105)	(3.003)
<b>Acquisition cost at 30.6.2019</b>	<b>65.429</b>	<b>2.379</b>	<b>689</b>	<b>68.497</b>
<b>Accumulated depreciation at 30.6.2019</b>	<b>(2.702)</b>	<b>(196)</b>	<b>(105)</b>	<b>(3.003)</b>
<b>Net book value at 30.6.2019</b>	<b>62.727</b>	<b>2.183</b>	<b>584</b>	<b>65.495</b>

	Company		
	Leasing Buildings	Leasing Vehicles	Total
<b>Initial Recognition 1.1.2019</b>	<b>62.432</b>	<b>417</b>	<b>62.849</b>
Additions	304	8	312
Depreciation/amortization	(2.479)	(69)	(2.548)
<b>Acquisition cost at 30.6.2019</b>	<b>62.737</b>	<b>424</b>	<b>63.161</b>
<b>Accumulated depreciation at 30.6.2019</b>	<b>(2.479)</b>	<b>(69)</b>	<b>(2.548)</b>
<b>Net book value at 30.6.2019</b>	<b>60.258</b>	<b>355</b>	<b>60.613</b>

The impact from the adoption of IFRS 16 in deferred tax assets of the Group's Statement of Financial Position on 30/6/2019 was € 177 th. (1/1/2019 €0) and for the Company was € 171 th. (1/1/2019 €0).

## 8. Investment property

Changes of the period 1/1 – 30/6/2019 are analysed as follows:





	Group		Company	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Opening Balance	28.350	28.332	13.450	12.385
Additions	14	363	14	185
Impairment / Goodwill	0	(345)	0	880
<b>Closing Balance</b>	<b>28.363</b>	<b>28.350</b>	<b>13.463</b>	<b>13.450</b>

On 30/6/2019 there were no significant indications for change of the fair value of the Group's investment property.

## 9. Intangible assets

Intangible assets are analyzed as follows:

	Group			
	Royalties	Software	Miscellaneous	Total
<b>Net book value at 31.12.2018</b>	<b>4.074</b>	<b>2.317</b>	<b>11</b>	<b>6.402</b>
<b>1.1 - 30.6.2019</b>				
Additions	0	281	0	281
Depreciation/amortization	(139)	(322)	(1)	(461)
<b>Acquisition cost at 30.6.2019</b>	<b>8.872</b>	<b>8.369</b>	<b>12</b>	<b>17.253</b>
<b>Accumulated depreciation at 30.6.2019</b>	<b>(4.937)</b>	<b>(6.093)</b>	<b>(2)</b>	<b>(11.031)</b>
<b>Net book value at 30.6.2019</b>	<b>3.935</b>	<b>2.277</b>	<b>10</b>	<b>6.222</b>

Other changes in acquisition cost and changes in depreciation are related to foreign exchange differences.

Intangible assets of the Company are analyzed as follows:

	Company			
	Royalties	Software	Miscellaneous	Total
<b>Net book value at 31.12.2018</b>	<b>3.167</b>	<b>1.810</b>	<b>11</b>	<b>4.988</b>
<b>1.1 - 30.6.2019</b>				
Additions	0	212	0	212
Depreciation/amortization	(125)	(247)	(1)	(373)
<b>Acquisition cost at 30.6.2019</b>	<b>7.210</b>	<b>6.546</b>	<b>12</b>	<b>13.768</b>
<b>Accumulated depreciation at 30.6.2019</b>	<b>(4.168)</b>	<b>(4.772)</b>	<b>(2)</b>	<b>(8.942)</b>
<b>Net book value at 30.6.2019</b>	<b>3.042</b>	<b>1.775</b>	<b>10</b>	<b>4.826</b>

Royalties include the use of brand names (IKEA).

## 10. Share capital

On 30/6/2019 and 31/12/2018 the share capital amounted to € 47.450.647 divided into 47.450.647 shares of nominal value € 1,00 per share.



## 11. Dividends

The Ordinary Shareholders General Assembly dated on 14/6/2019 did not propose a dividend distribution for the year 2018.

## 12. Employee retirement benefits

### 12.1 Liabilities due to termination of service

The basic assumptions of the actuarial study conducted in the year 2018 are in force.

### 12.2 Share based payments

During the period 1/1 – 30/6/2019, no option that was granted based on the first, second and third wave of the SOP of 27/9/2013 and the first and second wave of the SOP of 16/6/2017 was exercised.

During the period 1/1 – 30/6/2019, the amount of € 88 th. was registered in the consolidated income statement as an expense.

## 13. Borrowings

Borrowings on 30/6/2019 and 31/12/2018 are analyzed as follows:

	Group		Company	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
<b>Non - current loans</b>	<b>102.802</b>	<b>90.296</b>	<b>54.582</b>	<b>39.531</b>
Current portion of non-current loans and borrowings	8.193	7.197	1.000	0
Non - current loans	94.609	83.099	53.582	39.531
Short term loans for working capital	5.995	4	5.991	0
<b>Total loans and borrowings</b>	<b>108.797</b>	<b>90.299</b>	<b>60.572</b>	<b>39.531</b>

The repayment period of non - current loans varies between 1 to 6 years and the average effective interest rate of the Group was 3,54% during the period 1/1 -30/6/2019 (1/1 – 30/6/2018: 3,83%). Repayments and proceeds of loans of the Group for the current period amounted to € 18.092 thousand (30/6/2018: € 4.163 th.) and € 36.501 thousand (30/6/2018: € 7.000 th.) and for the Company € 2.547 thousand (30/6/2018: € 0 th.) and € 23.500 thousand (30/6/2018: € 7.000 th.). Non - current loans, including their part which is payable within 12 months, cover mainly the Group's growth needs and are analyzed in bond, syndicated and other non - current loans as follows:

<b>30/6/2019</b>		<u>Amount in th. euros</u>	<u>Issuing Date</u>	<u>Duration</u>
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	12.458	23/4/2019	5,5 years from the issuing date (€2.168 th. payable forthcoming period)
		<b>12.458</b>		
TRADE LOGISTICS SA	Bond	5.650	8/3/2017	5 years from the issuing date (€600 th. payable forthcoming period)
		<b>5.650</b>		
HOUSE MARKET BULGARIA AD	Syndicated	30.112	11/7/2016	9 years from the issuing date (€4.425 th. payable forthcoming period)
		<b>30.112</b>		
HOUSEMARKET SA	Bond	39.581	4/10/2016	5 years from the issuing date
	Bond	15.000	26/2/2019	5 years from the issuing date (€1.000 th. payable forthcoming period)
		<b>54.581</b>		
<b>Total</b>		<b>102.802</b>		

<b>31/12/2018</b>		<u>Amount</u>	<u>Issuing Date</u>	<u>Duration</u>
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	2.386	17/3/2011	5 years from the issuing date (€1.139 th. payable forthcoming period)
	Bilateral	600	30/3/2016	3,5 years from the issuing date (€600 th. payable forthcoming period)
	Bilateral	1.350	30/3/2016	6 years from the issuing date (€600 th. payable forthcoming period)
		<b>4.336</b>		
TRADE LOGISTICS SA	Bond	5.950	8/3/2017	5 years from the issuing date (€600 th. payable forthcoming period)
		<b>5.950</b>		
RENTIS SA	Bond	8.250	19/7/2017	3 years from the issuing date (payment at maturity date)
		<b>8.250</b>		

<b>31/12/2018</b>		<b>Amount</b>	<b>Issuing Date</b>	<b>Duration</b>
HOUSE MARKET BULGARIA AD	Syndicated	32.228	11/7/2016	9 years from the issuing date (€4.257 th. payable forthcoming period)
		<b>32.228</b>		
HOUSEMARKET SA	Bond	39.531	4/10/2016	5 years from the issuing date
		<b>39.531</b>		
<b>Total</b>		<b>90.296</b>		

Non –current loans include the bond loan issued by the company HOUSEMARKET S.A. of five-year maturity. The Bond Loan, was disposed through a public offering between 28<sup>th</sup> and 30<sup>th</sup> of September 2016 in Greece by cash payment and the available 40.000.000 bearer bonds were issued on 6/10/2016 for trading in the Fixed Income Securities Category of the regulated market of Athens Stock Exchange. The loan is subject to greek law, has a five year maturity date with fixed interest rate 5% per year and quarterly interest payment. Direct costs of the bond loan issue amounted to € 853 th., of which € 43 th. have been allocated within the year 2016, € 171 th. have been allocated within the year 2017, € 171 th. have been allocated within the year 2018, € 85 th. have been allocated within the 1<sup>st</sup> semester of 2019 and € 171 th. will be allocated within the next 12 months and € 212 th. within the next years.

Total short term loans of the Group include current loans and overdraft bank accounts which are used for the Group’s working capital needs. The amounts drawn are used mainly to cover current obligations to suppliers.

Some of Group’s loans include loan covenants. On 30/6/2019 the Group was either in compliance with its loan terms or had received waiver in their measurments.

The Group, having centralized its capital management, has the ability to directly identify, quantify, manage and hedge, if necessary, its financial risks created by its operational activities so as to be consistent to the changes in the economic environment. The Group continuously observes and budgets its cash flow and acts appropriately in order to ensure open credit lines for covering current capital needs. The Group has adequate open credit lines with domestic and foreign financial institutions in order to cover the needs of the companies in working capital. On 30/6/2019, the open balance of credit lines amounted to € 67 million.

#### **14. Leasing Liabilities**

The liability that the Group and Company recognized upon the first implementation of IFRS 16 on 1/1/2019 is analyzed as follows: amount of € 68.140 th. and amount of € 62.849 th.



On 30/6/2019, leasing liability for the Group and Company is analyzed as follows:

	<b>Lease liabilities</b>	
	<b>Group</b>	<b>Company</b>
	<b>30/6/2019</b>	<b>30/6/2019</b>
Initial Recognition	(68.140)	(62.849)
Additions	(357)	(312)
Interest expense on lease liabilities	(1.383)	(1.296)
Repayment of leasing	3.660	3.158
<b>Total</b>	<b>(66.221)</b>	<b>(61.298)</b>

The impact from the adoption of IFRS 16 in retained earnings of the Group's Statement of Financial Position on 30/6/2019 was € 549 th (1/1/2019: €0) and for the company was € 514 th (1/1/2019: €0).

### 15. Income taxes

The nominal tax rates in the countries that the Group is operating vary between 10% and 28% for the year, as follows:

<b>Country</b>	<b>Income Tax Rates (30/6/2019)</b>
Greece (*)	28,00%
Bulgaria	10,00%
Cyprus	12,50%

(\*) According to article 23 of L.4579/2018, tax rates of income from operating activities of legal entities, are gradually decreased by 1% per year as follows: 28% for tax year 2019, 27% for tax year 2020, 26% for tax year 2021 and 25% for tax year 2022 etc.

The income tax expense for the period 1/1 – 30/6/2019 and 1/1 – 30/6/2018 is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1/1 - 30/6/2019</b>	<b>1/1 - 30/6/2018</b>	<b>1/1 - 30/6/2019</b>	<b>1/1 - 30/6/2018</b>
<b>Income tax</b>	<b>(666)</b>	<b>(687)</b>	<b>0</b>	<b>0</b>
<b>Deferred Taxes:</b>				
Differences of fixed assets	(135)	(113)	(48)	(74)
Provisions for employee benefits (IAS 19)	36	39	33	36
Depreciation Differences of right of use assets (IFRS 16)	691	0	637	0
Lease Differences (IFRS 16)	(850)	0	(790)	0
Interest of lease liabilities (IFRS 16)	336	0	324	0
Provisions	(79)	(55)	(28)	(60)
Deferred tax from tax loss recognition	750	1.219	1.139	1.344
<b>Total Deferred taxes</b>	<b>750</b>	<b>1.090</b>	<b>1.267</b>	<b>1.246</b>
<b>Income Tax Expense</b>	<b>84</b>	<b>403</b>	<b>1.267</b>	<b>1.246</b>



## 16. Earnings per share

The basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares during the period. The weighted average number of shares as at 30 June 2019 is 47.450.647 and as at 30 June 2018 was 47.450.647.

	Group	
	2019	2018
Profit / (Loss) after tax attributable to owners of the parent	1.064	1.820
Number of issued shares	47.450.647	47.450.647
SOP Impact	0	0
Effect from purchase of own shares	0	0
Weighted average number of shares	47.450.647	47.450.647
Basic Earnings / (Losses) per Share (in Euro)	0,0224	0,0383
Diluted Earnings / (Losses) per Share (in Euro)	0,0224	0,0383

## 17. Commitments and Contingencies

There are no substantial differences in commitments and contingencies from the corresponding amounts of the Annual financial Report of 31/12/2018.

## 18. Related parties

Related parties of the Group include the Company FOURLIS HOLDINGS SA, subsidiary and associated companies, the management and the first line managers.

The analysis of the related party receivables and payables as at 30 June 2019 and 31 December 2018 are as follows:

	Group		Company	
	1/1 - 30/6/2019	1/1 - 31/12/2018	1/1 - 30/6/2019	1/1 - 31/12/2018
<b>Receivables from:</b>				
FOURLIS HOLDINGS SA	246	1	164	0
H.M. HOUSE MARKET (CYPRUS) LTD	0	0	14	3.006
INTERSPORT SA	650	523	53	60
INTERSPORT (CYPRUS) LTD	5	5	0	0
GENCO BULGARIA	22	5	0	0
HOUSE MARKET BULGARIA AD	0	0	5	48
VYNER	0	140	0	0
SW SOFIA MALL ENTERPRISES LTD	0	96	0	0
<b>Total</b>	<b>924</b>	<b>770</b>	<b>236</b>	<b>3.114</b>
<b>Payables to:</b>				
FOURLIS HOLDINGS SA	5.312	5.334	5.256	5.250
INTERSPORT SA	1	0	1	0
HOUSE MARKET BULGARIA AD	0	0	5	7
TRADE LOGISTICS SA (RHF)	0	0	438	427
<b>Total</b>	<b>5.313</b>	<b>5.334</b>	<b>5.699</b>	<b>5.683</b>

Related party transactions for the periods 1/1 – 30/6/2019 and 1/1 – 30/6/2018 are as follows:



	Group		Company	
	2019	2018	2019	2018
Revenue	1.953	1.815	10	553
Other operating income	196	205	187	187
<b>Total</b>	<b>2.149</b>	<b>2.020</b>	<b>197</b>	<b>740</b>

	Group		Company	
	1/1 - 30/6/2019	1/1 - 30/6/2018	1/1 - 30/6/2019	1/1 - 30/6/2018
Distribution expenses	385	363	2.238	114
Administrative expenses	1.551	1.496	1.206	3.062
Other operating expenses	0	27	0	13
<b>Total</b>	<b>1.936</b>	<b>1.886</b>	<b>3.444</b>	<b>3.189</b>

During periods 1/1 – 30/6/2019 and 1/1 – 30/6/2018, transactions and fees of management members were as follows:

	Group		Company	
	1/1 - 30/6/2019	1/1 - 30/6/2018	1/1 - 30/6/2019	1/1 - 30/6/2018
Transactions and fees of management members	821	799	727	707

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

## 19. Transactions with Subsidiaries

During the periods 1/1 – 30/6/2019 and 1/1 – 30/6/2018, between the parent company and its subsidiaries the following transactions occurred:

	Group		Company	
	2019	2018	2019	2018
Revenue	2.128	2.500	6	550
Cost of sales	6	578	6	550
Other income	79	109	71	71
Administrative expenses	9	1.929	7	1.927
Distribution expenses	2.192	102	2.122	0

	Group		Company	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Trade receivables	461	3.488	19	3.054
Creditors	461	3.488	443	434



## **20. Significant Additions in Consolidated Data**

The most significant changes recorded in the Consolidated and Separate Statement of Financial Position as of 30/6/2019 in comparison with the corresponding data as at 31/12/2018 are the following:

- Increase in the amount of "Inventory" is due to seasonality of purchases.
- Decrease in the amount of "Cash and cash equivalents" is due to seasonal funding needs of the Group's operational profitability.
- Decrease in the amount of "Payables" is due to change in credit terms.
- The adoption of IFRS 16 affected total assets at "right of use assets" and "deferred tax" and total shareholders' equity and liabilities at "non current leasing", "current portion of non current liabilities" and "retained earnings" (Note 7, 14).

## **21. Subsequent events**

There are no other significant events following the date of 30/6/2019 that may affect the financial position and results of the Group.





## **Report on Use of Funds Raised from the issuance of Non-Convertible Bond Loan through payment in cash from the period from 04.10.2016 until 30.06.2019**

In accordance with the provisions of paragraph 4.1.2 of the Athens Exchange Stock Market Regulation, the decision no. 25/17.07.2008 of the Board of Directors of Athens Stock Exchange and the decision no. 8/754/14.04.2016 of the Board of Directors of Hellenic Capital Markets Commission, it is hereby announced that from the issuance of the Non-Convertible Corporate Bond Loan of forty million euros (€40.000.000) with the issuance of the forty million bearer bonds with offer price of €1 each, that was implemented according to the decision of the Extraordinary General Assembly of the shareholders of HOUSEMARKET SOCIETE ANONYME FOR TRADING HOUSEHOLD ITEMS, FURNITURE AND CATERING ITEMS (hereafter the "Company") dated 21.6.2016 and the approval of the content of the Prospectus from the Hellenic Capital Market Commission dated 12.9.2016, a total net amount of forty million euros (€40.000.000) was raised. The cost of the issuance amounted at €852.568,27 and it was covered in total from own other funds of the Company.

The issuance of the Non-Convertible Bond Loan was covered in full and the Board of Directors of the Company certified the deposit of the funds raised from the issuance at its meeting held on 4.10.2016.

Furthermore, the forty million bearer bonds commenced trading in the fixed income securities category of the regulated market of Athens Stock Exchange on 6.10.2016.

The table below presents the specific use of the raised funds per category of use/investment, the timetable of the utilization of the funds raised as well as the use of raised funds until 30.6.2019:

Table for the Use of Raised Funds from the Issuance of Non-Convertible Corporate Loan of €40.000.000

Amounts in thousand of euros

Purpose of Use of Raised Funds		Timetable and Distribution of Raised Funds					Amount of Raised Funds that Utilized						Remaining balance to be utilized
		Second Semester 2016	2017	2018	2019	2020	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019	
Participation in the Share Capital Increase of TRADE LOGISTICS S.A. * for partial repayment of loans		-	10.500	-	-	-	10.500	0	0	0	0	0	0
Investments in Fixed Assets and Electromechanical equipment	Installation of Information Systems related to the management of retail sales	900	-	-	-	-	900	0	0	0	0	0	0
	Upgrade of electromechanical equipment of existing stores	-	2.100		-	-	0	375,11	375,69	558,22	790,98	0,00	0
	Refurbishment of IKEA stores	5.000					75,40	256,37	848,79	564,90	362,40	410,23	2.481,91
Working Capital Facilities		21.500					21.500	0	0	0	0	0	0
Total		40.000					32.975,40	631,48	1.224,48	1.123,12	1.153,38	410,23	2.481,91

\* TRADE LOGISTICS S.A. is a subsidiary company of HOUSEMARKET S.A., participating in its share capital by 100% (minus one share).

Paiania, September 2<sup>nd</sup> 2019

Chairman of the BoD

Vice Chairman of the BoD

Managing Director

Dafni Fourli

Vassileios Fourlis

Panagiotis Katiforis

## **Report on factual findings in connection with the "Report on Use of Funds Raised" as resulted from the Agreed Upon Procedures processes**

(Translation from the original in Greek)

To the Board of Directors of Housemarket SA

According to the engagement letter dated 29 July 2019, we were assigned by the Board of Directors of Housemarket SA (hereafter the "Company") to perform the agreed upon procedures enumerated below, within the context of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council on 16 April 2014 about market abuse (Market Abuse Regulation) (hereafter the "Resolutions") with respect to the "Report of Use of Funds Raised" from the issuance of Non- Convertible Bond Loan amounting to € 40.000.000" (hereafter the "Report") issued in 2016. The Management is responsible for the preparation of the Report in compliance with the Regulation (EU) No. 596/2014 of the European Parliament and of the Council on 16 April 2014 about market abuse (Market Abuse Regulation) and Directive No. 2003/6 / EC of the European Parliament and the Council and Commission Directives No. 2003/124 / EC, 2003/125 / EC and 2004/72 / EC and in accordance with what is requested in the Prospectus dated 12 September 2016, in the field E2b of the Summary.

Our engagement was undertaken in accordance with the International Standard on Related Services 4400, applicable to agreed-upon-procedures engagements regarding Financial Information. Our responsibility is solely to perform the procedures described below and for reporting to you on our findings.

### **Procedures performed**

Our procedures are summarized as follows:

1. We examined the content of the Report and its consistency with what is referred to in the Prospectus issued by the Company on 12 September 2016.
2. We have compared the amounts used from the bond loan, as reported in the Report, with the amounts recognized in the books and records of the Company, from the date the funds were raised up to 30 June 2019.
3. We examined whether the amounts used from the bond loan, from the date the funds were raised up to 30 June 2019, were allocated according to their intended uses, in accordance with what is requested in the Prospectus dated 12 September 2016, in the field E2b of the Summary, by examining on a sample basis documents that support the relevant accounting entries.

### **Findings**

We report our findings below:

1. We noted that the content of the Report is consistent with the provisions of the Prospectus mentioned above.
2. The amounts used from the bond loan, as reported in the attached «Report on Use of Funds raised from the issuance of Non- Convertible Bond Loan of € 40.000.000», are in accordance with the amounts recognized in the books and records of the Company as at 30 June 2019. By examining on a sample basis the relevant documents, we ensured that the amounts raised by the issue of the Non-Convertible bond loan were allocated according to their intended uses, in accordance with what is requested in the Prospectus dated 12 September 2016, in the field E2b of the Summary.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance beyond what we have referred to above.

Had we performed additional procedures or had we perform an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

### **Use Limitation**

This report is addressed exclusively to the Board of Directors, in compliance with its obligations to the current regulatory framework of the Athens Stock Exchange. This report is not to be used for any other purpose, since it is limited to what is referred above and does not extend to the interim financial statements prepared by the Company for the period ended 30 June 2018, for which we have issued a separate Review Report, dated 2 September 2019.

Athens, 2 September 2019

The Certified Auditor

SOFIA KALOMENIDES  
SOEL reg. no 13301  
ERNST & YOUNG (HELLAS)  
CERTIFIED AUDITORS ACCOUNTANTS S.A.  
8b CHIMARRAS, MAROUSSI  
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### **Web site for the publication of the Six-Month Financial Statements**

The Interim Condensed Financial Statements (Consolidated and Separate) for the period 1/1 – 30/6/2019 have been made available at the company's website: [www.housemarket.gr](http://www.housemarket.gr).