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

ANNUAL FINANCIAL REPORT

For the period

1/1/2020 to 31/12/2020

(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 4 par. 2 of L. 3556/2007)

The members of the Board of Directors

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

We confirm that to the best of our knowledge:

a) The Financial Statements of the Company HOUSEMARKET S.A. for the period 1/1/- 31/12/2020 which have been prepared in accordance with International Financial Reporting Standards as endorsed by the EU, provide a true and fair view of the Assets, Liabilities and Shareholders' Equity along with the income statement of the Group as well as of the companies that are included in the consolidation taken as a whole.

b) The Annual Report of Board of Directors provides a true and fair view of the evolution, performance and financial position of HOUSEMARKET S.A. and of the companies included in the consolidation, taken as a whole, as well as a description of the main risks and uncertainties they face.

Paiania, March22th 2021

The Chairman	The Vice Chairman	The CEO
Dafni A. Fourlis	Vassilis S. Fourlis	Panagiotis D. Katiforis

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY HOUSEMARKET SA FOR THE PERIOD 1/1 – 31/12/2020

TO THE SHAREHOLDERS ANNUAL GENERAL ASSEMBLY OF YEAR 2021

Dear Shareholders,

This Financial Report of the Board of Directors is for the period 1/1 - 31/12/2020 and was conducted in compliance with the relevant provisions of L. 4548/2018 as applied until 31/12/2020, article 4 of L. 3556/2007 and resolution 7/448/22.10.2007 of Hellenic Capital Market Committee. Consolidated and Separate Financial Statements comply to IFRS as adopted by EU.

Please find below, for your approval, the Annual Financial Report of the Company HOUSEMARKET S.A. for the period 1/1 - 31/12/2020 and the Group composed by its direct and indirect subsidiaries.

1. THE GROUP – Business Segment

The parent Company HOUSEMARKET S.A. ("Company") along with its subsidiaries and their subsidiaries compose the HOUSEMARKET Group ("Group") which operate in the retail trading of home furniture and household goods segment (IKEA Stores). The parent company is subsidiary of the company FOURLIS HOLDINGS S.A. with a direct shareholding of 100%. FOURLIS HOLDINGS SA along with its direct and indirect subsidiaries compose FOURLIS Group, which is operating in retail trading of home furniture and household goods segment (IKEA Stores) and retail trading of sporting goods segment (INTERSPORT and TAF Stores). More information for FOURLIS Group are included in the website www.fourlis.gr.

The direct and indirect subsidiaries of the Group that are included in the consolidated financial statements for the year 2020, are the following:

a) Full method

- H.M. HOUSEMARKET (CYPRUS) LTD which operates in Cyprus and the Company has a shareholding of 100%.
- HOUSE MARKET BULGARIA EAD which operates in Bulgaria and the Company has a shareholding of 100% on its share capital.
- 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) on its share capital.
- TRADE ESTATES BULGARIA EAD which operates in Bulgaria and the parent company has an indirect shareholding of 100%.
- TRADE ESTATES CYPRUS LTD which operates in Cyprus and the parent company has an indirect shareholding of 100%.
- H.M. ESTATES CYPRUS LTD which operates in Cyprus and the parent company has a shareholding of 100%.

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%.
- MANTENKO S.A. which operates in Greece and the parent company has a shareholding of 50%.

  On 17/3/2020 HOUSEMARKET S.A. acquired 50% of the shares of MANTENKO SA which operates in real estate management.
- POLIKENCO S.A. which operates in Greece and the parent company has a shareholding of 50%. On 16/7/2020 HOUSEMARKET S.A. acquired 50% of the shares of POLIKENCO SA which operates in real estate management.

2. Group Consolidated Results

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

The revenue of the Group decreased by 19,25% compared to the corresponding prior year period. More analytically: The Group (IKEA Stores) realized sales of amount € 247,2 million for the year 2020 (2019: € 306,1 million). The EBITDA totaled € 31,1 million compared to € 40,9 million in 2019 and reported profits before tax € 4,0 million versus € 18,1 million profits in 2019. Net profit amounted to € 2,8 million compared to € 13,3 million in 2019.

In an effort to present a comparable and real view of the year 1/1 - 31/12/2020 with the corresponding year 1/1 - 31/12/2019, we report the consolidated results per segment at the following tables.

(Amounts are in thousands of €)

	2020	2019	2020/2019
Revenue	247.195	306.114	0,81
EBITDA (*)	31.088	40.943	0,76
EBIT (*)	17.069	26.880	0,64
Profit before Tax (*)	3.982	18.051	0,22
Net Profit After Tax and Minority Interests	2.820	13.309	0,21

(*) The alternative performance measures selected are mentioned in note 9.

We note that the total consolidated equity attributable to the parent company's Total Equity at December 31, 2020 amounts to € 156,5 million versus an amount of € 160,7 million at December 31, 2019. Earnings before interest, taxes, depreciation and amortization (EBITDA) do not include the income from corresponding depreciation in the grant fixed assets.

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 Annual Financial Report of the Group, for the years 2020 and 2019 respectively.

Financial Structure Indicators:

	31/12/2020	31/12/2019
Total Current assets/ Total Assets	69,92%	64,18%
Total current assets without Assets classified as held for sale / Total Assets	29,16%	18,41%
Total Liabilities/ TOTAL SHAREHOLDERS EQUITY & LIABILITIES	65,09%	58,44%
Total Shareholders Equity / TOTAL SHAREHOLDERS EQUITY & LIABILITIES	34,91%	41,56%
Total Current assets / Total Current Liabilities	195,71%	288,25%
Total current assets without Assets classified as held for sale / Total current Liabilities without Liability arising from assets held for sale	93,74%	110,86%

Performance & Efficiency basic Indicators:

	2020	2019
Operating Profit / Revenue	6,91%	8,78%
Profit before Tax / Shareholders Equity	2,55%	11,23%

4. Operating Performance – Important developments:

4.1 Share Capital Changes

During the period 1/1 – 31/12/2020 the following share capital changes were realised at the Company and its subsidiaries:

A. MANTENKO S.A.:

Following the HOUSEMARKET S.A. BoD resolution of 17/3/2020 (relevant minutes of this company's BoD with number 430/17.03.2020), on 17/3/2020 the company HOUSEMARKET S.A. acquired the half number of shares held by the company "TULPENBOOM B.V.", located in VarsseveId, Netherlands, of the company MANTENKO S.A. which operates in Athens, and more specifically 125 common (ordinary) nominal vote shares of nominal value € 100,00 each, namely total cash payment amounted € 12.500. The above shares corresponded to 50% of the fully paid share capital of the above issuing company MANTENKO S.A.

Subsequently, following the resolution of the General Meeting of the shareholders of MANTENKO S.A. on 19/3/2020 the share capital of the company increased by the amount of € 625.000 through cash payment by issuing 6.250 new common (ordinary) nominal vote shares of nominal value € 100,00 and selling price € 1.052,00 per share. The shareholder HOUSEMARKET S.A. participated in this share capital increase according to its shareholding percentage (50%), in execution of the decision of 17/3/2020 of its Board of Directors.

Following the above share capital increase, which was registered to the General Electronic Commercial Register (GECR) on 02/04/2020, with the relevant 1963079/02.04.2020 announcement issued by GECR service of Athens Chamber of Commerce and Industry, the share capital amounts to € 650.000, divided into 6.500 common (ordinary) nominal vote shares of nominal value € 100,00 per share.

B. POLIKENCO S.A.:

Following the HOUSEMARKET S.A. BoD resolution of 20/07/2020 (relevant minutes of this company's BoD with number 438/20.07.2020), on 22/07/2020 the company HOUSEMARKET S.A. acquired the half number of shares held by the company "TEN BRINKE HELLAS S.A", located in Athens, of the company POLIKENCO S.A. operates in Athens real estates and more specifically 125 common (ordinary) nominal vote shares of nominal value € 100,00 each, namely total cash payment amounted € 12.500. The above shares corresponded to 50% of the fully paid share capital of the above issuing company POLIKENCO S.A. Subsequently, following the resolution of the General Meeting of the shareholders of POLIKENCO S.A on 27/07/2020 the share capital of the company increased by the amount of € 2.025.000,00 through cash payment by issuing 20.250 new common (ordinary) nominal vote shares of nominal value € 100,00 and selling price € 202,50 per share. The shareholder HOUSEMARKET S.A. participated in this share capital increase according to its shareholding percentage (50%), in execution of the resolution of

20/07/2020 of its Board of Directors.

Following the above share capital increase, which was registered to the General Electronic Commercial Register (GECR) on 04/08/2020, with the relevant 2189248/04.08.2020 announcement issued by GECR service of Athens Chamber of Commerce and Industry, the share capital amounts to € 2.050.000,00, divided into 20.500 common (ordinary) nominal vote shares of nominal value € 100,00 per share.

C. WYLDES LTD:

BoD of the shareholder HOUSEMARKET SA decided, on 10/02/2020, to proceed to the payment of € 28,00 against acquisition of 28 issued common nominal vote shares of nominal value € 1,00 per share.

The underlying price was set at € 10.000,00 for each of the aforementioned shares.

The relevant resolution for the corresponding share capital increase of the company following the total payment of € 280.000,00, by the only shareholder HOUSEMARKET SA, of the underlying amount of the new shares, total amount of € 279.972,00 which resulted to the increase of share premium reserve.

After the aforementioned share capital increase, the share capital of the Company amounts to € 7.062,00, divided in 7.062,00 ordinary shares, of nominal value € 1,00 per share, totally paid.

It is also noted that, 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, while all capitals invested are towards the development and improvement of this mall's operation.

D. SW SOFIA MALL ENTERPRISES LIMITED:

Following the resolutions of 9/12/2020 of the shareholder WYLDES LTD, the share capital increase was decided for the total amount of € 200,00 by issuing of 200 common nominal vote shares of nominal value € 1,00 per share and selling price the amount of one thousand euros (1,000.00 €) for each of the above shares. The aforementioned resolution was taken to capitalize advances, totaling two hundred thousand euros (€ 200,000.00), made against future capital increase by the shareholders of WYLDES LTD and Seasonal Maritime Corporation Limited (each of them in the amount of € 100,000.00), in execution of the resolutions of their Boards of Directors dated 7/4/2020. Total amount of euro 199,800.00 was increased the share premium reserve.

After the aforementioned share capital increase on 31/12/2020, the share capital of the Company amounts to € 8.930,00, divided in 8.930 ordinary shares, of nominal value € 1,00 per share, totally paid.

It is noted that, following the total payment of the underlying amount of the new shares from the shareholders WYLDES LTD and SEASONAL MARITIME CORPORATION LIMITED which have a shareholding of 50,00% each.

4.2 Company Branches

The parent company HOUSEMARKET SA has the following branches:

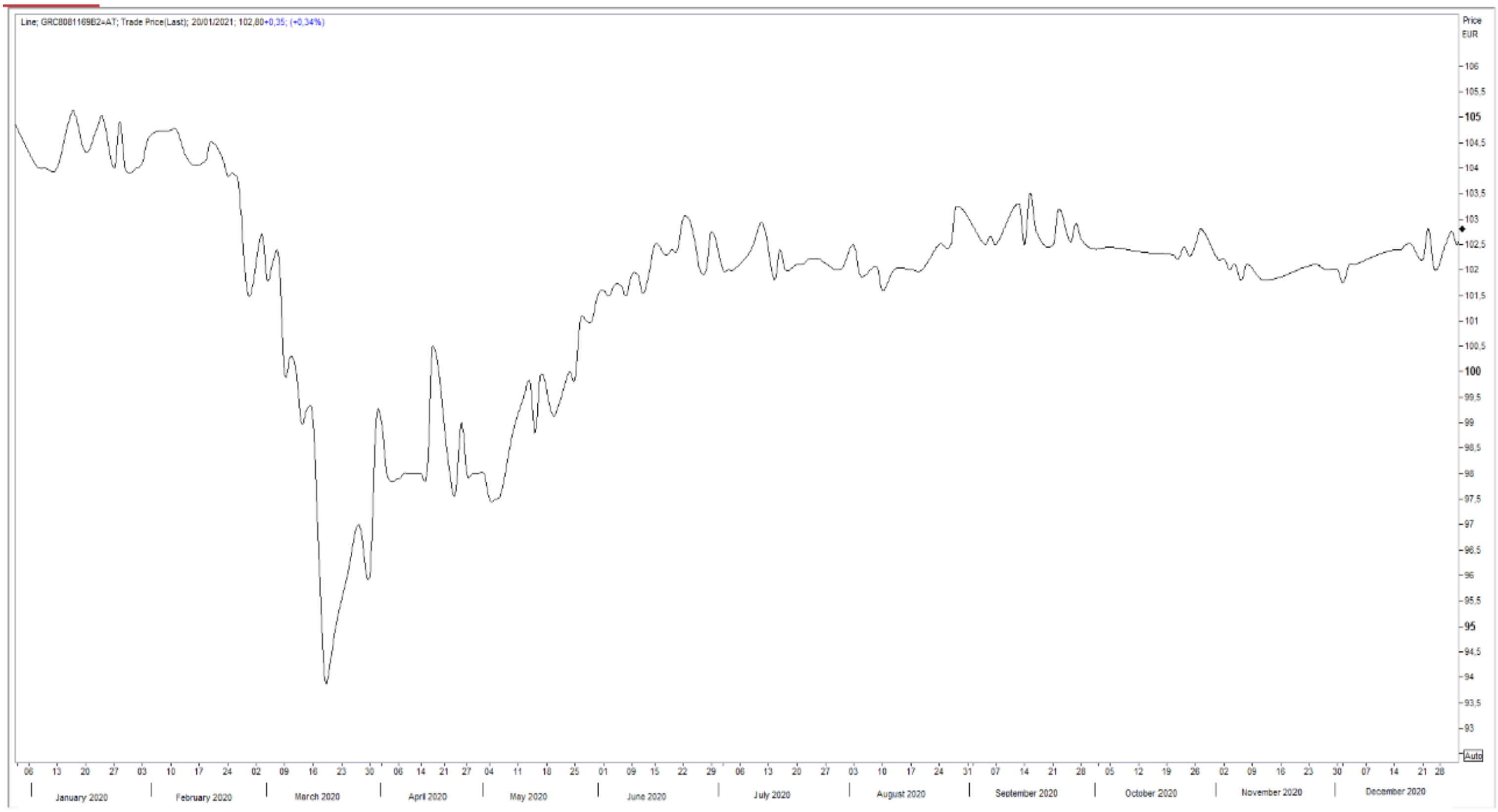
- Thessaloniki IKEA store (89 Georgikis Scholis str., Pylaia) operating since October 2001.
- Athens IKEA store – Airport («Eleftherios Venizelos» Athens International Airport, Spata) operating since April 2004.
- Athens IKEA store – Egaleo (96-98 Kifissos Av., Egaleo) operating since March 2008.
- Larissa IKEA store (8th km of Larissa - Athens Old National Road) operating since October 2009.
- Ioannina IKEA store (12th km of Ioannina – Athens National Road) operating since December 2010.
- IKEA products Pick up & Order Point in Rhodes (5th km of Rhodes – Lindos Av.) operating since November 2012.
- IKEA products Pick up & Order Point in Patras (250 Patras –Klaus Av.) operating since August 2013.
- IKEA products Pick up & Order Point in Chania (404 Konstantinou Karamanli Av.) operating since September 2013.
- IKEA products Pick up & Order Point in Heraklion (1 Velisariou str. & Ikarou Av., S. Alikarnassos) operating since October 2013.
- IKEA products Pick up & Order Point in Komotini (3th km Komotinis – Alexandroupolis, Roditis) operating since April 2014.
- IKEA products Pick up & Order Point in Kalamata (181 Artemidos str., Kalamata) operating since April 2019.
- IKEA Small Store in Piraeus (Dimitriou Gounari 10-12 & Lykourgou Piraeus) operating since December 2020.
- E-commerce store operating since August 2014.

Through its subsidiary company HM HOUSEMARKET (CYPRUS) LTD, one (1) IKEA store in Nicosia, one (1) e-commerce store and one (1) Planning Studio store with IKEA products operates in Limassol, Cyprus since September 2007. Moreover, one (1) IKEA store operates in Sofia, Bulgaria since September 2011 through its subsidiary HOUSEMARKET BULGARIA EAD and one (1) e-commerce store with IKEA products, also on 10/9/2020, one (1) new IKEA Small Store in Varna, Bulgaria started operating, while on 9/9/2020, one (1) IKEA Pick up & Order Point closed at the same city.

5. Development of the bond price

On 6/10/2016, the Company holds 40.000.000 issued for trading bonds in the fixed income securities category of the regulated market of Athens Stock Exchange. The trading code of the bonds is ΧΑΟΥΣΜΟ1 in Greek font and HOUSEMB1 in Latin font.

Here we present a Table which shows the development of the bond price of the parent Company HOUSEMARKET SA which is traded in the fixed income securities category of Athens Stock Exchange from 1/1/2020 to 31/12/2020.



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. (http://www.fourlis.gr).

The Ordinary General Assembly of the 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 since their 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 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 €s 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 FOURLIS HOLDINGS SA 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 BoD resolution of 20/11/2017). Following the resolution of Ordinary General Assembly of 15/6/2018, there was a change in the historical share price resulting from corporate action relevant with the share capital decrease of the FOURLIS HOLDINGS SA with reduction of the nominal value of the share by the amount of € 0,10 and the capital return to shareholders. Therefore, after the aforementioned adjustment, the historical share price is now amounting to € 3,28.

Also, the underlying share price, which was established by resolution of the Ordinary General Assembly of shareholders of FOURLIS HOLDINGS SA held on 16/6/2017, to which the distributed options reflect, had been initially determined at the amount of € 5,87 per share, which was the closing stock price. 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 BoD resolution of 20/11/2017). Following the resolution of Ordinary General Assembly of 15/6/2018, there was a change in the historical share price resulting from corporate action relevant with the share capital decrease of FOURLIS HOLDINGS SA with reduction of the nominal value of the share by the amount of € 0,10 and the capital return to shareholders. Therefore, after the aforementioned adjustment, the historical share price is now amounting to € 5,67.

On 26/1/2018, a) the share capital increase of FOURLIS HOLDINGS SA by the amount of € 303.879,66 through cash payment and the issue of 313.278 new shares of nominal values € 0,97 and underlying price € 3,34 each and b) the certification of the payment of the aforementioned share capital increase by the total amount of € 303.879,66, were registered in the GECR. The Corporate Actions Committee of Hellenic Exchanges - Athens Stock Exchange, on their meeting held on 30/1/2018 approved the trading of the 313.278 new common nominal shares of the Company. According to the decision of the Company, the new shares started trading in ATHEX on 1/2/2018.

On 22/1/2019, a) the share capital increase of FOURLIS HOLDINGS SA by the amount of € 148.899,66 through cash payment and the issue of 163.626 new shares of nominal values € 0,91 and underlying price € 3,28 each (Code Registration Number 1638212) and b) the certification of the payment of the aforementioned share capital increase by the total amount of € 148.899,66 and share premium by the amount of € 388.169,95 (Code Registration Number 163269), were registered in the GECR.

On 19/11/2019, the BoD granted 641.630 stock options, which compose the third of the four waves. The underlying share price to which the granted stock options refer, is determined to the amount of €s 5,5637 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 19/11/2019, the BoD of FOURLIS HOLDINGS SA 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. 18 beneficiaries responded to this Invitation and exercised their option for the purchase of 197.647 shares, of nominal value € 0,81 and underlying price € 3,2226 per share and paid the total amount of € 636.937,23.

It is noted that the underlying share price to which the distributed options reflect, had been initially determined at the amount of € 3,40 per share, which was the closing stock price on the date of the resolution of the General Assembly for the Sop (27/9/2013). Already, following the BoD resolutions of 20/11/2017, 19/11/2018 and 18/11/2019 (relevant minutes of the BoD 389/20.11.2017, 399/19.11.2018 and 407/18.11.2019), a readjustment has become at the historical price of the Company's share and as a result the implemented exercise price of the stock options is accounted at the amount of € 3,2226 per share.

On January 24, 2020 the General Commercial Registry (G.E.MI.) by virtue of announcement 2062748 approved and registered the increase of the share capital of FOURLIS HOLDINGS SA by € 160.094,07, corresponding to the nominal value of the new 197.647 shares of nominal value € 0,81 each and exercise price of € 3,2226.

The Corporate Actions Committee of Hellenic Exchanges - Athens Stock Exchange, on their meeting held on January 29, 2020 approved the new 197.647 shares trading of FOURLIS HOLDINGS SA.

Friday January 31, 2020 was the first trading day in the Athens Stock Exchange of 197.647 new common shares of FOURLIS HOLDINGS SA.

On 23/11/2020 the BoD of FOURLIS HOLDINGS SA granted 641.630 stock options, which compose the forth of the four waves. The underlying share price to which the granted stock options refer, is determined to the amount of € 5,5637 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 16/12/2020, the BoD of FOURLIS HOLDINGS SA 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. 10 beneficiaries responded to this Invitation and exercised their option for the purchase of 87.040 shares, of nominal value € 1,00 and underlying price € 3,2226 per share and paid the total amount of two hundred eighty-four thousand four hundred ninety-five €s and ten cents (€ 280.495,10).

It is noted that the underlying price of shares to which the distributed options reflect, had been initially determined at the amount of three and forty cents (€ 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). Already, based on the decisions of the Board of Directors of FOURLIS HOLDINGS SA ated 20/11/2017, 19/11/2018 and 18/11/2019 (relating to the minutes 389 / 20.11.2017, 399 / 19.11.2018 and 407 / 18.11.2019) there has been an adjustment of the historical price of the company FOURLIS HOLDINGS SA's share, with the consequence that the applied price for exercising the stock options of the Program is the amount of three euro and 0,2226 (€ 3,2226) per share.

On January 26, 2021, the trading on the Athens Stock Exchange of 87.040 new common registered shares of the company FOURLIS HOLDINGS SA begins, resulting from the recent increase of its share capital by €87.040 , which corresponds to the nominal value of the new shares (87.040 shares x € 1,00 €) and share premium by an amount of € 193.455,10. This increase is due to the exercise of the rights of the 2nd Stock option plan by ten (10) executives, at a share offering price of € 3,2226, according to the decision of the Extraordinary General Assembly Meeting of shareholders of 27.09.2013 and the relevant decisions of the BoD resolutions dated on 25.11.2013, 24.11.2014 and 23.11.2015. On 15/1/2021 they were registered in the General Commercial Register (G.E.M.I.) through the Directorate of Companies & G.E.M.I. of the Ministry of Development & Investment as the competent Supervisory Authority, the increase of the share capital of FOURLIS HOLDINGS SA, in the amount of € 87.040,00 with cash payment and issue of 87.040 new shares with a nominal value of € 1,00 and underlying price of € 3,2226 each (Code Registration Number 2450940). It is noted that, following the above increase, the share capital now amounts to the amount of € 52.092.001,00 divided into 52.092.001 registered shares with a nominal value of € 1.00 each share. The Corporate Operations Committee of the Athens Stock Exchange at its meeting of January 21, 2021 approved the listing for trading of the above 87.040 new common registered shares of FOURLIS HOLDINGS SA. A decision of FOURLIS HOLDINGS SA stipulates that the above new shares will be traded on the ATHEX from January 26, 2021. From the same date, the opening price of FOURLIS HOLDINGS SA's shares on the ATHEX will be adjusted in accordance with the ATHEX Regulations and the decision no. 26 of the BoD of ATHEX as in force, the new shares will have been credited to the shares and securities accounts of the eligible shareholders in the Intangible Securities System (DSS).

During period 1/1 – 31/12/2020, beneficiaries waived their right to exercise 0 options (2019: 2.378) which were granted by the BoD on 25/11/2013, beneficiaries waived their right to exercise options (2019: 4.677) which were granted by the BoD on 24/11/2014 and also beneficiaries waived their right to exercise 0 options (2019: 6.840) which were granted by the BoD on 25/11/2015.

7. Information about Group's plan of development

In 2020 the Group was mainly affected by the COVID-19 pandemic, which disrupted global economies and had a significant negative impact on many activities. In Greece, the temporary suspension of the activity of many companies and the great recession of tourism, led to a big drop in GDP which is estimated to have reached -8.2% compared to 1.9% in 2019.

After the restrictions were lifted in May and June, domestic demand for goods and services recovered. However, tourist arrivals were extremely low during the summer, due to uncertainty about the health crisis and restraint policies in Greece and other countries applied to travelers. This significantly affected demand, turnover, employment and exports.

In the third quarter of 2020, the revenues of the tourism and catering sector were 50% lower than in 2019. This has contributed to the reduction of domestic demand, with significant reductions in revenues in the wholesale and retail trade and industry. Low demand has also had a significant impact on job creation, although support measures have helped minimize job losses.

Following the widespread recurrence of COVID-19 cases, from November 2020, Greece imposed new restrictions and suspension of physical stores, like most European countries. The economic climate index of IOBE in 2020 closed at 91.5 points compared to 109.5 points in 2019.

The Group, with a sense of responsibility towards people, customers and society as a whole, responded immediately to the recent developments, taking the appropriate information, prevention and protection measures to mitigate the spread of the Covid-19 pandemic.

The Group implemented work from home for employees of each subsidiary's management buildings. In addition, individuals belonging to vulnerable groups and parents of students were facilitated with special purpose vacations, in accordance with the respective legal framework of the countries in which they operate. At the same time, business trips were limited to the absolutely necessary, trainings were carried out remotely and information messages and recommendations were constantly sent to avoid numerous meetings and crowded places. Moreover, the cleaning and disinfection of the facilities was intensed, as well as the guidance of the human resources in the field of personal hygiene, according to the guidelines and the suggestions of the governments and the WHO.

In particular, for the Group's stores network, instructions were immediately sent regarding the preventive measures, the observance of the individual hygiene rules and social distancing, as well as the way of managing any cases. Indicatively, during the reopening of the stores, the following measures were applied:

• Mandatory use of mask by all human resources.

• Temperature measurements to human resources.

• Counting and control of the maximum number of visitors, depending on the area of each Store.

• Placement of signs for keeping the distances and protective plexiglass in the cash registers and in the info desks.

• Antiseptics available for both customers and human resources.

• Disinfection of clothes and shoes that were tested / returned by customers (INTERSPORT and TAF Stores).

• Ventilation / air conditioning maintenance.

• Disinfection of correspondence.

• Disinfection of strollers in commercial areas

Estimates for the development of the Greek economy in 2021 will be determined by the effects of the spread of the Covid-19 pandemic, the quantification of which is changing dynamically and the macroeconomic variables that may affect the development of the Group.

With the expectation that in the year 2021 in Greece the prospects of the economy will improve if the health crisis is addressed and the economic growth of 2019 will continue, the Management of the Group aims at:

a) to further increase its profitability,
b) the continuation of strictly selected investments in its field of activity,
c) to further strengthen the efficiency of the supply chain by making a new investment of mechanical equipment for the automation of the provision of storage and distribution services of electronic commerce products by the subsidiary TRADE LOGISTICS SA,
d) the continuation of the utilization of new investment opportunities, including the approval received from the Hellenic Capital Market Commission on 28/2/2019 for an operating license in the company under establishment under the name "TRADE ESTATES Real Estate Investment S.A.", for its function as: a) Real Estate Investment S.A. in accordance with the provisions of law 2778/1999 and b) Alternative Investment Organization with internal management, in accordance with the provisions of law 4209/2013. In the same context were included the Group's actions for the establishment of companies in the field of real estate management in Cyprus and Bulgaria and for the strategic planning of TRADE ESTATES Real Estate Investment Corporation which includes the finding of a strategic partner who will make a significant investment in established company that together with the upcoming public offering will amount to at least 50%,
e) to continue investing in innovation and technology and to upgrade its services following the rapid changes in consumer habits and the physiognomy of retail,
f) enhancing the fulfillment of the growing expectations of its consumers and the creation of an integrated positive experience for the customer,
g) the harmonious combination of e-commerce with the "traditional" development model, making the most of digital media and new technologies, in order to offer an omnichannel experience both offline and online.

Taking into account the above, the Management will proceed with the implementation of its business plan by making selective investments as follows:

The home equipment and furniture sector that operates with nine (9) IKEA Stores, nine (9) Pick Up & Order Points and three (3) E-commerce Stores in Greece, Bulgaria and Cyprus and will add to its network two medium-sized IKEA Stores, one (1) in Athens and one (1) in Sofia. Based on the development plan in the three countries where the Group operates IKEA stores, 5 IKEA stores of medium size 5.000 – 12.000 sq. m. will be opened and 10 small stores of 1.000 – 2.000 sq. m. in the next five years.

The education and training of human resources, its regular and fair evaluation at all levels as well as its commitment to the values of the Group - "Integrity", "Mutual Respect" and "Efficiency" - continue to be important comparative advantages through of which the Group seeks to achieve its objectives.

8. 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 S.A.. 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.

Coronavirus spread risk:

The Group carefully monitors the events regarding the spread of coronavirus, in order to adjust in the special conditions arising exclusively for the treatment and restriction of spread of coronavirus COVID-19. It complies with the official instructions of the competent authorities for the operation of its physical stores and headquarters in the countries in which it operates. It harmonizes with the current legislation and continues its commercial transactions in physical stores according to the instructions. The quantitative and qualitative effects of the phenomenon on the operation of the Group and the Company, taking into account the recommendations of the Hellenic Capital Market Commission, can be summarized as follows:

1. Reduction of the Group's sales in the year 1/1/2020-31/12/2020 by an amount of € 58,9 million compared to last year and reduction by 0,9% of the gross profit margin for the same period. It should be noted that in the fiscal year 1/1/2020-31/12/2020 the Group's sales through its electronic Stores (e-commerce) increased by the amount of 18,4 million compared to the comparative period while investments in innovation and technology continued and upgrading services, following the rapid changes in consumer habits and the physiognomy of retail.

2. Increase of the Group's cash and cash equivalents in the year 1/1/2020-31/12/2020 by the amount of € 56,3 million compared to last year due to the utilization of open credit lines and financial support measures to address the pandemic.

3. Reduction of the Group's operating expenses in the year 1/1/2020-31/12/2020 by an amount of € 14,3 million in relation to the previous year and specifically reduction of the salary costs by an amount of € 7,2 million, of third party services (rights, leases, energy, etc.) in the amount of € 3,1 million, of other expenses (advertising, storage, transport, etc.) in the amount of € 3,4 million and taxes in the amount of € 0,5 million.

4. The Group has utilized in all the countries where it operates the state support measures to deal with the consequences of the pandemic, whether they were related to salary costs, or rent costs, or tax reliefs, or financing, or payment facilitation.

5. The Group secured "freeze" agreements of payments to its main suppliers during the period of suspension of the operation of the Branches as well as modification of the payment terms for the period after the end of the suspension.

6. The availability of goods during the fiscal year 2020 was not significantly affected compared to the previous fiscal year.

7. The Management of the Group has implemented telework in all the countries in which it operates.

8. The portfolio management service continues to identify, assess and hedge financial risks and to provide guidance on the management of this exceptional risk, in order to provide protection to investors.

9. The Group has strengthened its infrastructure both in terms of information systems and the operation of logistics centers, in order for its business and commercial operation not only to continue smoothly but also to be further strengthened. In this context, new investments are being made by the subsidiary TRADE LOGISTICS SA for the expansion of the e-commerce storage and order management buildings

and the automation of the provision of the relevant services. Moreover, in order to enhance the coverage of the growing expectations of its consumers and to create a complete positive experience for the customer, the Group seeks the harmonious combination of e-commerce with the "traditional" development model, making the most of digital media and new technologies to offer an omnichannel experience both offline and online.

10. The Group continues the strictly selected investments in the retail sector of household equipment and furniture that is active. In the second half of 2020, the first medium-sized IKEA Store in Varna, Bulgaria, with an area of 8.000 sq.m. , was added to the branch network of the sector, and in December 2020, the first small IKEA Store in Piraeus, with an area of 1.850 sq.m.

11. The Group in the context of the approval received from the Hellenic Capital Market Commission for an operating license in the company under establishment under the name "TRADE ESTATES Real Estate Investment SA", for its operation as: a) Real Estate Investment SA in accordance with the provisions of law 2778/1999 and b) Alternative Investment Organization with internal management, in accordance with the provisions of law 4209/2013, continues the implementation of its strategic plan. Also, within the first half of 2020, it has acquired an indirect participation in the real estate management company MANTENKO SA, while in the second half of 2020 and specifically in July, it proceeded to the acquisition of a new corresponding indirect participation of 50% in the real estate management company POLIKENCO SA.

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 - 31/12/2020.

9. Alternative Performance Measures (APMs)

Under the implementation of ESMA Guidelines (05/10/2015|ESMA/2015/1415), FOURLIS Group adopted as Alternative Performance Measure (APM) the earnings before taxes, interest and depreciation & amortization (EBITDA). Alternative Performance Measures (APMs) are used under the context of making decisions for financial, operational and strategic planning as well as for the assessment and publication of performance. Alternative Performance Measures (APMs) are taken into account combined with financial results which have been conducted according to IFRS and under no circumstances they do not replace them.

Definition **EBITDA (Earnings Before Interest, Taxes and Depreciation & Amortization & Impairment)/ Operating results before taxes, financing, investing results and total depreciation/amortization/impairment**= Earnings before tax +/- Financial and investing results (Total financial expenses + Total financial income + Contribution in subsidiaries'losses) + Total depreciation/amortization/impairment (property, plant and equipment and intangible assets).

The amount most directly connected to this specific APM (EBITDA) is operating profits (EBIT) and depreciation/amortization/impairment. Operating profits are presented in Income Statement and depreciation/amortization/impairment in Cash Flow Statement. More analytically, reconciliation of the selected APM and the financial statements of the Group for the corresponding period is as follows:

(amounts in thousand €)

	Group Consolidated Results	
	1/1-31/12/2020	**1/1-31/12/2019**
Operating Profit	**17.069**	**26.880**
Depreciation/Amortization/Impairment	14.019	14.063
Earnings before tax, interest and depreciation & amortization & impairment (EBITDA)	**31.088**	**40.943**

10. Social Responsibility and Sustainable Development

This Non-Financial Statement contains information on all the activities of the HOUSEMARKET Group on the following thematic aspects, as defined in Section 7 "Non-Financial Statement" of circular 62784/2017, in accordance with the provision of law 4403/2016:

- Business model/Main non-financial risks.
- Social and labor issues.
- Respect for human rights.
- Anti-corruption and issues related to bribery
- Environmental issues.
- Supply chain issues.

Additionally, this Statement and in accordance with the notification by the Hellenic Capital Market Commission, dated 5/11/2020, includes the thematic aspect "Impact of the COVID-19 pandemic on non-financial issues".

The content of this non-financial statement has been drafted by taking into consideration the GRI Standards, as well as the Environmental, Social, Governance (ESG) Reporting Guide of the Athens Stock Exchange (2019). (https://www.athexgroup.gr/documents/10180/5665122/ENG-ESG+REPORTING+GUIDE/28a9a0e5-f72c-4084-9047-503717f2f3ff).

Material topics/Stakeholder engagement [Metric A-S1, Metric A-G2, GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-47]

In the context of the continuous improvement of the approach to sustainable development and social responsibility topics, FOURLIS Group conducts a materiality analysis to prioritize its topics and thus, its companies' topics that present the most significant economic, social and environmental impacts as well as those that have a significant impact on its stakeholders.

FOURLIS Group recognizes as stakeholders those who have an impact or are affected by its activities. Having identified and prioritized its stakeholders, the Group invests in continuous and two-way communication with them, in order to maintain a consistent flow of information from and to the Group, about their requests, concerns and expectations. The main stakeholder groups of the Group are: employees, shareholders / institutional investors, financial analysts, customers, suppliers / partners, wider society, local communities, government and supervisory authorities / state, business community / associations, media, NGOs and competitors. The Sustainable Development and Social Responsibility Report 2019 (pp. 23-25) includes a description of the stakeholder groups and the engagement method, as well as of the frequency at which the Group communicates with its stakeholders.

The methodology used for the materiality analysis is based on the GRI Standards. The Sustainable Development and Social Responsibility Report 2019 (p. 26-32) of FOURLIS Group includes a description of all the steps of the materiality analysis, as well as the material topics derived through that process. The results of the new materiality analysis will be included in the Group's annual Sustainable Development and Social Responsibility Report 2020, which will be published in June 2021 and will be posted on the website www.fourlis.gr.

a) Brief description of business model

HOUSEMARKET Group, headquartered at the 501 building of Athens Airport's Retail Park, in the "Eleftherios Venizelos" Airport, through its subsidiaries in Greece and abroad, is active in the following divisions:

- Retail Home Furnishings (IKEA stores) through HOUSEMARKET S.A., H.M. HOUSEMARKET (CYPRUS) Ltd and HOUSE MARKET BULGARIA EAD.
- Storage and Distribution services (Logistics) through its subsidiary TRADE LOGISTICS S.A.
- Real Estate Constructions and Development through RENTIS REAL ESTATE INVESTMENTS S.A., subsidiary of H.M. HOUSEMARKET (CYPRUS) Ltd.
- Holding of Investments through WYLDES LTD and its subsidiaries VYNER Limited and SW SOFIA MALL ENTERPRISES Limited.

The parent company HOUSEMARKET S.A., is a subsidiary of FOURLIS HOLDINGS S.A. which holds 100% percentage of its share capital.

More information regarding the business environment, strategy, objectives and main progress and factors that could influence the Group's development are available in the following chapters of the Group's Board of Directors' Annual Report:

- 4.Operating performance-Important developments
- 7.Information about the Group's plan of development
- 8.Major threats and uncertainties faced by the Group

as well as in the following chapters.

b) Main non-financial risks

In the context of the sustainable development approach, the Group consistently identifies and prioritizes the topics that are linked to its activities and may cause negative impacts to its stakeholders and to the wider society and the environment in the countries where it operates.

At Group level, the Regulation of Operations, based on article 14 of the L. 4706/2020, describes the organizational structure, the risk management system and the internal control system. The Board of Directors of FOURLIS HOLDINGS S.A. is responsible for monitoring the risk management system. The responsibility for risk management lies with the HOUSEMARKET Group Management. Specifically, in the area of Sustainable Development and in particular in the Group's Sustainable Development and Social Responsibility Report for 2019 (pp. 28-32), the Group's sustainable development material topics are described, and thus, its subsidiaries, including information on the potential risks associated with them. The Group's Sustainable Development and Social Responsibility Report for 2020 will include the material topics of Sustainable Development, as those will have emerged from the new materiality analysis.

c) ESG Strategic Objectives [Indicator A-G3]

Indicative examples of ESG performance objectives are:

	TOPIC	OBJECTIVES 2020	RESULTS 2020	OBJECTIVES 2021
For our People	**Employment creation**	Increasing the number of employees according to the Group's business plans	Based on the Group's business plans for 2020, the number of employees was maintained at approximately the same level as 2019	Increasing the number of employees according to the Group's business plans
	Protection of employee health, safety and well-being	Reducing the rate of injuries, occupational diseases, lost workdays	The objective was set according to the GRI 403-2 disclosure which was modified from 1/1/2021, so the objective was adjusted to zero fatalities and/or serious work accidents, which was achieved	Zero incidents of fatalities and/or high-consequence work-related injuries

	Protection of human rights in the workplace	Maintain zero incidents of human rights violations in the Group	Zero cases of human rights violations in the Group	Maintaining zero incidents of human rights violations in the Group
	Investing in employee training and development	Training and development of employees with the aim of continually improving their knowledge, skills and abilities, both for their personal development and for achieving the Group's goals	Due to the COVID-19 pandemic, it was not possible to fully implement the initial training plan	Carrying out the scheduled training plan*
For the Society	**Creation and distribution of direct economic value to stakeholders**	Maintaining donations and sponsorships at (least) 2019 levels	Donations/sponsorships decreased compared to 2019 as the implementation of specific programs was affected due to the COVID-19 pandemic	Maintaining donations and sponsorships at least at 2020 levels*
	Active and responsible social contribution	Expansion of the Group's active and responsible social contribution programs, with the aim to bring benefits to as many social groups as possible	Implementation of new programs, expanding the beneficiary social groups (actions for supporting the victims of the medicine IANOS in Thessaly, as well as actions for handling the COVID-19 pandemic)	Maintaining social contribution programs at least at 2020 levels*
For the Market	**Regulatory compliance and business ethics**	Full compliance with relevant legislation and zero major fraud or corruption incidents	Full compliance with relevant legislation and zero fraud or corruption incidents	- Full compliance with the new Corporate Governance Law - Zero cases of fraud/corruption
	Product compliance, labeling and responsible communication	Maintain a level of full compliance with regulations and voluntary codes, regarding product labeling and responsible communication	Zero incidents of non-compliance with regulations and voluntary codes concerning product labeling and responsible communication. However, HOUSEMARKET Group (IKEA stores)	Maintain a level of full compliance with regulations and voluntary codes regarding product labeling and responsible communication

			proceeded, in 2020, to preventively and voluntarily recall of 1 product	
	Protection of customer and visitor health and safety	Maintain zero incidents of non-compliance with regulations and voluntary codes, relating to health and safety issues	Maintaining zero incidents	Zero incidents of non-compliance with regulations and voluntary codes relating to customer and visitor health and safety issues

**The specific objectives are subject to revision as their implementation depends on the evolution of the COVID-19 pandemic.*

d) Social & labor issues

A. Social Issues

1.Health & safety of customers, business partners and visitors at our facilities

Corporate policies and due diligence

The Group, in compliance with the applicable legislation, implements a Health and Safety Policy (included in the Internal Labor Regulations of its companies) that is applicable to all its subsidiaries. It includes a wide range of relevant procedures, measures and initiatives related to the safe stay of visitors, customers and partners at its facilities. Any variations in the Group's relevant procedures by country or region depend on the size of the facilities, as well as on the existing legislation in the countries where the Group's companies operate.

In this context, some of the practices the Group implements are the following:

- Cooperation with an external service provider on accident protection and prevention.
- Written occupational risk assessment, according to existing methodology and legislation.
- Measures taken for reducing "emergency pick" incidents, in order to prevent accidents at the IKEA stores.
- Training of First Aid Teams.
- Training of Fire Safety and Firefighting Teams.
- Infirmaries equipped with medical beds and automatic external defibrillators in all the IKEA stores, as well as in the TRADE LOGISTICS AEBE distribution center.
- Provision of wheel chairs at the entrance of all the IKEA stores, as well as of accessible lavatories and parking spaces, aiming to provide safe accommodation and transportation for people with disabilities.

Moreover, employees receive regular training, in order to respond to emergency incidents that can affect both their own and visitors' safety at its facilities. Also, in an effort to ensure compliance with the Health and Safety Policy, regular inspections are conducted by safety technicians, in all Group activities.

Outcome of the above policies and non-financial key performance indicators

In the context of the policy, all incidents concerning the Health and Safety of customers, partners, and visitors, occurring within the Group's premises and stores are reported, while a Safety Report is compiled for each store, as well as a consolidated one for all of them. The report includes information on not only the number and type of incidents, but also on the way they are addressed. Through these reports the Group is able to receive useful information on policies' effectiveness and to improve its practices, where and if needed.

The implementation of the Health and Safety policies had significant results for 2020. Indicatively, it is mentioned that there were no incidents in the playgrounds of IKEA stores and in addition, there were no fatal accidents and/or serious accidents of customers, visitors, partners in the stores and facilities of the companies of the HOUSEMARKET Group.

2. Product compliance, labeling and responsible product marketing and promotion

I. Product compliance and labeling

Corporate policies and due diligence

The Group manages this topic through the compliance of the products sold by its subsidiaries in all the countries where it operates, with manufacturer and supplier specifications, with European and/or national legislation, as well as with all existing laws and regulations concerning their labeling and use (e.g. CE approval).

IKEA products have special labeling and indications aiming to provide information and advice to consumers regarding the products' manufacturing details, their origin, their environmentally friendly character, their dimensions, their lifespan, whether the use of the product is designed only for adults, etc. It is also worth mentioning that at IKEA, a perennial product guarantee is offered, which in some cases reaches 25 years. IKEA also adheres to and applies a product withdrawal policy. If necessary, and depending on the importance of the incident, the withdrawal case is publicly disclosed. In addition and in compliance with the relevant European Union legislation and more specifically with the Regulation on Energy Labeling (EU) 2019/1369, since November 2020 a transition period has begun, with transitional preparatory actions, for the implementation of the new directives for the launch of new energy labels through which customers will be informed about the energy consumption of electrical appliances and light bulbs. From March 2021, the new energy labels will be available on products sold in both physical and online retail stores. More information is available on the project website, www.label2020.gr.

II. Responsible product marketing and promotion

Corporate policies and due diligence

For the advertising and promotion of the Group's IKEA products, in all countries of operation, the communication code applied by IKEA worldwide is followed, as well as all conduct, marketing and communication codes and the market regulations that there is an obligation to comply with, while also taking into consideration local needs. Regarding the promotion of the IKEA products, the relevant policy is adapted to local consumer needs and specificities. For this reason, the setup of the IKEA stores varies according to their location, in order to meet local community's standards and local culture.

Outcome of the above policies and non-financial key performance indicators

- There were no incidents of non-compliance with the legislation and/or voluntary codes concerning impact on Health and Safety of the products of HOUSEMARKET GROUP **[GRI 416-2]**. Nevertheless, in 2020 IKEA proceeded with a precautionary recall of the TROLIGTVIS travel mug. More information on is available on the website https://www.ikea.gr/en/product-recall/ **[Metric SS-S1]**.
- There were no incidents of non-compliance concerning product and service information and labeling **[GRI 417-2]**.
- There were no cases of non-compliance with regulations and voluntary codes regarding marketing communication, including advertising, promotion and sponsorships **[GRI 417-3]**.

3. Personal data protection

The Group adheres not only to the European Legislation, but also to the local legislations of the countries where it operates, regarding personal data protection of the parties who transact with the Group. Respecting privacy is a core element of both the Code of Conduct and the policies that are embedded in Group and its subsidiaries operations.

Corporate policies and due diligence

The Group values the trust of all those who enter into a transaction with it and has designed and implement a personal data and sensitive personal data protection policy for all natural persons (visitors, partners, customers, suppliers, current, former and candidate employees). The Group makes sure to protect, with due diligence, all personal information collected for business needs, after obtaining legal consent, and to safeguard the rights of natural persons, in accordance with the existing legislation and Data Protection Authority guidelines (GDPR), in all countries where the Group companies operate. It is worth mentioning that all the Group employees in all counties where it operates, have received training in GRDP issues, either via classroom seminars or via e-learning. GDPR training is also part of the induction program for all new employees. Compliance with the relevant legislation and data security is examined at Group companies Board of Directors level.

Outcomes of the above policies and non-financial key performance indicators

- Unrestricted implementation of policies and procedures in relation to personal data protection.
- The Competent Authority has not ascertained any violation of the provisions of the GDPR and Law 4624/2019 **[GRI 418-1, Metric C-G3]**.

4. Society and local communities support

Corporate policies and due diligence

HOUSEMARKET Group operates daily for the realization of its common commitment and vision: *the establishment of the preconditions for a better life for all*. In this context, the Group seeks to be in constant connection with the citizens and the wider society in the countries where it operates, aiming to be informed about their needs and to understand them.

Then, proceeds with the evaluation and prioritization of the needs, in order to design programs and actions that are in line with the Group Principles and Values, which respond to the most important of these but also to those aligned with the strategy and nature of our activities. These programs and actions focus mainly on supporting vulnerable social groups as well as children

In addition, in cases where there are special circumstances (e.g. pandemic, natural disasters), the Group either adjusts its programs or includes actions aimed at addressing these emergencies for the relief of society and citizens.

Outcomes of the above policies and non-financial key performance indicators

The following are some of the most significant programs and actions implemented during 2020 to support society. The implementation of some programs were affected by the COVID-19 pandemic. Additional information will be included in the annual Sustainable Development and Social Responsibility Report of FOURLIS Group, which will be published in June 2021 and will be uploaded to www.fourlis.gr. In more details:

- Implementation of "Furnished With Joy" program, through which HOUSEMARKET S.A. (IKEA stores in Greece) has fully equipped 5 municipal kindergartens and nurseries, in cooperation with the Municipal Authorities, which host more than 190 children, in various regions of Greece.
- Offer of free equipment from IKEA stores for the realization of 14 children's wishes supported by the Make A Wish Organization (Greece).
- Donation of meals to foundations and organizations in Greece from the IKEA stores' restaurants, in collaboration with the non-profit organization "BOROUME".
- In the context of responding to emergencies, HOUSEMARKET Group (IKEA stores), in cooperation with the relevant authorities, proceeded to the support of the victims of the medicane IANOS in Thessaly (Municipalities of Mouzaki, Karditsa and Farsala) through the provision of IKEA products while continuing to implement a discount policy for those affected by the fires in Eastern Attica.
- Support, together with the rest of FOURLIS Group subsidiaries, of the #mazitisgiortes campaign of the Association "Together for Children", providing all the necessary items for the festive table of 40 families with minor children who have been financially affected by the measures applied for reducing the pandemic. The Group employees were also invited to voluntarily participate in the activity.
- Collection of basic necessities by the Group's employees in Cyprus and Bulgaria during the Christmas holidays, which were offered to the organizations, "Be a Hero" and "Vasilitsa" respectively, to support vulnerable fellow humans.

- Implementation of actions, from HOUSEMARKET Bulgaria EAD (IKEA Bulgaria stores), for supporting children from vulnerable social groups. In 2020 the company:
  - donated the total proceeds from the sales of SAGOSKATT plush toys to support UNICEF programs for children,
  - supported the "For Our Children" organization by offering items for the day center for children with disabilities,
  - offered products to the organization, "SOS Children's Villages" for the creation of the youth centers "Dreamers",
  - set up play corners in public libraries in Bov and Elena areas as well as in the children's museum "Museiko".

B. Work related issues

1. Employment

Corporate policies and due diligence

The Group is its People, all those who support its operations on a daily basis. Its approach to employment and its relationships with its employees directly affect their performance, retention and development, while these issues are also significant for Group's long-term sustainable development. The following are the main pillars of the policy, regarding the recruitment of staff and the professional development of its human resources:

- Common recruitment evaluation criteria for all the Group's companies, to ensure equal opportunities and to fight discrimination.
- Provision of equal development opportunities to all Group employees, through internal transfer and promotion processes.
- The compensation and benefit policy, which is based on the financial results of the Group, on the employee's performance appraisal conducted on an annual basis and on retail market trends in relation to compensations.
- Taking into consideration the balance when it comes to gender, nationality, religion, political or other opinions, as well as issues such as disability, sexual orientation, etc. during the selection and development processes of employees, as well as in the compensation and benefits policy.

When in any of the companies there are job openings, those are readily covered either via internal transfer/promotion of employees (through the Open Resourcing Policy), or via a direct transfer/promotion of an employee (for Executives), or via new recruitment.

More information on the Equal Opportunities & Diversity Policy and the Suitability Policy is available within the Corporate Governance Statement, at www.fourlis.gr.

Outcomes of the above policies and non-financial key performance indicators

On 31/12/2020, the Group's total number of employees was 2,371 employees.

Total workforce by region and gender

(temporary and permanent, full-and part-time)

2020			
Region	**Men**	**Women**	**Total**
Greece	742	873	1.615
Cyprus	157	142	299
Bulgaria	171	286	457
Total	**1.070**	**1.301**	**2.371**

2. Employee training and education

Corporate policies and due diligence

The Group believes that the employees' need for training is continuous and ever increasing, as the competition and the current market demands are constantly generating new training and educational needs. For this reason, the training of each Group employee begins upon his/her recruitment, while ensuring the continuous training and education of employees is achieved through adherence to the training plan drawn up at the completion of the annual performance appraisal.

Outcomes of the above policies and non-financial key performance indicators

Education

The first training program for every Group employee is an induction program, through which it is ensured that all the newly hired employees are informed about HOUSEMARKET and FOURLIS Group's Structure, Values, Code of Conduct and Internal Labor Regulation of each company. This program is implemented both in classroom and via e-learning.

Also, all the employees of the Group are members of the Training Academy of the Group "FOURLIS Learning Academy", which has been operating since 2011, and participate in programs according to the requirements of their role and their needs for personal development.

In the context of the Academy, the FOURLIS Retail Diploma program was launched in 2016. The program was created with the main objective to provide high level knowledge from University Professors and Senior Executives of both the market and the Group, in a range of fields mainly focusing on Retail Management. HOUSEMARKET Group employees also participate in the program. By the end of 2020, the program has been attended by a total of 38 employees from all countries where HOUSEMARKET Group operates and 31 of them have graduated. During 2020, due to the COVID-19 pandemic, there was not a new class.

In 2020, all trainings were implemented remotely either through e-learning or through an asynchronous training platform.

Performance Appraisal and Development

Since 2008 an annual Performance Appraisal and Development Review System for all the Group employees is adopted, in order to ensure that the evaluation process is and will remain transparent. The performance Appraisal and Development Review Procedure, which includes both the assessment of the agreed measurable objectives and the employees' skills and behavior, is conducted once a year for all employees in all the Group companies **[GRI 404-3]**.

In 2020, the Appraisal and Development procedure was renewed to meet current business needs. More information and data regarding the results of the policies in matters of training and education of the Group's employees, as well as for the new Appraisal and Development Review procedure will be included in the FOURLIS Group annual Sustainable Development and Social Responsibility Report 2020.

[GRI 404-1]

Average hours of training by gender	
2020	
Men	**Women**
8.4	10.0

Average hours of training by employee category		
2020		
Employee	**Supervisor**	**Manager**
7.9	14.8	14.8

3. Employee health, safety and wellbeing at work

Corporate policies and due diligence

Given that the creation of a safe and healthy work environment is a fundamental Principle for the Group, as it is also depicted in its Values, not only the clauses of the relevant labor legislation are followed in all the countries where the Group operates, but also potential risks the Group may face are assessed, so as to take the necessary measures in order to prevent potential accidents.

An important priority is to safeguard compliance with the Health & Safety Policy by carrying out intensive inspections led by safety technicians in all the Group companies' facilities, and by having the safety technician conduct an occupational risk assessment study. The Group, as a minimum prerequisite, complies with the requirements of the local legislative frameworks and the "ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases". The Group also invests in the continuous and regular training of all employees, so that they can respond to emergencies affecting their own safety but also clients', visitors' and partners' in its stores. Especially at the IKEA stores an internal Safety, Fire Protection and First Aid teams have been created.

In addition, aiming to inform employees on health and wellbeing issues and to encourage them to adopt a healthier lifestyle, the Social Responsibility Division of FOURLIS Group implemented the EF ZIN

(WELLBEING) program for the 10th consecutive year. In the context of this program, a number of actions that concern healthy diet, health and prevention, exercise, etc,. and in which HOUSEMARKET Group employees also participate, are taking place every year.

Outcome of the above policies and non-financial key performance indicators

- In 2020, there were no work related fatal and/or serious accidents in all the Group companies.
- As a result of the overall management regarding Health and Safety topics in the workplace, the Employee Insight Survey conducted in 2018 indicated that the area that gathered the greatest satisfaction of the human resources was safety. The survey was not implemented in 2020 due to the COVID-19 pandemic and is scheduled to be implemented in the last quarter of 2021.
- In 2020, in the context of the EF ZIN program, some indicative activities that took place was a Mediterranean Diet program which was implemented in collaboration with dieticians and nutritionists in Greece, Cyprus and Bulgaria and for employees of the Group in Greece, online fitness classes, online psychology seminars and counseling/psychological support line for employees and their relatives (spouses, children). The line operates 24/7/365 in collaboration with psychologists.

Below are the benefits offered to full-time and part-time employees (not seasonal employees), based on significant operating location throughout the HOUSEMARKET Group **[GRI 401-2]**.

	GREECE		CYPRUS		BULGARIA	
	2020	2019	2020	2019	2020	2019
Life Insurance	✓	✓	✓	✓	✓	✓
Healthcare	✓	✓	✓	✓	✓	✓
Disability and inability coverage	✓	✓	✓	✓	✓	✓
Parental leave	*	*	*	*	*	*
Retirement provision benefits**	✓	✓	✓	✓	-	-
Stock option plan	✓	✓	✓	✓	✓	✓

** Parental leave is granted based on relevant law.*

*** No retirement benefits are offered in Bulgaria, as this is not a common practice in these countries.*

More information on the results of Group's employees' Health and Safety policies will be included in the Group's annual Sustainable Development and Social Responsibility Report 2020.

e) Respect for Human Rights

Corporate policies and due diligence [Metric C-S5]

The Group approaches the issues of respect and protection of Human Rights in a systematic way through policies and initiatives. This effort is comprised of:

- Participation, through the FOURLIS Group, in the UN Global Compact, through which the Group commits to uphold the respective Principles such as those relating to the respect of freedom of association, the abolishment of child and forced labor and discrimination in the workplace and its supply chain.
- The Internal Labor Regulations.
- The Code of Conduct of the FOURLIS Group.
- The Health and Safety Policy of the FOURLIS Group.
- The responsible product policies.

Outcomes of the above policies and non-financial key performance indicators

All Group employees have signed, independently of their position in the corporate hierarchy, the detailed or concise version of the Code of Conduct, (the concise version is available on the website www.fourlis.gr).

In addition, the Code of Conduct Line of the Group is available 24 hours a day and anyone may call the Line, in order to report (anonymously or not), any concerns related to Code of Conduct violations or non-compliance with the legislation. For the period 1/1-31/12/2020 no incident was reported in relation to human rights abuses or/and violations and no discrimination incident also based on gender, religion, age, disability, nationality, political beliefs, etc., including harassment throughout the Group's activities **[GRI 406-1]**.

f) Anti-corruption and issues related to bribery

Corporate policies and due diligence [Metric C-G2]

The approach is based on the following FOURLIS Group procedures and practices. (The information presented below is indicative. More information is available at www.fourlis.gr):

- Corporate Governance Code: FOURLIS Holdings S.A. has decided, through the Board of Directors' decision in 28/2/2011, to voluntarily comply with the Greek Code of Corporate Governance for Listed Companies. The Code is adapted to the Greek legislation and business reality and constitutes a best practices standard for corporate governance. It aims at enhancing Greek companies' transparency and increase the investors' confidence both on listed companies overall, as well as in each one individually, while it broadens the horizons to attract investment capital.
- Code of Conduct: The Code of Conduct focuses on creating a work environment that promotes respect and protection of Human Rights. Through the Code, FOURLIS Group promotes and applies a policy of equal opportunities for all employees, as well as a policy that prohibits sexual harassment, in full compliance with labor legislation. Furthermore, the FOURLIS Group's violence prevention in the workplace policy, as it is set out in the Code, strictly prohibits acts of violence, threatening messages or behavior and the use or possession of weapons by any person in the

workplace or during any transactions with external business partners. All Group employees are obliged to adopt and implement the Code of Conduct.

- Code of Conduct Line: The Group Code of Conduct Line is available 24 hours a day and anyone can call in order to report, anonymously or not, any concerns related to Code of Conduct violations or non-compliance with the legislation. The Code of Conduct line is accessible via mobile phone or fixed line at (+30) 210 6293010, or via sending an email at the email address: codeofconduct@fourlis.gr.

- Regulation of Operations: The Regulation of Operations of the parent company of the Group (FOURLIS HOLDINGS S.A.) is approved by the Board of Directors. It describes the organizational structure, the risk management and the internal audit system. It includes the basic principles of operation and the relevant procedures, while also describes the composition and responsibilities of the Audit Committee, of the Nomination and Remuneration Committee and the Internal Audit Department. Additionally, it contains the basic principles of the transaction Code for its securities and compliance with the applicable legislation. The Regulation of Operations was renewed in 2020 based on the requirements of the recent Corporate Governance Law 4706/2020.
- Audit Committee: The operation of the Board of Directors of FOURLIS HOLDINGS S.A. is supported by the Audit Committee. The Audit Committee is appointed by the General Meeting of Shareholders and operates in accordance with article 44 of law 4449/2017 as amended by article 74 of law 4706/2020, articles 10, 15 and 16 of law 4706/2020 and EU Regulation No. 537/2014, the Greek Code of Corporate Governance voluntarily adopted by the Company (https://www.athexgroup.gr/web/guest/esed) and the provisions of the Company's Regulation of Operations and the Regulation describes the responsibilities, the duties and obligations of the Audit Committee in relation to the above framework.

  The Audit Committee has been set up to support its Board of Directors in its tasks related to:

  - financial information,
  - internal controls systems,
  - the Internal Audit Department,
  - regulatory compliance and risk management systems and
  - the supervision of the regular auditor of the corporate and consolidated financial statements of the Company.

The Audit Committee Charter has been approved by the Board of Directors of the Company. For 2020, the Audit Committee has submitted a report, which refers to the Sustainable Development Policy followed by the Company.

- Internal Audit Department: The FOURLIS Group's Internal Audit Department is organized in a way that allows it to carry out an independent, confirmative and advisory role and designed to add value and improve the company's processes. The Department supports the Group to achieve its objectives through assessment, which contributes to the improvement of the corporate governance, internal audit and risk management systems. The operation of the Internal Audit Department is supervised by the Audit Committee and is in accordance with articles 15 and 16 of law 4706/2020, the Greek Code of Corporate Governance that the company has voluntary adopted (https://www.athexgroup.gr/en/esed) as well as the provisions of the Regulation of Operations. The Internal Audit Department has the Audit Committee Charter that has been approved by the Board of Directors of the Company and describes its responsibilities, duties and obligations. The Audit Committee Charter is posted on the Company's website.

- Nomination and Remuneration Committee: The Nomination and Remuneration Committee is responsible for the procedure of electing Board members, selecting Senior Executives and preparing proposals for the Board of Directors regarding the remuneration (basic salary, bonuses or financial incentives and benefits) of Executive Directors and key senior executives.
- Implementation of a specific procedure for informing the Senior Management and the Internal Audit Department on any fraud or corruption incident.
- Supervision of Sustainable Development: The sustainability topics are discussed at least once a year in the Executive Committee, where Executives of the Group companies as well as Executive Board Members participate and who then notify these sustainability topics to the rest of the Board Members in order, based on the materiality analysis results, to define priorities and relevant targets **[Metric C-G1]**.

Outcomes of the above policies and non-financial key performance indicators

While implementing the Senior Management informational procedure for addressing fraud and corruption incidents, during the period of 1/1-31/12/2020, no cases of fraud were detected. Also, there were no notifications or complaints relating to corruption or bribery incidents that the Group's Management is aware of.

g) Environmental issues

Corporate policies and due diligence

In the Group, since Environmental issues have not emerged as a material topic through the latest materiality analysis, the risks that may arise from climate change in relation to the Group's business model are not recorded. In the new materiality analysis, if environmental issues arise as a material topic, the company will manage them accordingly.

However:

- the effects of the activities are monitored and a series of voluntary actions and interventions are being carried out, aimed at reducing environmental impact, saving and recycling of natural resources, as well as raising awareness of employees and the public on environmental issues and adopting a responsible attitude towards life. The results of the applied practices are communicated in the annual Report on Sustainable Development and Social Responsibility, as well as in the Progress Report "Communication on Progress" of FOURLIS Group, regarding the observance of the ten Principles of the United Nations Global Compact.

- in the context of the commitments undertaken by IKEA worldwide, HOUSEMARKET (IKEA stores) of FOURLIS Group is committed to reduce food waste by 50% in IKEA restaurants in Greece, Cyprus and Bulgaria, by the end of 2022, as well as raise public awareness about reducing food waste at home.
- 2 charging stations for electric cars have been installed and are operating in the IKEA Sofia store in Bulgaria and IKEA is now a member of the Eldrive network which provides more than 150 charging points for electric cars. At the same time, it now has electric trucks that can be rented on very privileged prices by customers who have no car at all or have a small car, in order to transport their purchases to their destination.

Outcomes of the above policies and non-financial key performance indicators

The data monitored at the Group facilities, where possible, include the following:

Energy

ENERGY CONSUMPTION (HOUSEMARKET Group in Total)*:

2020
Electricity (kWh): 28,609,691
Heating Oil (lt): 116,463**
Natural gas (m³): 511,071

** The above consumption may be modified, as at the date of issuance of this Report (Statement) not all accounts were available.*

*** The difference that arises in relation to the corresponding consumption for 2019, is due to the fact that the year 2020 includes the consumption from the IKEA Cyprus store.*

- PHOTOVOLTAIC SYSTEMS: HOUSEMARKET Group has advanced and is in the process of implementing the installation of photovoltaic energy systems on the roofs of its buildings, with the aim of maximizing the use of facilities that do not additionally burden the environment. In this context, in 2019 the process for the installation of a photovoltaic energy system with offsetting was completed in the IKEA Cyprus Store and is expected to operate in 2021. Since 2013, TRADE LOGISTICS S.A. has installed and operates a photovoltaic system of 1,400 MWh average annual capacity for producing electricity, on its building's roof. In 2020, the total electricity production was 1,432 MWh. In addition, during the same period, 1,296 metric tons of CO_2e were not released into the atmosphere, due to the fact that the electricity from the photovoltaic park is produced from renewable energy sources.
- CARBON EMISSIONS: Since 2012, TRADE LOGISTICS S.A. calculates its CO_2 emissions for all of its operations, aiming to find the most compatible solutions for emissions reduction. The results for 2020 will be available in the Group's Sustainable Development and Social Responsibility Report 2020, which will be published in June 2021.

Materials

RECYLING OF MATERIALS (HOUSEMARKET Group in total)

2020
Paper (kg): 1,567,619
Batteries (kg): 5,235
Cooking fat (lt): 14,445
Lamps (kg): 2,185
Aluminium (kg): 5
Glass (kg): 78
Plastic (kg): 81,066
Metal (kg): 23,285
Timber (kg): 44,790

APPROPRIATE MATERIAL MANAGEMENT

- The IKEA Airport store manages organic waste, which is promoted for composting. For 2020 this quantity was 239kg.
- Since September 2016, HOUSEMARKET S.A. (IKEA stores in Greece) has implemented an electronic archiving system for copies of invoices and credits, with significant benefits in saving paper. Characteristically, through this practice it is estimated that in 2020 the printing of a total of 211,409 A4 pages was avoided in the stores, in the e-shop, as well as in IKEA Pick Up and Order Points.

Water

WATER CONSUMPTION (HOUSEMARKET Group in total*)

2020**
71,449,388 **(lt)**

** The IKEA Order Pick Up and Order Point in Heraklion, Crete, is excluded.*

*** The above consumption may be modified, as at the date of issuance of this Report (Statement) not all accounts were available.*

Sustainable products

- IKEA stores have sustainable products which are presented in detail on its website (https://www.ikea.gr/en/much-more-than-what-you-can-imagine/sustainable-products/).

* In 2020, the gradual withdrawal of all non-rechargeable alkaline batteries from the global product line of IKEA and their replacement by rechargeable batteries began. The withdrawal will take place gradually and will be completed by October 2021.
* IKEA worldwide is committed to the use of renewable and recycled materials in all its products, by 2030. In this direction, in 2020 the process of removing disposable plastics from the restaurants of IKEA stores (e.g. glasses, lids, straws, plates, forks, etc.) began as well as their replacement by similar alternatives made from paper or wood.

In addition, flat packaging reduces pollutant emissions from transport from factory to store and from store to home while also reducing transport costs.

In relation to the food available in the restaurant of the IKEA stores and sold by the IKEA Swedish Food Store, the following are worth mentioning:

* The salmon served at the IKEA store restaurant and sold by the IKEA Swedish Food Store, comes from responsible aquaculture according to the ASC standard.
* Seafood served at the IKEA store restaurant and sold by the IKEA Swedish Food Store, comes from sustainable fishing certified according to the MSC standard.
* IKEA chocolates and coffee are UTZ certified. This means that both the cocoa and the coffee are sourced from sustainable farms that create better living opportunities for the producers and their families.
* In 2020, IKEA launched the new vegetable meatballs HUVUDROLL, which are produced from pea protein, oats, potatoes, onion and apple and which have the same taste and texture as the classic IKEA meatballs. The plant ingredients of this new product come from sustainable sources, with a very small environmental footprint (4%).

Overall, the IKEA stores' restaurant maintains a Food Safety System according to the international standard ISO 22000. For the IKEA stores of Greece and Cyprus, the certification of the Food Safety System expired in December 2019 and the certification body provided an extension of 6 months. Certification procedures could not be performed due to the conditions created by the pandemic. For this reason, they will be conducted as soon as the stores return to normal operation. The IKEA store in Bulgaria is in the process of certification.

Information in relation to revenues from eco-friendly products sales is classified as confidential by HOUSEMARKET Group and therefore is not published **[Metric A-S5]**.

h) Supply chain issues

FOURLIS Group and consequently HOUSEMARKET Group seeks to continuously improve its relationship with suppliers by communicating the terms of cooperation and the key framework of principles and values that govern their partnership. The Group's business continuity is critical to the continuous delivery of high-quality products and services. The Group aims to maximize the client satisfaction and develop mechanisms, aimed at identifying and responding to situations that may adversely affect the business continuity of its critical operations, such as the availability of its products. In order to ensure business continuity, the Group assesses its weaknesses and investigates threats that may affect its business model and are related to its supply chain and takes relevant precautionary measures.

Concerning its supply chain, FOURLIS Group, and consequently HOUSEMARKET Group, are in the process of evaluating the possibility of implementing within the next 2 years, the following practices:

- Incorporation of FOURLIS Group Code of Conduct into its supplier contracts
- The integration of ESG criteria during the selection and evaluation of potential and existing suppliers.

The main supply chain services provider for the Group is TRADE LOGISTICS. TRADE LOGISTICS (TRADE LOGISTICS S.A.) purpose is to provide supply chain services, like the receipt, storage and transport of goods, the creation of promotional and other packaging, the supply of business units and the management of all relevant information. More specifically, its activities are:

1. Storage and distribution services for the below stores:
   - IKEA in Greece, Cyprus and Bulgaria
2. Delivery of e-commerce orders directly to the customers in Greece for:
   - IKEA's e-shop (www.ikea.gr) and

The TRADE LOGISTICS, with its specialized and experienced personnel, the use of technology and the adoption of innovative methods in the Logistics field, aims at the proper operation of all storage and delivery procedures, as well as at the development of its activities.

f) Impact of the COVID-19 pandemic on non-financial issues

Corporate policies and due diligence

Health, safety and wellbeing of employees

To ensure the health, safety and wellbeing of employees, FOURLIS Group and consequently HOUSEMARKET Group undertook the strict implementation of the legislation for every labor issue. In Greece, but also in other countries (Cyprus, Bulgaria), the Group initially distributed regular and thorough information on the issues of the COVID-19 pandemic to its employees. The briefing included general information and guidelines about the virus, such as:

- correct application of personal and public hygiene rules,
- procedure in case of symptoms or in case of contact with COVID-19 case,
- use of public areas and public transport,
- use and disposal of masks, gloves, the use of antiseptics and
- keeping distance.

In addition, there was constant communication between the employees and the occupational physicians, while travel was interrupted.

Prior to enactment of the measure, which required citizens to wear masks, the Group distributed masks to all employees. Each employee received 4 winter and then 4 summer masks.

Suppliers and partners

The Group respectively took protection measures for its partners and suppliers. In this context and following the legislation, it proceeded to the cessation of live meetings in its workplaces, implementing online meetings using digital media (Microsoft Teams, Zoom). In cases where there was the need for a live meeting, the official guidelines were completely followed by taking all the necessary safety measures. For the partners who worked in the workplaces of the Group companies, the policies and guidelines concerning the employees of the Group were followed.

Customer health and safety

And for its customers, the Group proceeded with the strict implementation of all laws related to retail stores and thus limited the number of customers and visitors for the period that they remained open. In addition, in all areas of the stores the following were put in place:

- special markings to maintain distances,
- hand sanitizers,
- equipment for disinfecting objects,
- special bins for disposing of masks and disposable gloves,
- plexiglass at checkouts and other places where the employee comes into contact with the customer.

In addition, signs were placed in all stores to encourage the use of lifts only by people in need and only with the mandatory use of a face mask. During payments, the use of debit / credit cards was encouraged to avoid direct contact with used banknotes and further spread of the virus.

Social contribution programs

From the first moment the COVID-19 pandemic broke out, HOUSEMARKET Group and its subsidiaries responded immediately to the increased demands of society as a whole, mainly in the field of Public Health, offering products to reference hospitals, as well as in other structures, to support vulnerable groups. In this context, IKEA products were offered to the Army Pension Fund Hospital (N.I.M.T.S.), to the University General Hospital of Thessaloniki (AHEPA), to the University General Hospital of Patras, to the University Pulmonary Clinic of Alexandroupolis and to the City of Athens Homeless Shelter (KYADA).

During the Christmas period, HOUSEMARKET Group companies supported, together with the rest FOURLIS Group companies, the #mazistisgiortes campaign of the "Together for Children" Association, providing the essentials for the festive table of 40 families with minor children, living without income on the edge of poverty due to the consequences of the pandemic. The campaign was voluntarily supported by the Group's employees, by offering any amount they wished for this purpose, through the Association’s crowdfunding platform. In Cyprus, IKEA stores offered products at the General Hospital of

Nicosia, the Makario Children's Hospital and the Famagusta General Hospital. In Bulgaria, IKEA stores offered products at the Pernik Pulmonary Clinic that operates for the care of patients with COVID-19.

Outcomes of the above policies and non-financial key performance indicators

To address the unprecedented challenge of the COVID-19 pandemic, the Group immediately implemented its emergency response plan with the aim of its smooth operation and the health and safety of its employees, customers and partners. In this context, the crisis management team held daily meetings, so that it could make the necessary decisions in accordance with the daily rapid developments on the pandemic front. Always in compliance with the current legislation, but also based on the contingency plan, during the 1st and 2nd lockdown, but also in the intermediate periods, the Group put most of its office employees in teleworking status (at a rate higher than what was set as the minimum by law). Despite the adverse conditions created due to the COVID-19 pandemic, the availability of goods during both lockdown periods was not significantly affected compared to the respective periods of 2019. In addition, the Group strengthened its infrastructure both in terms of its information systems as well as the operation of its logistics centers, in order for its business and commercial operations to continue smoothly, responding to the needs of its customers.

11. Related parties transactions

As Related parties of the Group are considered the Company, the parent Company FOURLIS HOLDINGS SA, its subsidiary companies, its associated companies, the Management and the first line managers and the connected natural persons and legal entities (IAS 24). The most important transactions, which are eliminated for consolidations reasons of the financial statements between the companies of the Group, mainly regard warehouse – supply services and administrative support expenses.

Detailed information on the related parties' receivables/ payables for the Group and the Company for the period ended on 31/12/2020 and 31/12/2019 is analysed as follows (all amounts in th. €s):

		Group 1/1 - 31/12/2020	Group 1/1 - 31/12/2019	Company 1/1 - 31/12/2020	Company 1/1 - 31/12/2019
Receivables from:	FOURLIS HOLDINGS SA	1	1	0	0
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	6	2.006
	INTERSPORT SA	454	619	44	74
	INTERSPORT (CYPRUS) LTD	10	5	0	0
	GENCO BULGARIA	13	13	0	0
	HOUSE MARKET BULGARIA EAD	0	0	14	5
	VYNER	0	140	0	0
	SW SOFIA MALL ENTERPRISES LTD	0	94	0	0
	Total	**477**	**871**	**64**	**2.086**

		Group 1/1 - 31/12/2020	Group 1/1 - 31/12/2019	Company 1/1 - 31/12/2020	Company 1/1 - 31/12/2019
Payables to:	FOURLIS HOLDINGS SA	10.548	6.576	10.464	6.488
	HOUSE MARKET BULGARIA EAD	0	0	9	5
	TRADE LOGISTICS SA	0	0	606	420
	Total	**10.549**	**6.577**	**11.080**	**6.913**

Third Parties transactions for the period 1/1 to 31/12/2020 and for the period 1/1 to 31/12/2019 are analysed as follows:

	Group 31/12/2020	Group 31/12/2019	Company 31/12/2020	Company 31/12/2019
Revenue	3.685	3.928	42	22
Other income	384	429	328	418
Dividends	0	0	0	2.000
Total	**4.070**	**4.358**	**370**	**2.440**

In the year 2020 and 2019 the following transactions between companies of the Group took place:

	Group 31/12/2020	Group 31/12/2019	Company 31/12/2020	Company 31/12/2019
Revenue	11.217	6.085	37	16
Cost of sales	36	16	31	16
Other income	341	166	129	142
Administrative expenses	23	70	12	14
Distribution expenses	11.455	6.165	4.790	4.504
Other operating expenses	43	0	0	0
Dividends	0	2.000	0	2.000

	Group 1/1 - 31/12/2020	Group 1/1 - 31/12/2019	Company 1/1 - 31/12/2020	Company 1/1 - 31/12/2019
Distribution expenses	836	786	5.073	4.749
Administrative expenses	2.969	3.129	2.335	2.442
Total	**3.805**	**3.914**	**7.408**	**7.191**

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Trade receivables	657	2.603	20	2.011
Creditors	657	2.603	616	425

12. Human Recourses

The total number of employees of the Group as at 31, December 2020 was 2.371 (2.376 at 31/12/2019). The total number of employees of the Company for the same reporting periods set above was at 1.441 (1.483 at 31/12/2019).

13. Treasury shares

The Company does not hold treasury shares.

Until 31/12/2020, the Company had purchased 107.184 treasury bonds, which in accordance with the decision of its Board of Directors dated 20/7/2020 and the relevant information of the Corporate Operations Committee of the Athens Stock Exchange on 10/8/2020, were canceled. The trading of 107.184 bonds from the Main Market of Fixed Income of the ATHEX expired on 13/8/2020.

14. Explanatory report – information according to article 4 par. 7 of Law 3556/2007

a. The Company's share capital

The Company's share capital amounts to € 47.450.647,00 divided into 47.450.647 shares with a nominal value of € 1,00 each (31/12/2019: 47.450.647).

All shares are common nominal shares. Each share entitles to one vote, with an exception of treasury shares that do not have the right to vote. It is noted that on 31/12/2020, the Company does not hold any treasury shares.

The shareholders' responsibility is limited to the nominal value of the shares that they own.

b. Restrictions as to the transfer of the Company's shares

The transfer of the Company's shares take place as defined by the Law and there are no restritions at the transfer from its Articles of Incorporation.

c. Significant direct or indirect shareholdings as prescribed by articles 9 - 11 of Law 3556/2007

On 31/12/2020, all shares and voting rights of the Company belonged to FOURLIS HOLDINGS SA.

d. Preference shares

The Company does not have any preference shares.

e. Restrictions to voting rights

There are no restrictions to voting rights arising from the Company's Articles of Incorporation.

f. Shareholder agreements resulting in restrictions transfer of shares or to their voting rights

The Company is not aware of any Shareholder agreements resulting in restrictions to transfer of shares or to their voting rights as it is prescribed by the Company's Articles of Association.

g. Rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Incorporation which differ to those prescribed by Law 4548/2018.

The rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association of the Company do not differ to those prescribed by Law 4548/2018.

h. The Board of Directors' or of several of its members, roles for the issue of new shares or the shares buy back in accordance with article 16 of Law 4548/2018

The Articles of Association of the Company is not different from the provisions of L. 4548/2018 regarding the jurisdiction of the Board of Directors to issue new shares or to purchase treasury shares. There is no jurisdiction of some members of the Board of Directors for the issuance of new shares or the purchase of treasury shares.

i. Significant agreements that the issuer has entered into, which come into force, are amended or terminate in the event that there are changes in control due to public offering and the results of these agreements

There are no significant agreements of the Company, which come into force, are amended or terminate in the event that there are changes in control of the Company due to public offering.

j. Agreements that the issuer has entered into with members of the Board of Directors or its employees, which provide for indemnity in the event of termination or redundancy without cause due to the public offering.

There are no agreements of the Company with members of the Board of Directors or its employees, which provide for indemnity in the event of termination or redundancy without cause.

16. Corporate Governance Statement for the period 1/1 – 31/12/2020

According to L. 4548/2018 article 152, the Board of Directors of the Company declares the following:

a) Reference on the Corporate Governance Code which the Company is coming under or has voluntarily decided to comply with and the website that can be found.

The Company after the Board of Directors resolution dated 28/2/2011, has voluntarily decided to apply the Hellenic Corporate Governance Code which has been prepared by a recognised body. More specifically, the Hellenic Corporate Governance Code was initiated by SEV (Hellenic Federation of Enterprises) and then amended in the context of its first revision (28/6/2013) by the Hellenic Corporate Governance Council (ESED). The Hellenic Corporate Governance Code is adapted to Greek law and business reality and has been drafted based on the principle of "compliance or explanation", thus including issues that go beyond existing laws and regulations. The Code does not impose obligations, but explains how to adopt good practices and facilitates the formulation of corporate governance policies and practices that will meet the specific conditions of each company. The Hellenic Corporate Governance Code is posted on the website of the Hellenic Corporate Governance Council, at the address: http://www.helex.gr/el/esed.

The Hellenic Corporate Governance Council (GCC) was founded in 2012, as a result of the partnership between the Athens Stock Exchange and SEV, in the legal form of the Civil Non-Profit Company. Since October 2018, the Hellenic Banking Association is a Regular Member of the NSRF, while, since June 2019, the Association of Institutional Investors is a Full Member of the NCSR.

The purpose of the ESED is the continuous increase of the credibility of the Hellenic market among domestic and international investors and the improvement of the competitiveness of Hellenic companies. It operates as a specialized body for the dissemination of the principles of corporate governance and seeks to develop a culture of good governance in the Greek economy and society. Its general action plan includes: the formation of positions on the institutional framework, the submission of proposals, the participation in consultations and working groups, the organization of educational and informational actions, the monitoring and evaluation of corporate governance practices and the implementation of corporate governance codes, the providing tools to assist and rate the performance of Greek companies.

ESED as a Civil Non-Profit Company has Members, which are divided into Founding (ATHEX and BSE), Regular (EET, NBG), Participants and Others. The supreme body of the SSC is the General Assembly (GA). The ESED is governed by a Board of Directors consisting of 7 members elected by the General Assembly and has a five-year term. In addition to the Board of Directors, the ESED also has a Corporate Governance Council, in which experts from Greece and abroad participate, from various sectors (audit, investment, business, supervision, legal, consulting, banking and financial).

Since October 2018, an Executive Committee for the Implementation of Actions (Working Committee) has been established with the participation of representatives of the Founding Members and the Regular Members (ATHEX, SEV, EET, ETH) with responsibilities for the implementation of the action plan, the organization of individual actions (conferences, events, promotions), finding sponsors and other resources, as well as the fulfillment and implementation of individual goals of the NAP.

The Hellenic Corporate Governance Code aims at the continuous improvement of the Greek corporate institutional framework and wider business environment, as well as to increase the confidence of investors both in the total of listed companies and each of them and expands the horizons of attracting investors.

The Hellenic Corporate Governance Code includes two types of provisions: "general principles", which are addressed to all listed and unlisted companies, and "special practices", which concern only listed companies. The general principles aim to provide a general framework within which most corporate governance issues can be addressed and addressed in a company, whether listed or not. Each general principle is followed by one or more specific practices that further develop the relevant general principles and guide their application within the regulatory and proprietary status of listed companies. The Code follows the "compliance or explanation" approach and requires listed companies that choose to apply it: to disclose this intention and either to comply with all the specific practices of the Code, or to explain the reasons for their non-compliance with specific specific practices. In the Hellenic Code of Corporate Governance, where reference is made to existing, mandatory legal regulations, a definite present tense is used in order to distinguish these requirements from the voluntary practices of the Code.

The general principles of the Code cover the following sections:

- Role and responsibilities of the Board of Directors
- Size and composition of the Board of Directors
- Role and profile of the Chairman of the Board
- Duties and conduct of Board members
- Nomination of candidate members of the Board of Directors
- Functioning of the Board of Directors
- Evaluation of the Board of Directors
- Internal control system
- Level and structure of remuneration
- Communication with shareholders
- General Meeting of Shareholders

b) <u>Reference to the corporate governance practices implemented by the Company beyond the requirements of the Law and the website that can be found</u>

Indicatively, the following practices are applied by the Company either due to the application of the Greek Corporate Governance Code or due to the adoption of best international corporate governance practices or due to the earlier than the deadline, compliance with articles 1-23 of L.4706 / 2020 and the which exceed the current (during the year 2020) legal requirements for corporate governance (ie Law 3016/2002, Law 3693/2008 no. 37, Law 4403/2016 no. 2, Law of Law. 4449/2017 no.44 as amended by L.4706 / 2020 as well as L.4548 / 2018 in the points that cover the relevant issues):

- The Board of Directors is supported by a competent, specialized and experienced Company Secretary who attends its meetings. All members of the Board of Directors have access to the services of the Company Secretary, whose role is to provide practical support to the Chairman and the other members of the Board of Directors collectively and individually, based on the compliance of the Board of Directors with internal rules and relevant laws and regulations. The Company Secretary keeps the minutes of the meetings of the Board of Directors and its committees and ensures the efficient flow of information between the Board of Directors and its committees as well as between the Senior Management and the Board of Directors. The Company Secretary plans the introductory briefing program for the newly elected members of the Board of Directors immediately after their election and ensures that they are provided with ongoing information and training on issues related to the Company. Also, the Company Secretary ensures the effective organization of the General Meetings. The detailed CV of the Company Secretary is presented in section 16.1 of the Corporate Governance Statement.
- The responsibilities of the Chairman are explicitly established by the Board of Directors in distinction from those of the Chief Executive Officer and are described in the Rules of Procedure of the Company which is updated, issued and approved by the Board of Directors and its summary is posted on its website (http://www.housemarket.gr).
- The Board of Directors has appointed an independent Vice President from among its independent non-executive members as the Chairman of the Board of Directors is one of its executive members (paragraph f of the Corporate Governance Statement).
- The Board of Directors, taking into account the size, nature, scope and complexity of the Company's activities, has defined and supervises the implementation of the Company's corporate governance system which includes an adequate and effective Internal Control System (IAC), including risk management and regulatory compliance systems, adequate and effective procedures for the prevention, detection and suppression of conflicts of interest, adequate and effective mechanisms for liaison with shareholders and the company's. It has also defined the process of periodic evaluation of the corporate governance system in order to determine its effectiveness and to take the necessary corrective and / or preventive actions. The main features of the corporate governance system of the Company are described in the Rules of Procedure of which a summary is posted on the Company's website (http://www.housemarket.gr).
- The Chairman of the Board of Directors is available for meetings with shareholders of the Company and discusses with them issues related to the governance of the Company. The Chairman ensures that the views of the shareholders are communicated to the Board of Directors. This facilitates the exercise of shareholders' rights and the active dialogue with them (shareholder engagement). The mechanisms of communication with the shareholders are described in the Operating Regulations of the Company, a summary of which is posted on the Company's website (http://www.housemarket.gr).
- The Audit Committee ensures the operation of the internal control unit and the implementation

of an internal control framework in accordance with international standards for the professional implementation of internal control and best practices. The Rules of Procedure of the Internal Audit Department of the Company, which is posted on its website (http://www.housemarket.gr), presents the framework for ensuring the independence and objectivity of its internal auditors.

- The Audit Committee applies a procedure of periodic evaluation of the efficiency of its operation as mentioned in its Rules of Operation which is posted on its website (http://www.housemarket.gr).

c) Description of the main characteristics of internal control and risk management of the company in relation to the process of preparation of financial statements

The Company has developed and implements a process for issuing the financial statements (consolidated and separate) and the Financial Report. The Group companies record their transactions in their information systems and through automated procedures the consolidation application is updated. Crosschecking of data is performed and is reviewed (intra - group transactions, receivables and payables, etc.). Elimination and consolidation entries are recorded and the financial statements with the associate notes are developed. After the completion of audit procedures, the Financial Report that includes the financial statements is submitted to the Board of Directors for approval.

The main characteristics of internal control and risk management systems employed by the Company in connection with the process of preparation of the financial statements and the Financial Report are the following:

- Adequate knowledge, skills and availability of personnel involved with clearly separated roles and areas of responsibility.
- Existence of recorded and updated procedures related to the issuance of financial results.
- Regular review of accounting principles and policies.
- Use of information systems for the issuance of financial statements and the preparation of financial reports related to the ERP of the Company, accessible with distinct roles and rights of use to all the companies of the Group that are consolidated.
- Existence of control activities related to the security of the information systems used.
- Existence of control activities relevant to information systems used.
- Regular communication between the external auditors, Executive Management and the Audit Committee.
- Regular meetings for validation and registration of the significant estimations affecting the financial statements.
- Existence of risk management methodology and documentation for its implementation. Presentation of the results of risk management to the Board of Directors.
- Existence of unique Chart of Accounts for all Group companies and centralized management.
- On the recommendation of the Audit Committee, annual evaluation by the Board of Directors of

the internal control and risk management systems applied for the issuance of financial statements.

d) Additional Information pursuant to sections c), d), f) g) and h) of Article 10 par.1 of the 2004/25/EK Directive of the 21st of April 2004, regarding the Takeover Bid, since the Company is subject to the Directive

During the year no Takeover Bids or Business Combination took place.

e) Information about the General Shareholders Assembly, mode of operation, description of the rights of the shareholders and how these can be exercised

The convocation of General Assembly of Shareholders of the Company is in accordance with the Law 4548/2018, as in force.

Regarding the operating method of the General Assembly, the Company follows the practices mentioned below:

- The Shareholders of the Company are informed in advance and up to schedule, for the convocation of the General Assembly, in accordance with the Law.
- The Company publicizes on its website the Invitation of the General Assembly, the representation mode of the Shareholders, the deadlines and the mode of exercise of their rights as well as the voting results for each topic of the agenda.
- The Company publicizes on time on its website Explanatory Note regarding the agenda, the relevant proposals by Board of Directors, the required quorum and majority for the approval of the proposals. The Explanatory Note is also available in hard copy in Company's Head Office and is distributed to the Shareholders entering in the General Assembly.
- Ensuring that each shareholder is able to participate at the General Assembly either by wording their views or by submitting their questions.

The Company takes all measures for its lawful conduct and the safeguarding of shareholders' rights in accordance with applicable law. In more detail:

The General Meeting of Shareholders of the Company is its supreme body and is entitled to decide on any case concerning the Company. The shareholders exercise their rights related to the management of the Company only by participating in the General Meeting. Each share entitles itself to one vote at the General Meeting. In particular, the General Assembly is solely responsible for deciding on:

- Revival or dissolution of the Company, as well as amendments to the Articles of Association, as such and the increases and reductions of the capital, except those explicitly assigned by law to the Board of Directors,
- Election of members of the Board of Directors and Auditors,
- Approval of the overall management according to article 108 of Law 4548/2018 and discharge of the Auditors,
- Approval of the annual and any consolidated financial statements,
- Distribution of annual profits,

- Approval of remuneration or advance payment of remuneration according to article 109 of Law 4548/2018,
- Approval of the remuneration policy,
- Merger, split, conversion, revival, extension or dissolution of the Company,
- Appointment of liquidators and
- Any other issue provided by law

The responsibilities of the General Meeting are mentioned in the Articles of Association of the Company, codified in its current form, which is posted on its website: http://www.housemarket.gr. The last amendment of the Company's Articles of Association was made during the Extraordinary General Meeting of 21/12/2020 for the purpose of adaptation and harmonization with the provisions of articles 120 and 125 of Law 4548/2018, in relation to the possibility of holding General Meetings remotely in real time and the participation of shareholders in them.

The General Meeting meets at least once a year, within the first half of the end of each corporate year. The Board of Directors may convene an extraordinary meeting of the General Meeting of Shareholders, when it deems it expedient or necessary.

The General Assembly, with the exception of the recurring meetings and those assimilated to them, must be convened at least twenty (20) full days before its scheduled meeting. It is clarified that non-working days are also included. The day of the publication of the invitation of the General Assembly and the day of its meeting are not counted.

It is allowed to participate in the General Meeting remotely by audiovisual or other electronic means, without the physical presence of the shareholder at the venue. It is also allowed to participate in the voting by distance, by electronic means or by mail, held before the Assembly. By decision of the Board of Directors, the above possibilities are initiated, divisive or cumulative, regarding one or more General Meetings or for a defined period of time, the relevant technical and procedural details are determined and procedures are adopted to ensure the identity of the participating person and attendance. as well as the security of the electronic or other connection.

The General Meeting is in quorum and meets validly on the issues of the agenda when at least 20% of the paid-up Share Capital is represented in it. The decisions of the General Assembly are taken by an absolute majority of the votes, which are represented in this Assembly. Exceptionally, the General Assembly is in quorum and meets validly on the issues of the agenda, if at least half (1/2) of the paid-up capital are represented in it when it comes to decisions concerning: the change of the Nationality of the Company, the change of the object of this company, the increase of the shareholders' obligations, the regular capital increase unless required by law or done by capitalization of reserves, the reduction of the capital unless it is done according to par. 5 of article 21 of L.4548 / 2018 or par. 6 of article 49 of L.4548 / 2018, the change of the way of distribution of profits, the merger, the split, conversion, revival, extension of duration or dissolution of the Company, its provision or renewal power to the Board of Directors for capital increase according to par. 1 of article 24 of Law 4538/2018 as well as in any other case stipulated by the Law that the General Assembly decides with an increased quorum and majority.

The General Meeting is temporarily chaired by the Chairman of the Board of Directors or when his deputy, who can be appointed by the Board of Directors by a special decision for this purpose, is prevented. The duties of secretary are temporarily performed by the person appointed by the President. After the list of shareholders who have the right to vote is approved, the General Meeting proceeds to the election of its final Chairman and a secretary who also acts as a voter. Decisions on these issues are taken by a 2/3 majority of the votes represented at the General Assembly.

The discussions and decisions of the General Assembly are limited to the items on the agenda. The agenda is prepared by the Board of Directors and includes the proposals of the Board of Directors to the General Meeting, as well as any proposals of the auditors or shareholders representing 1/20 of the paid-up share capital. For the issues that are discussed and for which decisions are taken in the Assembly, minutes are kept, which are signed by the President and its Secretary. The list of shareholders present or represented at the General Meeting is recorded at the beginning of the minutes.

Anyone who appears as a shareholder in the Company's intangible securities archive is entitled to participate in the General Meeting, which is kept electronically in the company "Hellenic Central Securities Depository S.A." (ELKAT) at the beginning of the 5th day preceding the initial meeting (registration date). The above recording date is also valid in the case of postponed or repeated meeting since the postponed or repeated meeting is not more than 30 days from the recording date according to article 124 of Law 4548/2018.

Proof of shareholder status can be done by any legal means and in any case based on information received by the Company directly by electronic connection of the Company with the ELKAT files. Against the Company, it is considered that only whoever holds the status of shareholder on the above registration date has the right to participate and vote in the Ordinary General Meeting. In case of non-compliance with the provisions of article 124 of Law 4548/2018, the shareholders participate in the Ordinary General Meeting only after its permission.

The exercise of these rights does not presuppose the commitment of the shares they are entitled to or the observance of another similar procedure, which limits the possibility of selling and transferring them during the period between the registration date and the date of the General Meeting.

The shareholders entitled to participate in the General Meeting can vote either in person or through representatives. Each shareholder can appoint up to 3 representatives. The shareholder may appoint a representative for one or more General Meetings and for a certain one time. The appointment and revocation or replacement of the shareholder's representative shall be made in writing at least 48 hours before the date of the Ordinary General Meeting. The shareholder representative is obliged to notify the Company, before the beginning of the General Meeting, of any specific event that may be useful to the shareholders for the assessment of the risk that the agent will serve interests other than the interests of the shareholder.

Other rights of the shareholders are provided in par. 2, 3, 6 and 7 of article 41 of Law 4548/2018.

f) Composition and functioning of the Board and any other administrative, management or supervisory bodies or committees of the Company

The Board, its independent members and all members of Audit Committee, have been elected by the Extraordinary General Assembly Meeting of shareholders held on 21/6/2016. The term of Board members in accordance with Company's Articles of Association and of members of Audit Committee, ends at the a' semester of 2021, when the Ordinary General Assembly Meeting of shareholders of the Company will elect new BoD.

The new BoD was constituted as follows:

Chairman, Executive Member, Chairman of Nomination and Remuneration Committee	Dafni A. Fourlis
Vice – Chairman, Executive Member, Member of Nomination and Remuneration Committee	Vassilis S. Fourlis
Independent Vice – Chairman, Independent Non – Executive Member, Member of Nomination and Remuneration Committee	Eftichios Th. Vassilakis
CEO, Executive Member	Panagiotis D. Katiforis
Director, Non – Executive Member	Apostolos D. Petalas
Director, Executive Member	Christos G. Tsamitropoulos
Director, Independent Non – Executive Member, Member of Nomination and Remuneration Committee, Head of Audit Committee	Ioannis A. Kostopoulos

Mr. Stelios Stefanou of Markos is the new member of the Audit Committee for the remainder of the term of office of the resigned Mr. Ioannis Brebou of the Gospel, in accordance with the provisions of Article 44 of Law 4449/2017. Mr. Stelios M. Stefanou is independent of the Company, within the meaning of the provisions of Law 3016/2002, has proven extensive knowledge and experience in matters of auditing and accounting and sufficient knowledge in the field in which the company operates, as required by law. The Audit Committee met on 12/6/2020, under its new recommendation, and unanimously elected Mr. Ioannis Costopoulos as Chairman and as their members Mr. David Watson and Stelios Stefanou.

Short CV's of the members of the Board of Directors as well as of the Company's Secretary Mr Ioannis Zakopoulos and the new member of the Audit Committee elected by the General Assembly, are presented in section 16.1 of the Corporate Governance Statement.

The Articles of Incorporation of the Company provide for the Board of Directors to be composed of 7 members. The Company has elected its Board with the maximum permitted number of Directors to ensure the diversity of gender, age, knowledge, qualification and experience serving the objectives of the Company as well as the balance between executive and non-executive members.

The intention of the Company is to strengthen the independence of its Board of Directors at the Ordinary General Meeting of 2021, taking into account the relevant provisions of Law 4706/2020.

The Role and the responsibilities of the Board of Directors

The Board of Directors, according to the Company's Articles of Association, is responsible for its management and representation, the management of its assets and the general pursuit of its purpose. Decides on all general issues concerning the Company, within the framework of the corporate purpose, with the exception of those which according to the Law and the Articles of Association belong to the exclusive competence of the General Assembly Meeting.

The main responsibilities of the Board of Directors include:

- Approving the overall long - term strategy and operational goals of the Company.
- Preparation and approval of the annual budget and business plan, as well as decision-making for major capital expenditures, acquisitions and divestitures which are subject to the final approval of the General Meeting of the Company's shareholders.
- Selecting and replacing, if necessary, the executive leadership of the company and overseeing succession planning.
- Monitoring the performance of senior management, and aligning executive remuneration with the longer term interests of the company and its shareholders.
- Preparation and approval of the remuneration policy of the members of the Board of Directors.
- Preparation and approval of the annual remuneration report of the members of the Board of Directors.
- Approval of taking measures in situations of crisis or Management risk as well as when it is required by the conditions to take measures which are reasonably expected to significantly affect the Company.
- Ensuring the adequate and efficient operation of the Internal Control System (IAC) that aims at the consistent implementation of the business strategy with the effective use of available resources, the identification and management of essential risks associated with the business and operation of the Company, in the efficient operation of the internal control unit, in ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the financial situation of the Company and the preparation of reliable financial statements as well as the non-financial situation, compliance with the regulatory and legal framework as well as the internal regulations governing the Company.
- Ensuring that the functions of the Internal Audit System (IAC) are independent of the business sectors they control and that they have the appropriate financial and human resources as well as the powers to operate them effectively.
- Definition and supervision of the implementation of the Corporate Governance System, monitoring and evaluation periodically every three (3) years of its implementation and effectiveness by taking the appropriate actions to address shortcomings. The Corporate Governance System includes an adequate and efficient Internal Control System (IAC), including risk management and regulatory compliance systems, adequate and effective procedures for the prevention, detection and suppression of conflicts of interest, adequate and effective mechanisms for contact with shareholders to facilitate the exercise of shareholder engagement) and remuneration policy, which

contributes to the business strategy, long-term interests and viability of the Company.

- Approval of the political suitability of the members of the Board of Directors and any amendment which is submitted for final approval to the General Meeting of the Company's shareholders.
- Appointment of a vice-president from among its non-executive members in cases where the President is an executive member.
- Ensuring compliance with the conditions of independence and the designation of a member of the Board of Directors as an independent member. Review at least annually and in any case before the publication of the annual financial report, the fulfillment of the conditions of independence. In case it is found that the conditions have ceased to exist in the person of an independent non-executive member, take the appropriate replacement actions.
- Appointment of the members of the Nominations and Remuneration Committee and the Audit Committee in the event that the General Meeting of the Company's shareholders has decided to consist exclusively of non-executive members of the Board of Directors.
- Vigilance regarding existing and potential conflicts of interest between the Company on the one hand and its Management, members of the Board of Directors or major shareholders (including shareholders with direct or indirect authority to shape or influence the composition and conduct of the Company). The appropriate response to such conflicts and for this purpose, the Board of Directors adopts a transaction supervision procedure based on transparency and protection of corporate interests.
- Responsibility for making relevant decisions and monitoring the effectiveness of the Company's management system, including decision-making procedures and the assignment of powers and duties to other executives.
- Formulation, dissemination and application of the basic values and principles of the Company that govern its relations with all interested parties, whose interests are related to those of the Company.
- Defining the sustainable development policy of the Company and monitoring its implementation.
- Approval of the Company's Rules of Procedure, the Corporate Governance Code adopted and applied by the Company, the Code of Professional Ethics and their revisions.
- Approval of the Rules of Procedure of the Internal Audit Department, the Rules of Procedure of the Audit Committee and the Rules of Procedure of the Nominations and Remuneration Committee and their revisions.
- Examination of the reports of the Internal Audit Department which are submitted at least every three (3) months to the Board of Directors by the Audit Committee together with its observations.
- Adopt a policy of equal opportunities and diversity including gender balance for Board members.

<u>Role and responsibilities of Executive, Non-Executive and Independent Non-Executive Board Members</u>

The executive members of the Board of Directors deal with the day-to-day management issues of the Company and the supervision of the execution of the decisions of the Board of Directors. Their responsibilities include:

- The implementation of the strategy determined by the Board of Directors.
- Regular consultation with non-executive members of the Board of Directors on the appropriateness of the strategy implemented.
- The written information either jointly or separately of the Board of Directors in existing situations of crises or risks as well as when it is required by the conditions to take measures that are reasonably expected to significantly affect the Company, such as when decisions are to be made regarding business development activities and the risks undertaken, which are expected to affect the financial situation of the Company. The information is provided without delay, submitting a relevant report with their assessments and proposals.

The executive members of the Board of Directors participate in a strictly limited number of other Boards of Directors (apart from the Group companies).

The non-executive members of the Board of Directors are in charge of supervising the execution of the decisions of the Board of Directors and the supervision of matters assigned to them by a decision of the Board of Directors. Their responsibilities include:

- The monitoring and examination of the Company's strategy and its implementation as well as the achievement of its goals.
- Ensuring effective oversight of executive members, including monitoring and controlling their performance.
- Examining and expressing views on proposals submitted by executive members, based on existing information.

A non-executive member of the Board of Directors is considered independent if at the time of his appointment and during his term of office he does not directly or indirectly hold a percentage of voting rights greater than zero party five percent (0,5%) of the Company's share capital and is exempt from financial, business, family or other dependent relationships, which can influence his decisions and his independent and objective judgment.

The independent non-executive members submit jointly or individually, reports and reports to the regular or extraordinary General Meeting of the Company's shareholders, regardless of the reports submitted by the Board of Directors.

In the meetings of the Board of Directors that have as subject the preparation of the financial statements of the Company or the agenda of which includes issues for the approval of which the decision is foreseen by the General Meeting with increased quorum and majority according to Law 4548/2018, the Board of Directors is in quorum when at least two (2) independent non-executive members are present.

<u>The Role of the Chairman of the Board of Directors</u>

The Chairman of the Board of Directors coordinates the operation of the Board of Directors and chairs it. It has the responsibility to convene the Board of Directors, to determine the issues on the agenda of its meetings and to ensure the good organization of its work and the efficient conduct of its meetings.

Ensures the timely and correct information of the members of the Board of Directors, with a view to the fair and equal treatment of the interests of all shareholders, the maximization of the return on investment and the protection of the Company's property. Coordinates the implementation of the Company's corporate governance system and its effective implementation.

The President, when he is absent or disabled, is replaced by the Vice-President in the full extent of his responsibilities, and when he is hindered or absent, he is replaced by the Independent Vice-President.

The Role of Vice Chairman of the Board

The Vice President of the Board of Directors replaces the Chairman of the Board of Directors in all his responsibilities, when he is absent or disabled.

The Role of Lead Independent Director

The Lead Independent Director of the Board of Directors replaces the Vice-Chairman of the Board of Directors in all his responsibilities, when he is absent or disabled. It also chairs the meetings of the non-executive members of the Board of Directors and monitors and ensures the smooth and effective communication between the Committees of the Board of Directors and the Board of Directors. Coordinates the non-executive members of the Board of Directors, including the independent members, in the fulfillment of their obligations. He is available and attends the General Meetings of the Company's Shareholders in order to discuss corporate governance issues with them, if they arise.

The Role of the Chief Executive Officer

The Chief Executive Officer is responsible for ensuring the smooth, orderly, lawful and efficient operation of the Company, in accordance with the strategic objectives, business plans and action plan, as determined by decisions of the Board of Directors and the General Assembly Meeting and the legal / regulatory frame. The CEO participates and reports to the Board of Directors of the Company and implements the strategic choices and important decisions of the Company.

The Role of Company Secretary

The Board of Directors and its Committees are supported by a competent, specialized and experienced Corporate Secretary. The role of the Company Secretary is to provide practical support to the Chairman and the other members of the Board of Directors, collectively and individually, based on the compliance of the Board of Directors in accordance with the internal rules and the relevant laws and regulations. The responsibilities of the Company Secretary include:

- Checking the legality of the suggestions to the Board of Directors as defined in detail in the procedures and regulations of the Company and by the decisions of the Board of Directors.
- Legal elaboration of the agenda items for the meetings of the Board of Directors of the Company.
- Ensuring a good flow of information between the Board of Directors and its Committees as well as between the top Management and the Board of Directors.
- Ensuring the effective organization of shareholders' meetings and the generally good communication of the latter with the Board of Directors, based on the compliance of the Board

of Directors with the legal and statutory requirements.

- Keeping records of members of the Board of Directors for compliance with the legislation (indicatively independence, conditions of members of the Audit Committee and the Nominations and Remuneration Committee, conflict of interest, updated detailed curriculum vitae, etc.).

The appointment of the Company Secretary and his dismissal is a matter for the Board of Directors as a collective body. All members of the Board of Directors have access to the services of the Company Secretary.

Operation of the Board of Directors

The operation of the Board of Directors is described in detail in the Rules of Operation of the Board of Directors of the Company. This Regulation includes the following:

- Election of the Board of Directors
- Members of the Board of Directors
- Determining the independence of candidates or incumbent members of the Board of Directors
- Term of the Board of Directors
- Composition of the Board of Directors in a body
- Responsibilities of the Board of Directors
- Duties and behavior of the members of the Board of Directors
- Boards of Directors
- Prohibitions
- Meetings of the Board of Directors
- Quorum of the Board of Directors and decision making
- Support for the operation of the Board of Directors
- Minutes of Board meetings
- Suitability policy of Board members
- Remuneration policy of members of the Board of Directors
- Introductory information program for the members of the Board of Directors

The Board of Directors meets with the necessary frequency, in order to perform its duties effectively. At the beginning of each calendar year, the Board of Directors adopts a meeting calendar and a 12-month action plan, which can be revised according to the needs of the Company.

The evaluation of the Board of Directors and its Committees is carried out annually using questionnaires completed by the members of the Board of Directors, which are processed by the Corporate Secretary and presented to the Board of Directors annually (usually at the November meeting).

Immediately after the assumption of the duties of the new members of the Board of Directors, a special induction program of the new members is implemented (induction) which includes informative meetings, presentations and discussions with the key executives in order to understand the purpose and nature of the company's work. In addition, the new members are informed about their obligations regarding the Code of Ethics, the Code of Corporate Governance, the Rules of Procedure, the stock market legislation and in general the policies and procedures that govern the operation of the Company. The introductory briefing program also includes meetings with the Company's regular auditors.

The Board of Directors met twenty-seven (22) times during the year 2020. The participation rate of the members of the Board of Directors in the meetings of 2020 was 100%. In the meetings of the Board of Directors that had as subject the preparation of the financial Statements of the Company or the agenda of which included issues for the approval of which the decision was foreseen by the General Meeting with increased quorum and majority, according to Law 4548 / In 2018, the Board of Directors was in quorum and at least two (2) independent non-executive members were present.

The operation of the Board of Directors is supported by two Committees: the Audit Committee and the Nomination and Remuneration Committee.

Audit Committee

The Audit Committee operates in accordance with article 44 of law 4449/2017 as amended by article 74 of law 4706/2020, articles 10, 15 and 16 of law 4706/2012 and EU Regulation no. 537/2014 , the Greek Corporate Governance Code that the Company has voluntarily adopted (http://www.helex.gr/el/esed) and the provisions of the Company's Operating Regulations. The Audit Committee has the following obligations:

a) Regarding the supervision of the regular audit:

- Is responsible for the selection process of the regular auditor and makes proposals to the Board of Directors regarding the appointment, reappointment and removal of the regular auditor, as well as for the remuneration and the terms of employment of the regular auditor based on article 44 of his "Audit Committee". Law 4449/2017 and article 16 of Regulation (EU) 537/2014 which will be approved by the General Assembly.
- Examines and monitors the independence of the regular auditor and the objectivity and effectiveness of the audit process, taking into account the relevant professional and regulatory requirements in Greece.
- Examines and monitors the provision of additional services to the company by the auditing company to which the regular auditor (s) belongs for this purpose, has developed and implements a procedure for approving the receipt of non-audit services by the auditing company of the individual and consolidated financial statements of the Group companies and supervises its implementation.
- Reviews the financial reports before their approval by the Board of Directors in order to assess their completeness and consistency in relation to the information provided as well as the accounting principles applied by the Company and informs the Board of Directors.
- Holds meetings with the Management / competent executives during the preparation of the financial reports as well as the certified auditor during the planning and control stage, during its execution as well as during the preparation stage of the audit reports.
- It is informed about the procedure and the schedule for the preparation of the financial information by the Management and for the annual program of mandatory audit by the certified auditor.

- Receives from the regular auditor an additional report under Article 11 of Regulation (EU) 537/2014 which includes the results of the statutory audit and any weaknesses in the internal control system, in particular, the weaknesses of the financial reporting procedures for the drafting of the financial statements and informs the Chairman, the CEO and the Board of Directors of the company.
- Informs the Governing Council of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial information and what the EU's role was in the process.
- Monitors the performance of the external auditors taking into account any findings and conclusions of the competent authority in accordance with paragraph 6 of Article 26 of Regulation (EU) No 537/2014.

b) With regard to the financial information process and the system of internal control, regulatory compliance and risk management, the Audit Committee:

- Monitors the financial information process and submits recommendations or proposals to ensure its integrity and the reliability of the Company's financial statements.
- Supervises any official announcement regarding the financial performance of the Company (announcements, press releases), informs the Board of Directors about its findings and submits improvement proposals if it deems necessary.
- Inspects the company's internal financial controls and monitors the effectiveness of the company's internal control, regulatory compliance and risk management systems. To this end, the Audit Committee periodically reviews the company's internal control and risk management system to ensure that key risks are properly identified, addressed and disclosed. It informs the Board of Directors of its findings and submits proposals for improvement if it deems it necessary.
- Examines and evaluates in detail important issues such as:
  - Significant judgments, assumptions and estimates in the preparation of the financial statements
  - The valuation of assets at fair value.
  - Assessing the recoverability of assets.
  - The adequacy of disclosures about the significant risks faced by the company.
  - The significant transactions with related parties.
  - The significant unusual transactions.
  - Adherence to accounting principles and standards and any changes from the previous year
- Examines the existence and content of those procedures, according to which the Company's employees may, in confidence, express their concerns about possible illegalities and irregularities in matters of financial information or other issues related to the operation of the Company. The Audit Committee ensures that there are procedures for the effective and

independent investigation of such issues, as well as for their proper treatment.

- Examines the regulatory compliance system that includes the establishment and implementation of appropriate and up-to-date procedures, in order to achieve in time the full and continuous compliance of the Company with the applicable regulatory framework and to have at all times a complete picture of the degree of achievement of this purpose.
- Examines the policy and procedure for conducting periodic evaluation of the internal control system by persons who have proven relevant professional experience and do not have dependent relationships according to article 14 of Law 4706/2020.

c) Regarding the supervision of the Internal Audit Department, the Audit Committee:

- Ensures the efficient operation of the Internal Audit Department in accordance with standards for the professional implementation of internal audit.
- Identifies and examines the operating regulations of the Company's Internal Audit Department.
- Monitors and inspects the proper functioning of the Internal Audit Department, and examines the quarterly audit reports of the Directorate.
- Ensures the independence of the internal audit, proposing to the Board of Directors the appointment and dismissal of the head of the Internal Audit Department.
- Has regular meetings with the head of the Internal Audit Department to discuss issues within his competence as well as problems that may arise from the internal audits.
- The head of the Internal Audit Department reports administratively to the Chief Executive Officer and functionally to the Audit Committee.
- The head of the Internal Audit Department submits to the Audit Committee an annual audit program and the requirements of the necessary resources as well as the consequences of limiting the resources or the audit work of the unit in general. The annual audit program is prepared based on the assessment of the Company's risks after taking into account the opinion of the Audit Committee. The annual audit program is approved by the Board of Directors.
- Receives quarterly from the Director of Internal Audit a report on the progress of the work of the Internal Audit Department of the Company and presents it to the Board of Directors of the Company along with its observations and findings.

d) Regarding sustainable development

- Includes in the report of activities submitted to the annual regular General Meeting, a description of the sustainable development policy followed by the Company.

The operation of the Audit Committee is described in detail in the Rules of Operation of the Audit Committee (Audit Committee Charter) approved by the Board of Directors of the Company and posted on the Company's website (http://www.housemarket.gr). The Audit Committee shall use any resources it deems appropriate to fulfill its purpose, including the services of external consultants.

The Audit Committee met eight (8) times during the year 2020 and the percentage of participation of its members in the meetings was 88%. The 2020 meetings were attended on a case-by-case basis by the Director of Internal Audit, the Chief Financial Officer of Planning and Audit, the Director of Social

Responsibility and Sustainable Development, and the external auditors. The discussions and decisions of the Audit Committee are recorded in minutes according to article 74 of L.4706 / 2020, which are signed by the present members, according to article 93 of L.4548 / 2018. The duties of Secretary of the Audit Committee are exercised by the Secretary of the Board of Directors.

For the year 2020, the Audit Committee prepared an Annual Report of Proceedings to the regular General Meeting of Shareholders of the Company which is included in section 17 of the Management Report of the Board of Directors.

In the context of its role, the Audit Committee for the year ended 31/12/2020, approved for the Company, fees of the regular auditors amounting to 20 thousand euros that relate to services beyond the control of financial statements (excluding regular audit services and issuance of a tax certificate amounting to an amount of EUR 92 thousand). Therefore, the percentage of non-audit services in relation to the audit services provided by the statutory auditor is 21,4%.

<u>Information on the number of shares held by the members of the Board of Directors and the executives of the Company</u>

The Company's Corporate Governance System includes:

- Diversity Policy
- Related Party Transfer Pricing Policy
- Policy of Conflict Interest
- Code of Conduct
- Regulation
- Risk Management System
- Internal Control System (IMS)
- Regulatory Compliance System
- Internal Audit Unit
- Investors Relations and Corporate Announcements

In more details:

<u>Policy of equal opportunities and diversity</u>

Company's policy of equal opportunities and diversity is posted on its website (http://www.fourlis.gr) and briefly includes the following:

The Company is committed to provide equal opportunities for all employees and qualified applicants for employment, at all levels of hierarchy, regardless of race, color, religion, national origin, gender, sexual orientation, age, disability, marital status, or any other characteristic protected by law. The Company expressly prohibits any discrimination or harassment based on these factors.

Affirmative action will be taken to ensure that all employment decisions, including but not limited to those involving recruitment, hiring, promotion, training, compensation, benefits, transfer, discipline, and discharge, are free from unlawful discrimination.

The Company encourages a safe and healthy work environment, free from discrimination, harassment and retaliation. All employment-related decisions are based on an individual qualification, performance and behavior, or other legitimate business considerations.

The Company will provide reasonable accommodation to otherwise qualified employees with a disability consistent with the law. What constitutes a reasonable accommodation depends on the circumstances and thus will be addressed by the the Company on a case-by-case basis.

In order to achieve a sustainable and balanced growth, the Company sees the growing diversity of the Board of Directors as a key element in achieving its strategic goals and maintaining its growth. Based on this direction, the Company is in the stage of developing the Policy of Suitability of the members of the Board of Directors in harmonization and with requirements of Law 4706/2020.

Certain minimum qualifications for Board members & Executive Officers candidates should possess, including strong values and discipline, high ethical standards, a commitment to full participation to the Board and its committees. Candidates should possess individual skills, experience and demonstrated abilities that help meet the current needs to the Company.

Board & Executive Officers' diversity is based on a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

All Board & Executive Officers appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Below, data on the proportion of each gender and age of Board members and Senior Executives are presented:

Representation percentages by gender and age of the Board of Directors and the executives of HOUSEMARKET	2019	2020
Board of Directors		
Male	86%	86%
Female	14%	14%
50- 60 years old	71%	71%
>60 years old	29%	29%
Executive Officers		
Male	71%	71%
Female	29%	29%
40-50 years old	43%	43%
50- 60 years old	43%	43%
> 60 years old	14%	14%

Managers Officers		
Male	65%	65%
Female	35%	35%
<40 years old	35%	35%
40- 50 years old	52%	52%
50- 60 years old	13%	13%

Policy of Transfer Pricing transactions with related parties

The Policy of conducting transactions between the Company's subsidiaries and Related Parties aims at timely information on the desired transaction and obtaining approval before it takes place. The Policy applies to all new transactions regardless of their value. In case of existing transactions, approval is required for a substantial modification of the terms of the contracts in force (new recipient, new transaction, extension of duration, change of credit terms, change of invoice terms, etc.).

Policy of Conflict Interest

The Company has and implements a Conflict of Interest Policy in accordance with article 14 of L.4706 / 2020. The Conflict of Interest Policy includes procedures for the prevention of conflicts of interest, measures for the disclosure and management of conflicts of interest and any cases and conditions that would exceptionally be acceptable for a member of the Board of Directors or Chief Executive Officer to have a stakeholder such interests of the member or executive are significantly limited or properly managed.

All actual and potential conflicts of interest are subject to adequate communication, discussion, documentation, decision-making and proper management (ie the necessary measures to reduce conflicts of interest are taken).

Code of Conduct

The Company has adopted high standards of professional ethics ensuring the commitment and cooperation of all its executives. Its Code of Conduct includes the following standards:

Adherence to professional ethics

The employees of the Company undertake to behave ethically and lawfully, regardless of the position they hold or the place where they work and do not let their professional transactions be affected or appear to be influenced by their personal or family interests.

Corporate announcements

Only natural persons authorized by the Board of Directors of the Company can contact the public bodies and the media and announce information about the activities and results of the Company's companies. The employees of the Company must ensure in every way the confidential nature of the privileged information they hold.

The working environment

The basic principle of operation of the Company is respect for people. The Company shows its respect for all those working by providing a positive, productive and safe working environment. The employees of the Company use its property, facilities and resources (human and material) only for the activities of the Company and not for personal reasons.

The Company recognizes the possibility of conflict of interest that may arise if relatives work in the same company. The Company has established policies regarding the use of personal electronic devices (computers, tablets, mobile phones, personal e-mails) for employees' access to corporate systems / applications.

The Company respects the right to freedom of speech of all its employees as well as their right to use Social Media. The Company's employees, by voluntarily participating in the public or politics, not only improve their own social environment, but also contribute to the strengthening of the consumer's loyalty and the good name of the Company.

Trade and competition

The Company recognizes its responsibility in the interests of the countries where it trades. Complies with all laws and regulations and does not engage in commercial foreclosure.

Any agreement or liability (formal or informal, express or implied) between competitors to increase, decrease or stabilize prices is illegal and strictly prohibited.

Protection of the natural environment

The Company is committed to maintaining a responsible environmental attitude.

Confidentiality and protection of personal data of individuals

No employee may have access to the Company's confidential information unless he / she has a specific need related to the performance of his / her work.

The employees of the Company comply with all applicable provisions on the protection of personal and sensitive personal data and fully cooperate in any audits or investigations carried out both internally by competent executives of the Company and by public authorities and / or by private bodies that have undertaken this project.

Communication of cases of unethical behavior

The Company Code of Conduct is open 24 hours a day, and by calling it, one can report anonymously or anonymously, any concerns about violations of the Code of Ethics or non-compliance with applicable law.

Access to the Code of Conduct is achieved by calling from a mobile or landline, the number 210-6293010, while the email address: codeofconduct@fourlis.gr is also valid.

Regulatory Compliance System

The Company has an updated Operating Regulations in accordance with article 14 of Law 4706/2020 which includes:

- The organizational structure, the objects of the units, the committees of the Board of Directors or other standing committees as well as the duties of their heads and their reference lines.
- The report of the main characteristics of the Internal Control System (IAC) which includes the internal control unit, risk management and regulatory compliance.
- The process of recruiting top executives and evaluating their performance.
- The process of compliance of persons holding managerial duties and persons having close links with them, with the obligations of Article 19 of Regulation (EU) 596/2014.
- The process of notifying any dependent relationship of the independent non-executive members of the Board of Directors and the persons who have close ties with these persons.
- The process of compliance with the obligations arising from the law on transactions with related parties.
- The policies and procedures for the prevention and treatment of conflict of interest situations.
- The policies and procedures of compliance of the Company with the laws and regulations that regulate its organization and operation as well as its activities.
- The procedure available to the Company for the management of privileged information and the correct information of the public, in accordance with the provisions of Regulation (EU) 596/2014.
- The policy and procedure for conducting periodic evaluation of the Internal Audit System (IMS), by persons who have relevant professional experience and do not have dependent relationships.
- The training policy of the members of the Board of Directors, the executives as well as the other executives of the Company, especially those involved in internal control, risk management, regulatory compliance and information systems.
- The sustainable development policy followed by the Company.

The Company's Rules of Procedure and any amendments thereto are issued and approved by the Board of Directors. A summary of the Operating Regulations is included on the Company's website.

Risk Management System

Risk management presupposes the definition of objective objectives based on which the most important events that can affect the Company are identified, the relevant risks are evaluated and the Company's response to them is decided.

The adequacy of the Risk Management System is based on:

- The nature and extent of the risks it faces,
- To the extent and categories of risks that the Board of Directors deems to be within acceptable limits for the Company,
- The possibility of implementing the risks,
- The Company's ability to reduce the impact of the risks that are ultimately realized,
- The operating costs of specific safeguards, in relation to the benefit of risk management.

Risk management is a process that:

- is carried out by the executives and other employees of the Company.

- is designed to identify potential events that may affect the Company.
- manages the risks in the context of taking risks determined by the Board of Directors, in order to have reasonable certainty about the achievement of the Company's goals.

The methodology used for risk management is divided into four phases:

- Defining objective objectives: The objectives of the Company are defined at a strategic level, in collaboration with the Management. The Company faces various risks from external and internal sources. Setting clear objectives is a prerequisite for effectively identifying, evaluating and addressing risks / events. The objectives of the Company are in line with the view of the Management for taking risks.
- Risk identification: Risk identification is based on the accumulated knowledge and experience of the Management, employees and other bodies of the Company and is carried out through structured discussions. Each working group has a facilitator who leads the discussion about the risks that may affect the achievement of the Company's goals.
- Risk assessment: The likelihood of risk is assessed based on the following approaches depending on whether the risk is recurrent or not: a) for recurrent risks, the frequency of their occurrence during the year, b) for ongoing risks or risks that characterized by an incident, the probability of occurrence of the hazard in a given period of time. To assess the impact of a risk, the impact it will have on the assets and resources of the Company and the Group is examined. The effects can be: a) financial (loss of revenue, decrease in profits, decrease in return on investment), b) commercial (loss of customers or contracts, decrease in customer satisfaction), c) human and social (damage to physical integrity, deterioration of the social climate, the liability requirements), d) the image and reputation of the Company that are taken into account by all stakeholders (customers, suppliers, regulators, the general public).
- Risk response: After assessing the relevant risks, Management determines how the Company reacts. During this process, the Company examines the relevant costs and benefits of the risk response options, taking into account the measurable direct and indirect costs associated with the risk response. Opportunity costs associated with using resources to respond to risk are also taken into account.

The Company uses its Risk Management Methodology (Enterprise Risk Management Methodology) which follows the COSO Framework.

Internal Control System (IAC)

The Internal Control System (IMS) of the Company, includes all the policies, procedures, tasks, behaviors and other elements that characterize it, which are implemented by the Board of Directors, the Management and its other employees and have as objectives:

- The consistent implementation of the business strategy with the effective use of available resources.
- The identification and management of essential risks associated with the business and operation

of the Company.

- The efficient operation of the internal control unit.
- Ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the financial situation of the Company and the preparation of reliable financial statements as well as the non-financial situation,
- Compliance with the regulatory and legislative framework as well as the internal regulations governing the Company.

The business objectives, the internal organization and the environment in which the Company operates are constantly changing. As a result, the risks it faces are changing. Therefore, an adequate and effective Internal Control System (IAC) requires periodic reassessment of the nature and extent of the risks to which it is exposed. In any case, the purpose is not the elimination (which is impossible), but the management of these risks in a framework desirable for the Company.

There are 5 key components of an Internal Audit System (IAC):

- the control environment,
- risk assessment,
- the safety valves,
- information and communication,
- the monitoring.

<u>Control Environment</u>

The control environment is the foundation of the Internal Control System (IMS) applied by the Company. It affects the way business strategies and goals are developed, the structure of corporate processes as well as the process of identification, evaluation and overall management of business risks. It also affects the design and operation of safety valves, information & communication systems as well as the monitoring mechanisms of the Internal Control System (IMS).

The control environment is essentially the sum of many sub-elements that determine the overall organization and management and operation of the Company.

<u>Risk Assessment</u>

The adequacy and effectiveness of the Company's Internal Control System (IMS) is based on: a) the nature and extent of the risks it faces, b) the extent and categories of risks that the Board of Directors deems acceptable to undertake, d) the Company's ability to reduce the impact of the risks that are ultimately implemented, and e) the operating costs of specific safety valves, in relation to the benefit of risk management.

Risk assessment presupposes the definition of objective objectives. Based on these, the important events that may affect them should be identified, the relevant risks assessed and the Company's response to them decided.

<u>Control Activities</u>

Control activities are the policies, procedures, techniques and mechanisms that are put in place to ensure that the decisions of the Board of Directors regarding the management of risks that threaten the achievement of the Company's objectives are implemented. They concern the whole Company and are executed by the executives of all levels (Board of Directors, Management, other employees) and in all corporate operations.

Control activities consist of many categories of actions that vary in cost and degree of effectiveness, depending on the circumstances. They include approvals, authorizations, confirmations, operational performance reviews, asset security. They are part of the day-to-day work of employees and are integrated into corporate policies and procedures, which should be reviewed periodically in order to be properly updated.

Each applicable control activity should be associated with the existence of relative risk, as otherwise its operation burdens the company with costs (direct or indirect), without providing benefits in terms of achieving its business goals. The cost-benefit ratio is taken into account when choosing between possible alternative control activities to cover a risk.

Information & Communication

An element of the Internal Control System (IMS) is the way in which the Company ensures the recognition, collection and communication of information, at such a time and in a way that allows its various executives to perform their responsibilities. This flow can be in all directions, inside (from top to bottom, from bottom to top, horizontally) and outside the Company.

Monitoring

The monitoring of the Internal Control System (IMS) of the Company lies in the continuous evaluation of the existence and operation of the components of the internal control framework. This is achieved through a combination of ongoing monitoring activities as well as individual evaluations. The identified deficiencies of the Internal Control System to be reported to the highest levels of the Company, while the most important of them to the top Management and the Board of Directors

Periodic evaluation of the Internal Control System (IMS)

The periodic evaluation of the Internal Audit System (IAC) is carried out in particular in terms of the adequacy and effectiveness of financial information, on an individual and consolidated basis, as risk management and as regulatory compliance, in accordance with recognized evaluation and internal control standards. as well as the implementation of the corporate governance provisions of the current legal framework. The evaluation of the Internal Audit System is performed by an independent person who has proven relevant professional experience, according to the best international practices (indicative of the International Auditing Standards, the International Professional Standards Framework for Internal Audit and the Internal Audit of the COS).

Regulatory Compliance System

The main mission of regulatory compliance is the establishment and implementation of appropriate and up-to-date policies and procedures, in order to achieve timely and full compliance of the Company with the applicable regulatory framework and to have at all times a complete picture of the degree of achievement of this purpose. . The complexity and nature of the Company's activities, including the development and promotion of new products and business practices, have been assessed in order to establish the relevant policies and procedures.

Internal Audit Unit

The Internal Audit Unit operates in accordance with articles 15 and 16 of law 4706/2020, the Greek Code of Corporate Governance voluntarily adopted by the Company (http://www.helex.gr/el/esed) and the provisions of the Regulation Operation of the Company. The operation of the Internal Audit Unit is described in detail in the Rules of Operation of the Internal Audit Unit (Audit Committee Charter) approved by the Board of Directors of the Company and posted on the Company's website (http://www.fourlis.gr).

The responsibilities of the Internal Audit Unit include monitoring, control and evaluation:

- the implementation of the Company's Rules of Procedure, in particular as to the adequacy and correctness of the financial and non-financial information provided, risk management, regulatory compliance and the corporate governance code adopted by the Company.
- quality assurance mechanisms,
- corporate governance mechanisms,
- compliance with the commitments contained in newsletters and the Company's business plans regarding the use of funds raised from the regulated market.

The responsibility of the Internal Audit Unit includes the following:

- providing assurance that the risk recognition and management procedures applied by Management are adequate,
- providing assurance on the effectiveness of the internal control system,
- providing assurance regarding the quality and reliability of the information provided by the Management to the Board of Directors regarding the internal control system.

The Internal Audit Unit is distinctly the 3rd line of defense of the Company and is independent of the other organizational units of the Company (IIA - The Three Lines Model).

The head of the Internal Audit Unit is appointed by the Board of Directors of the Company following a proposal of the Audit Committee, is a full-time employee, personally and functionally independent and objective in the performance of his duties and has the appropriate knowledge and relevant professional experience. It reports administratively to the Chief Executive Officer and operationally to the Audit Committee.

The Head of the Internal Audit Unit submits to the Audit Committee the annual audit program and the requirements of the necessary resources, as well as the consequences of limiting the resources or the audit work of the Internal Audit Unit in general. The annual audit program is prepared based on the assessment of the Company's risks after taking into account the opinion of the Audit Committee.

The head of the Internal Audit Unit attends the general meetings of the shareholders.

For its areas of responsibility, the Internal Audit Unit prepares reports to the audited units with any findings, the risks arising from them and suggestions for improvement if any.

These reports after the integration of the relevant views by the audited units, the agreed actions if any or the acceptance of the risk of non-action by them, the limitations on the scope of its control if any, the final internal audit proposals and its results response of the audited units of the Company to its proposals, are submitted quarterly to the Audit Committee. Also, the Internal Audit Unit applies periodic confirmation (follow-up) of the degree of implementation of the agreed actions and informs the Audit Committee. In addition, the Internal Audit Unit submits reports to the Audit Committee every three (3) months, including the most important issues and its proposals regarding the above tasks, which the Audit Committee presents and submits together with its observations to the Audit Committee. Board of directors. The Internal Audit Unit is responsible for the absolute safeguarding of the confidentiality of the data and the general confidentiality.

The Internal Audit Unit cooperates and coordinates its work with other organizational units of the Company that constitute the first and second line of defense and have similar security objectives (eg Regulatory Compliance Unit, Financial Planning and Control Unit) for the purpose of efficient and effective coverage of all areas of audit interest (operational, financial, compliance), without overlapping with each other.

The Internal Audit Unit, at the request of the Management, may provide consulting services on issues such as: evaluation of procedures, information systems so that they are in accordance with the Internal Audit systems. The undertaking of consulting projects is approved by the Audit Committee and their type and duration should not hinder the objectivity and independence of the Internal Auditors.

In case the subsidiaries operate separate Internal Audit Units, the Internal Audit Unit of the parent company ensures the uniform development and implementation of internal audit in the Group companies.

The head of the Internal Audit Unit provides in writing any information requested by the Hellenic Capital Market Commission, cooperates with it and facilitates in every possible way the task of monitoring, controlling and supervising by it.

Shareholder Service Unit and Corporate Announcements

The Shareholder Service Unit and Corporate Announcements take care of:

- the direct, accurate and equal information of the shareholders as well as their support, regarding the exercise of their rights based on the current legislation and the Company's Articles of Association,
- the distribution of dividends and free shares,
- providing information on the regular or extraordinary general meetings and the decisions taken by them,
- the acquisition of treasury shares and their disposal and cancellation, as well as the programs of distribution of shares or free distribution of shares to members of the Board of Directors and

the employees of the Company,

- the exchange of data and information with the central securities depositories and intermediaries, in the context of shareholder identification,
- wider communication with shareholders,
- informing the shareholders in compliance with the provisions of the law for the provision of facilities and information by the Company,
- monitoring the exercise of shareholder rights, in particular as regards shareholder participation rates and the exercise of voting rights in general meetings,
- informing the shareholders through the necessary announcements concerning regulated information (article 91 L.4548 / 2018) and corporate events (article 104 L.4548 / 2018),
- Compliance with the obligations set out in Article 17 of Regulation (EU) 596/2014 regarding the disclosure of preferential information and other applicable provisions.

g) <u>If the company deviates from the Corporate Governance Code that applies, the Corporate Governance Statement includes a description of that deviation with reference to the relevant parts of the Corporate Governance Code and provides explanation for the deviation. If the company does not comply with certain provisions of the Corporate Governance Code, the Corporate Governance Statement includes a reference to the provision that is not applied and explains the reasons for that deviation.</u>

The Company complies with the Hellenic Corporate Governance Code with minor deviations that are presented and explained in the following table.

Greek Code of Corporate Governance (first modification June 2013)	**Explanation/ Justification of deviations from special practices of the Corporate Governance Greek Code with the exceptions for smaller listed companies**
The Board of Directors should be composed of a majority of non-executive members (including independent non-executive members).	It will be proposed as a change at the end of the term of the members of the existing Board of Directors.
The evaluation of the effectiveness of the Board of Directors and its committees should take place at least every two years and be based on a specific procedure. This process should be chaired by the Chairman and its results should be discussed by the Board of Directors, while following the evaluation, the Chairman should take measures to address the identified weaknesses. The Board of Directors should also evaluate the performance of its Chairman, a process chaired by the Independent Vice-Chairman or other non-executive member, in the absence of an Independent Vice-Chairman (special practice 7.1, Board Evaluation). Non-executive members should meet periodically, without the presence of executives, in order to evaluate the performance of the executive members and to determine their remuneration	The responsibilities of the Board of Directors are also the evaluation of its Committees. To evaluate the effectiveness of the Board of Directors, the Company has decided to use questionnaires completed by the members of the Board of Directors, which are prepared by the Company Secretary and presented to the Board of Directors usually at the last meeting of each year. To evaluate the effectiveness of the Audit Committee, the Company has resorted to the use of questionnaires

Greek Code of Corporate Governance (first modification June 2013)	Explanation/ Justification of deviations from special practices of the Corporate Governance Greek Code with the exceptions for smaller listed companies
(special practice 7.2, Evaluation of the Board of Directors).	completed by the members of the Board of Directors which are processed by the Corporate Secretary and presented to the Board of Directors usually at the last meeting of each year. The special practice of meetings of non-executive members without the presence of the executive for 2020 has not taken place.
If options are granted, they should not mature in less than three (3) years from the date of grant (special practice 1.2, Level and structure of fees).	The new options program will provide for the options to mature over a period of more than three (3) years from
The contracts of the executive members of the Board of Directors should provide that the Board of Directors may demand the return of all or part of the bonus, which has been awarded due to revised financial statements of previous years or generally based on incorrect financial data, used for its calculation. bonus (special practice 1.3, Level and structure of remuneration).	The existing contracts of the Company do not include this term.

The Hellenic Corporate Governance Code is posted on the website of the Hellenic Corporate Governance Council, at the address: http://www.helex.gr/el/esed .

16.1 Detailed biographical notes of members of the Board of Directors and senior executives

Dafni Fourlis, Chairman of the Board, Executive Member

Personal Data:

Nationality: Greek

Year of birth 1966

Current Positions :

Executive Vice President of the Board of Directors of Fourlis Holdings,

President of Board of Directors of Intersport Athletics SA,

President of Board of Directors of HOUSE MARKET (IKEA)

member of Board of Directors HOUSE MARKET BULGARIA EAD

Academic Qualifications

Degree in General Business BA Deree College

Previous Professional Experience :

1989 – 2000 Marketing Department Wholesale of FOURLIS BROS SA.

<u>Vassilis Fourlis, Vice Chairman of the Board, Executive Member</u>

Personal information:

Nationality: Greek

Year of birth: 1960

Current positions:

Chairman of the Board of Directors of FOURLIS HOLDINGS SA, Vice Chairman of the Board of HOUSEMARKET S.A. (IKEA) and member of the Board of Directors of INTERSPORT SA.

Vice Chairman of the Board of IMITHEA SA (Henry Dunant Hospital Center) and member of the Boards of Directors of the Hellenic Foundation for European & Foreign Policy (ELIAMEP) and the Hellenic Society of Environment and Culture.

Previous Professional Experience:

He has been a member of the Boards of Directors of the Association of Enterprises and Industries (SEV), of the Hellenic Corporate Governance Council (ESED) of the company SA. TITAN Cement, OTE SA, Piraeus Bank, Vivartia A.E. as well as National Insurance.

In 2004 he was awarded the "Kouros Entrepreneurship" award by the President of the Hellenic Republic.

Academic Qualifications:

Master of Science in Management (International Business), Boston University/ Brussels, graduation year 1989

Master of City Planning (Economic Development and Regional Planning), University of California /Berkeley, graduation year 1985

Bachelor of Arts (Honors in Economics and Urban Studies), College of Wooster, graduation year 1983

<u>Eftychios Vasilakis, Independent Vice Chairman of the Board of Directors, Independent Non-Executive Member of the Board of Directors, Member of the Nominations and Remuneration Committee</u>

Mr. Eftychios Vasilakis is President of Aegean Airlines and Olympic Air and Vice President and CEO of Autohellas S.A./Hertz. He is a non-executive member of the Board. of the company FOURLIS SA Holdings since 2005 as well as its subsidiary HOUSEMARKET A.E. since 2016, also of the company LAMDA

DEVELOPMENT S.A. and the company of development and management of high quality tourist destinations TEMES while participating in the boards of other larger and smaller companies.

He has been a non-executive member of the Board of Piraeus Bank and TITAN.

Since 2011 he is a member of the Board of Directors and Vice President since 2014 of the Association of Greek Tourism Enterprises (S.E.T.E.) as well as a member of the Board of Directors and the Executive Committee of the Association of Enterprises and Industries (SEB). Since 2017 he is a Member of the Board of Directors of Endeavor Greece.

He is also a member of the Board of Directors and one of the founders of "Marketing Greece" and the partnership for the tourist and cultural promotion of Athens "This is Athens".

He studied Economics at Yale University (1988) and holds a Master in Business Administration from the Columbia Business School of New York (1991).

He has Greek nationality. He was born in 1967. He is married with three children.

Ioannis Kostopoulos, Independent non Executive Member of the Board of Directors, Audit Committee Chairman

Personal Data:

Citizenship: British

Year of birth: 1956

Residing in UK and Greece

Current positions:

Non-Exec. Board Member of **Frigoglass S.A. (**since 2015**)**

Non-Exec. Board Member of Fourlis S.A. (since 2007) and subsidiary company Housemarket SA (since 2016). Audit Committee Chair for both entities.

Supervisory Board Member of Austriacard AG. (since 2016)

Non-Exec. Board Member of DMEP Ltd, London (since 2020)

Founder and Managing Director of CCML Consulting Ltd (UK) (since 2018)

Senior advisor to PwC's Advisory Services in strategy development and performance enhancement projects (since 2018)

Previous Professional Experience:

2015-2020 SETE S.A. Geneva and SETE (London) Ltd. Senior Advisor. Geneva and London.

Based in Geneva, Zurich and subsequently in London worked as Senior Advisor and business consultant for a large Family Office. Most of the work was in the areas of sector and company strategic and investment reviews, business development projects and operational enhancement reviews.

2007-2015 Hellenic Petroleum S.A. Group CEO. Athens.

From 2007 to 2015 as Group CEO led a major transformation and performance-enhancement programme that doubled the Group's EBITDA generation capacity and strengthened the organisation's capabilities while upgrading and modernising the productive assets and focusing more on sustainability.

2004-2007 Hellenic Petroleum S.A. Executive Member of the Board. Athens.

Responsible for the International and Domestic Retail Operations, as well as Corporate Strategy & Business Development. Initiated the development of a new corporate strategy to strengthen the competitiveness of the Group's core activities, broaden its regional footprint and transform it from a local oil refining player into a regional and broader-based energy Group.

2001-2003 Petrola S.A. CEO. Athens.

As CEO, drove a restructuring and cost-cutting programme, enhancing overall competitiveness and helped built market share in the domestic market. Subsequently, went on to develop a new regional growth strategy that led to the merger with Hellenic Petroleum S.A. and creating a group with the necessary scale to compete in the regional Southeast Europe and East Med. markets.

1997-2000 Johnson & Johnson. Athens and Zug. Regional Director, CEE Region.

As Regional Director, led the J&J Consumer businesses across the CEE region that included ten operating subsidiaries, during a difficult economic period. Achieved a successful turnaround and ensured that the businesses gradually returned to profitability and positive cashflow generation, while ensuring a sustainable future growth path.

1992-1997 Diageo Plc - METAXA. Athens and London. Managing Director

As Managing Director of DIAGEO's operations in Greece following the acquisition of the domestic distillery METAXA, was responsible for transforming and integrating a family-owned business into the global spirits Group. The business was completely and successfully transformed and delivered substantial market share gains and continuous profit growth over the 6-year period.

In addition to the MD's role, served also as the European region Programme Leader for two major Diageo Group initiatives.

1986-1991 Booz Allen & Hamilton. Principal. London.

As a Principal in the London office of this leading management consulting firm, initiated, led and successfully delivered numerous strategy and organisational development assignments for major clients in the financial services and the consumer goods sectors. Many projects led to repeat work and multi-million assignments for clients in Europe and the Middle East.

1982-1986 Chase Manhattan Bank. VP. New York and London.

Served as an Assistant Treasurer in the Corporate Division in New York for two years and as Vice President in Corporate Finance in London doing advisory work in risk management and project finance for European clients.

1980-1982 Procter & Gamble. Brand manager. Geneva.

As a Geneva-based Brand Manager in the Exports & Special Operations Division, was responsible for marketing a broad portfolio of P&G brands in the Arab Gulf markets and managing the local distributors' relationships.

Memberships in Industry Associations:

2008 to 2015 Member of the Board of SEV, the Hellenic Federation of Enterprises.
2011 to 2015 Vice Chairman of SEV's Sustainability Council.
2005 to 2009 Member of the Board of IOBE, the Institute of Economic Research of the Hellenic Federation of Enterprises.

Education:

BSc Honours in Economics - University of Southampton UK
MBA - University of Chicago USA

<u>David W. Watson, Independent non Executive Member of the Board of Directors, Member of Audit Committee</u>

Personal Data:

Citizenship: U.S. and Greek (European Union)

Year of birth: 1947

Residences: Casco, Maine, US and Athens, Greece

Current positions:

Currently serving as Non-Executive Director on two Boards:

easyGroup Holdings (since 2008), Monaco - easyGroup is the holding company for Sir Stelios Hadji-Ioannou's business interests in various easy-branded businesses. In addition to serving on the board I also serve as a protector for his Trust Company and as a member of the Stelios Philanthropic Foundation

Fourlis SA (since 2016), Athens, listed company on the ASE - Fourlis is a major retailing firm in Greece and southeastern Europe. It operates the IKEA franchise for Greece, Bulgaria and Cyprus. In addition to my role as a non-Executive Director I am also a member of the audit committee of the parent company and an audit committee member of its subsidiary company, Housemarket SA.

Previous Professional Experience:

- April 2002 to December 2005
  Business Manager at Eurobank

  Responsible for Subsidiary Banks in SE Europe, Athens, Greece

- June, 1998 to September, 2001
  Managing Director of Piraeus Bank, Athens, Greece

Completed the operational merger of three banks.

- January, 1997 to May, 1998
  Country Corporate Officer for Citibank Egypt, Cairo, Egypt

- September, 1990 to December, 1996
  CEO of Xiosbank, Athens, Greece

  Xiosbank was a start up venture opening for business in 1990 during market deregulation.

- January, 1990 to August, 1990
  Deputy Division Risk Manager

  Citibank – Middle East and Southern Europe, London, UK

- April, 1987 to December, 1989
  Institutional Bank Business Manager for Citibank Greece, Athens, Greece

- June, 1985 to March, 1987
  Regional Manager of Business Risk Review

  Citibank – South East Asia, Manila, Philippines

- July, 1974 to May, 1985
  Citibank Greece

  Various Assignments - Corporate Banking

Academic Qualifications:

Northeastern University

Boston, Massachusetts

MBA

Elective emphasis on advanced accounting.

Miami University

Oxford, Ohio

BA

Seminars in Banking, Management and Business Strategy.

<u>Apostolos Petalas, Non-Executive Member of the Board of Directors</u>

Professional Experience:

2007-Until today Fourlis Group

<u>Group CEO</u>

- IKEA Franchisee in Greece, Bulgaria, Cyprus
- Intersport Franchisee in Greece, Romania, Bulgaria and Turkey (140 stores)

- Distributor of Samsung, General Electric, Liebherr & Körting companies in Greece and Romania until 2011
- Main tasks include Strategic Directions, Development of New Activities, Organizational Planning & Development, Communication with Investors, Development of relationships with business partners and key shareholders, Setting goals & performance
- Report to the Board of Directors of the Group

1999 - 2006 PBG (Pepsi Bottling Group), Greece

Chairman & CEO

- Responsible for Greece (Production, Sales, Marketing & Distribution) and the Operation of PepsiCo Franchise Operations in Cyprus and the Balkans
- Complete portfolio of Carbonated Soft Drinks, Mineral Water (Natural & Carbonated), Natural Juices, Iced Tea and Isotonic Drinks
- Revenue € 130 million, 3 Production Factories, 200 Distributors, 700 Employees, Distribution Channels (Retail, On the Go, Wholesale, Exports)
- Reference to European and Global Central Administration

1996 - 1998 PEPSICO Greece

Finance Director

Reference to the General Directorate of Greece and the central Financial Administration

1990 – 1995 PEPSICO Greece

Financial Controller

Report to the Chief Financial Officer

1985 – 1990 Colgate–Palmolive Greece

Cash and Costing Manager

Report to the Chief Financial Officer

Academic Qualifications:

1992-1993 PepsiCo Executives Strategic Development Program (international)

1978-1982 University of Piraeus, Department of Business Administration

Other Information:

Independent Member of the Board and a member of its Audit Committee AS Company SA, Member of many Associations in Greece, indicative: SEVT, SELPE, SEV EASE, Hellenic American Chamber etc.

Stelios Stefanou of Markos, Independent Member of the Audit Committee

Personal Data:

Nationality: Greek and Cypriot

Year of birth: 1962

Current positions:

2005 - to date Entrepreneur - MBO of METAXA plant. Exclusive producer of the METAXA brands, Skinos Mastiha, Green Cola soft drinks, 3 Cents soft drinks and other smaller brands. Haagen-Dazs Master Franchisee in Cyprus and Haagen-Dazs Franchisee in Greece.

2007 - to date Independent BoD Member and Audit Committee Chair of Elgeka SA

2016 - to date Independent BoD Member, Audit Committee and Remuneration Committee Chair of CNP Zois SA.

2020 - to date Independent BoD Member, Audit Committee and Remuneration Committees Chair of CNP Ασφαλιστική & CNP Cyprialife, in Cyprus.

2020 - to date Audit Committee Member of Fourlis Holdings SA and subsidiary company Housemarket SA.

Previous Professional Experience:

1985 – 1990	KPMG London Office - Last position, Senior Audit Supervisor
1990 - 1992	METAXA - Financial Planning & Analysis Manager
1992 - 1997	METAXA - Chief Financial Officer
1997 - 1999	METAXA - Managing Director and Head of UDV European Operations
1999 - 2005	METAXA - Managing Director and participation in JV with BOLS BV
2001 - 2004	Independent BoD Member of Hellenic Bank Unit Trust

Education:

1982 - 1985 THE LONDON SCHOOL OF ECONOMICS

Bsc in Econ Honours (Accounting & Finance)

1985 - 1990 KPMG PEAT MARWICK - London Office

FCA - Member of the Institute of Chartered Accountants in England and Wales

Panagiotis Katiforis, CEO, Executive Member of the Board

Mr. Panagiotis Katiforis is the Managing Director of House Market (IKEA) from 2011 until today. House Market is a subsidiary of FOURLIS A.E. Holdings which operates IKEA stores in Greece, Cyprus and Bulgaria.

From 2007 to 2011 he was General Manager of SARA LEE Hellas. From 2000 to 2007 he was a manager of Kimberly Clark in various positions, responsible in Europe and Greece. From 1994 to 2000 he held various management positions at Beiersdorf Hellas, while from 1985 to 1993 he worked in the family business whose object was the production and marketing of handmade silverware.

From 2011 until today he is a member of the Board of HOUSE MARKET (IKEA) as well as Trade Logistics.

He holds a degree in Marketing Management from the American College of Greece (Deree College) (1993) as well as a postgraduate MBA with a specialization in Finance, from the Strathclyde Business School, Glasgow, Scotland.

He is of Greek nationality, born in 1967, married with one child.

Ioannis Zakopoulos, Company Secretary

Personal Data:

Nationality:	Ελληνική
Year of birth	1958

Professional activity:

1/1986 - today	Law - Legal Advisor of companies, with specialization in commercial law

Other activities:

6/2020 – today	Member of the Board of Directors of "FLEXUS INVESTMENT S.A. "
6/2012 - today	Member of the Board of Directors of the company "RENTIS REAL ESTATE INVESTMENTS SA"
2/2011 – today	Company Secretary of "FOURLIS HOLDINGS SA"

Academic Qualifications

1982 - 1983 — DESS Banque et Finances, Université Paris I Panthéon - Sorbonne (Master's degree in Banking Law)

- Diploma thesis on "Le controle des changes relatif aux importations et aux exportations" (The exchange control related to imports and exports")
- Internship at the National Bank of Greece (France)

1981 - 1982 — DEA Droit des Affaires et Droit Economique, Université Paris I Panthéon - Sorbonne (Master Degree in Business Law and Financial Law)

1976 - 1981	Degree in Law, Law School of the University of Athens
1970 - 1976	Varvakeios Model School

Military service:

1983 - 1985	Air Force

Foreign Languages:

English, French

Activities Report of the Audit Committee of HOUSEMARKET SA for the year 2020 (1/1-31/12/2020)

To the annual General Meeting of Shareholders of the year 2021

Ladies and Gentlemen Shareholders,

This report of the activities of the Audit Committee concerns the period of twelve months of the closing year (1/1-31/12/2020). The report was prepared and is harmonized with the provisions of law 4449/2017 as amended by article 75 of law 4706/20120 and aims to inform you about the activities of the Audit Committee based on its responsibilities.

In more details:

During the year 2020, the Audit Committee held eight (8) meetings. Depending on the topics of the meetings, the heads of the departments responsible for Financial Information, Internal Audit, Sustainable Development as well as the certified auditors were invited to participate. The relevant information material (internal audit reports, administrative reports, certified auditors' reports and presentations, financial and non-financial information, etc.) was distributed in time to the members of the Committee for study in order to express an opinion. Minutes were kept for the meetings of the Audit Committee in which the issues discussed were written down and approved by the present Members and notified to the Board.

The Audit Committee is composed of three members and consists of two independent non-executive members of the Board of Directors and an independent member elected by the General Assembly of 11/6/2020 who has sufficient knowledge in auditing and accounting. The members of the Audit Committee as a whole, have proven sufficient knowledge in the field in which the company operates.

The Audit Committee has conducted a self-evaluation of its effectiveness and the results were discussed at the Board of Directors. The external evaluation of the Audit Committee will be carried out during the evaluation of the Internal Audit System based on article 14 par. I of law 4706/2020. In exercising its responsibilities, the Audit Committee had unhindered and full access to all the necessary information and was provided with the necessary resources and infrastructure for its efficient operation.

In addition, during the fiscal year 2020:

1. Regarding the **supervision of the regular audit**, the Audit Committee:

- Provided its consent for the proposal of the Board of Directors to the General Meeting of Shareholders for the re-appointment of the auditing company EY for the mandatory audit of the Company and the consolidated financial statements for the year 2020.

- Met three (3) times with the auditor of HOUSEMARKET SA, two before the publication of its financial statements, interim and annual, and one for information purposes on the schedule and planned audit procedures of year end 2020.
- Examined the audit program and the audit approach of the mandatory audit of EY for the year 2020.
- Upon completion of the annual statutory audit and the interim review, it received from the regular auditor the supplementary report under Article 11 of Regulation (EU) 537/2014 with the results of the statutory audit and informed the Board of Directors about the above.
- Monitored the services provided by the Certified Auditors in the context of the statutory audit and evaluated their performance, taking into account any findings and conclusions of ELTE.
- Reviewed and monitored the implementation of the procedure «Approval of receipt of non-audit services by the auditing company that performs the statutory audit of the separate and consolidated financial statements of the Group companies», approving the receipt of non-audit services to ensure the independence of Certified Auditors. For the Company, the percentage of other fees (Non-audit services) in relation to the audit services amounted to 21,4%.

2. Regarding the **financial information process and the system of internal control, regulatory compliance and risk management**, the Audit Committee:

- Prior to their approval by the Board of Directors, examined the financial statements (separate and consolidated) of HOUSEMARKET SA, and taking into account the content of the supplementary report of the Certified Auditor, positively assessed their completeness and consistency and informed the Board.
- Was informed extensively by the competent bodies of the Management and the certified auditors about the key audit matters, the important estimates, assumptions and estimates during the preparation of the financial statements.
- Evaluated the adequacy and effectiveness of the Internal Audit System, taking into consideration the content of the audit reports of the Internal Audit Department.
- Evaluated the adequacy and effectiveness of the Risk Management System and especially the risks arising from the COVID-19 pandemic.
- Evaluated the adequacy and effectiveness of the Regulatory Compliance System.

3. Regarding the supervision of the **Internal Audit Department**, the Audit Committee:

- Approved the annual audit program of the Internal Audit Department, evaluating the process of its formation. Confirmed that the annual audit program of 2020 was prepared based on the main risks (financial information, operational, regulatory compliance, financial) faced by the Group companies.

- Approved the revision of the annual audit program, following a reassessment of the risks that arose due to the COVID-19 pandemic.
- Monitored the implementation of the annual audit plan and evaluated the effectiveness of the Internal Audit Department, through the quarterly reports of the Head of the Department and the annual report.
- Monitored the progress and effectiveness of the audit work, evaluating, through the quarterly reports, the findings identified, the corrective actions agreed to address the findings and the progress of their implementation.
- Approved the revised version of the Internal Audit Charter which is published on the website (https://www.housemarket.gr).
- Was assured of the adequacy of resources of the Internal Audit Department and was informed about the training plan of its executives.

4. Regarding **sustainable development**:

In the Sustainable Development and Social Responsibility Report that the Group publishes, already for the twelfth (12th) year and has been prepared in accordance with the standards for the preparation of Sustainable Development Reports (GRI Standards, 2016 edition), the practices followed and the results achieved in matters of interest of our Social Partners, for the development of a responsible business environment are presented in detail. The FOURLIS Group endorses the United Nations Global Compact, the largest international voluntary initiative for responsible business activity since 2008. The FOURLIS Group has adopted the ESG Information Disclosure Guide of the Athens Stock Exchange (https://www.athexgroup.gr/el/web/guest/esg-reporting-guide). The annual Progress Reports of the FOURLIS Group as well as the Sustainable Development and Social Responsibility Reports that include the Progress Report (COP) of the Group regarding the 10 Principles of the Universal Pact, are available on the website (https://www.housemarket.gr).

The issues of sustainable development are discussed at least once a year in the Executive Committee in which executives of the Group's companies participate, as well as executive members of the Board of Directors, who in turn transfer the issues of sustainable development to the other Members of the Board, in order to and according to the results of the materiality analysis, to set the priorities and set the respective objectives. The essential issues of the FOURLIS Group are regulatory compliance and business ethics, ensuring the health and safety of customers and visitors, the creation and distribution of immediate economic value to stakeholders, job creation, compliance, labeling and responsible product communication, advocating for the health, safety and employees' well-being, active and responsible social service, advocating for human rights at work and investing in education and employees' development.

The Audit Committee evaluated the above and concluded that the Group's actions, its organization as well as the policies and procedures in force, constitute an adequate framework and promote sustainable business and a better future for all the Social Partners and the Group.

The Board of Directors approved the revised version of the Audit Committee Charter which is published on the website (https://www.housemarket.gr).

Marousi, March 22 2020

The Audit Committee

John Costopoulos Chairman	David Watson Member	Stylianos Stefanou Member

Subsequent Events

There are no other subsequent events that may significantly affect the financial position and results of the Group other than the following:

- on 05/03/2021 the subsidiary TRADE LOGISTICS SA issued a bond loan amounted € 13 million maturity on 30/12/2028.

This Report, the Annual Financial Statements of the year 2020, the Notes on the Annual Financial Statements along with the Auditors Report, they are published at the company's web site, address: http://www.housemarket.gr and http://www.ikea.gr. At the same site, all Annual Financial Statements, Audit Reports and Board of Directors Reports of the companies which are consolidated and they are not listed and which cumulatively represent a percentage higher than 5% of consolidated revenues or assets or operating results after the deduction of minority shares proportion, are published.

Paiania, March 22th 2021

The Board of Directors

The annual Financial Statements (consolidated and separate) included in pages 93 to 163 are in accordance with the IFRS as applied in the European Union and approved by the Board of Directors on 22/3/2021 and are signed by the following:

Chairman of the Board of Directors	CEO
Dafni A. Fourlis	Panagiotis D. Katiforis
ID No. Φ – 019071	ID No. AK – 129648

Finance Manager Controlling & Planning	Chief Accountant
Emmanouil D. Manousakis	Christos G. Vasilopoulos
ID No. AB - 669252	ID No. X – 067556
	Ch. Acct. Lic. No. 62815 A Class

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THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Housemarket S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Housemarket S.A. (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2020, and the separate and consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated] financial statements present fairly in all material respects the financial position of Housemarket S.A and its subsidiaries (the Group) as at December 31, 2020 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report. We remained independent of the Company and Group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters and the related risks of material misstatement, were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the Key audit matter</th></tr>
<tr><td colspan="2">Valuation of inventories (separate and consolidated financial statements)</td></tr>
<tr><td>
In the separate statement of financial position of December 31, 2020 the Company presents inventories amounting to Euro 24.8 million, which includes a provision for impairment of Euro 2 million. The respective amounts in the consolidated statement of financial position of December 31, 2020, the Group presents inventories amounting to Euro 37.6 million, which includes a provision for impairment of Euro 2.3 million.
As described in Note 3.14 of the separate and consolidated financial statements, the Group records inventories at the lower of cost or net realizable value.
Critical judgement and estimates are exercised by the Group management in identifying and assessing the amount of allowance for inventories, which include among other, estimation of the slow-moving inventories, estimation of obsolete inventories that will be destructed during the following period, evaluation of seasonality and estimation of the future selling prices of the products.
We consider that because of the judgment involved in inventory valuation and the assumptions used by management, in combination with the significance of the amount of inventories to the separate and consolidated financial statements, valuation of inventories is a key audit matter.
The Company and the Group disclose the related accounting policies and estimates, and the assumptions used for inventory valuation, in Notes 2.2, 3.14 and 11 of the separate and consolidated financial statements.
</td><td>
We have performed the following procedures:

Historical costs and margins were tested on a sample basis through reconciliation of purchase cost and margins with the original purchase invoices and sales invoices.
We recomputed on a test basis the weighted average valuation method that is used to value inventories.
We assessed whether there were inventories which were sold with a negative margin and whether this was considered for inventory valuation at the lower of cost or net realizable value, considering the effects of COVID-19.
At year end, we attended on a part of inventory counts in Company and Group stores and distribution centers, to validate on a sample basis whether there were indications of obsolesce.
We assessed management’s estimations for slow moving inventories through observing on a sample basis historical sales and seasonality, considering the effects of COVID-19.
We evaluated the historical accuracy of allowance of inventories assessed by management by comparing on a sample basis the actual loss from inventory destruction, inventory write offs or other entries related to inventories to the historical allowance.
Furthermore, on a sample basis, we validated the mathematical accuracy of management’s calculations for inventory provision.
We also assessed the adequacy of the disclosures which are included in the notes to the consolidated financial statements.

</td></tr>
</table>

Key audit matter	How our audit addressed the Key audit matter
Impairment exercise on stores, right of use assets related to stores, and stores within assets held for sale (separate and consolidated financial statements)	
Financial statement line items "Property plant and equipment" and "Right of Use assets" on December 31, 2020 include net book value of stores amounting to Euro 73.7 million for the Company and Euro 88.4 million for the Group. In addition, the financial statement line item "Assets held for sale" includes Euro 82.5 million for the Company and Euro 182.5 million for the Group that relates to stores and investment properties regarding to the Real Estate Investment Company, as explained in note 8. The above amounts are considered significant for both the Company and the Group. The Group, in most cases, considers that each store is a Cash Generating Unit, or based on facts and circumstances, a group of stores is considered as a Cash Generating Unit. In accordance with IFRS, where there are indications for impairment the Company and the Group perform an impairment exercise at Cash Generating Unit Level. Due to the material carrying value of those assets as well as the judgment and assumptions involved in the identification of any impairment indication and the assessment exercised whether there is a need of impairment or not, we consider the impairment exercise on stores a key audit matter. The Company and the Group disclose the related accounting policies and estimates, and the assumptions used for the impairment exercise on stores, in Notes 2.2, 3.7, 3.10, 3.17, 6, 7 and 8 of the separate and consolidated financial statements.	Our audit procedures included, among others, the following: • We evaluated the Group's and Company's policies to identify the Cash Generated Units. • We evaluated the Group's and Company's policies to identify triggering events for potential impairment of assets in each Cash Generated Unit. • We evaluated management assumptions underlying the potential impairment calculation for those stores where a triggering event was identified. Valuation specialists supported the audit team. • We evaluated the management estimates for the future cash flows by performing the following audit procedures: (a) We compared forecasted future cash flows of prior years with the actual cash flows, and (b) We compared the future cash flows that were used in Company's and Group's models with market available data and industry trends, considering the effects of COVID-19. • We reviewed the discount rate and residual value and the assumptions used, and compared them with the available industry trends and other financial information, considering the effects of COVID-19. • We evaluated the sensitivity analysis of the most significant assumptions used. • For the assets held for sale, we assessed at December 31, 2020: (a) the Company's and the Group's evaluation of the measurement of those assets at the lowest between their carrying amount and their fair value less costs to sell, and (b) the fair value of those assets, where we included the support of our valuation specialists. • We also assessed the adequacy of the disclosures which are included in the notes to the separate and consolidated financial statements.

Other information

Management is responsible for the other information in the Annual Report. The other information, includes the Board of Directors' Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", the Statements of the Members of the Board of Directors, but does not include the separate and consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the 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 separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal control as management 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 separate and consolidated financial statements, management 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 management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (Law 44 v.4449/2017) is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole 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, as incorporated in Greek Law, 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, as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

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 separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/1920.
b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 and 153 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2020.
c) Based on the knowledge and understanding concerning Housemarket S.A. and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
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2. Additional Report to the Audit Committee

Our opinion on the separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Group, in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

Non-audit services provided by us to the Company and its subsidiaries during the year ended December 31, 2020, are disclosed in note 5 of the separate and consolidated financial statements.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the General Assembly on June 7, 2010. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of 11 years.

Athens, March 23, 2021

The Certified Auditor Accountant

SOFIA KALOMENIDES
S.O.E.L. R.N. 13301
ERNST &YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
CHIMARRAS 8B, 151 25 MAROUSSI
GREECE
SOEL REG. No. 107

Statement of Financial Position (Consolidated and Separate)
as at December 31, 2020 and at December 31,2019

(In thousands of Euro, unless otherwise stated)

		Group		Company	
Assets	Note	**31/12/2020**	**31/12/2019**	**31/12/2020**	**31/12/2019**
Non-current Assets					
Property plant and equipment	6	34.555	34.111	21.365	22.548
Right of use assets	7	59.362	62.583	52.827	58.112
Intangible Assets	9	6.889	7.026	5.141	5.325
Investments	10	27.465	29.803	80.497	80.217
Long Term receivables	13	2.636	2.687	2.620	5.171
Deferred Taxes	25	3.811	2.274	3.299	1.632
Total non-current assets		**134.717**	**138.483**	**165.748**	**173.005**
Current assets					
Inventory	11	37.594	35.854	24.751	22.339
Income tax receivable		101	351	23	6
Trade receivables	12	3.458	3.343	2.650	2.449
Other receivables	14	10.088	8.568	8.060	8.459
Cash & cash equivalent	15	79.367	23.042	58.995	7.978
Assets classified as held for sale	8	182.505	176.949	82.466	77.223
Total current assets		**313.113**	**248.106**	**176.945**	**118.455**
Total Assets		**447.830**	**386.589**	**342.693**	**291.461**
SHAREHOLDERS EQUITY & LIABILITIES					
Shareholders equity					
Share Capital	16	47.451	47.451	47.451	47.451
Share premium reserve		(649)	(649)	(217)	(217)
Reserves	17	18.194	17.865	18.285	18.009
Retained earnings		91.359	96.015	56.742	68.874
Total shareholders equity (a)		**156.355**	**160.682**	**122.261**	**134.117**
Non controlling interest (b)		0	0	0	0
Total Equity (c)=(a)+(b)		**156.355**	**160.682**	**122.261**	**134.117**
LIABILITIES					
Non Current Liabilities					
Non - current loans	21	71.006	76.271	51.089	53.172
Lease liabilities	22	54.915	59.040	50.764	55.347
Employee retirement benefits	19	5.121	4.234	4.460	3.731
Deferred Taxes	25	167	17	0	0
Other non-current liabilities	23	280	273	59	37
Total non current Liabilities		**131.489**	**139.835**	**106.371**	**112.286**
Current Liabilities					
Short term loans for working capital	21	8.290	2.009	4.990	2.000
Current portion of non-current loans and borrowings	21	47.470	5.719	42.756	991
Short term portion of long term lease liabilities	22	6.974	4.952	4.354	4.099
Income Tax Payable		177	75	0	71
Accounts payable and other current liabilities	24	76.420	51.435	61.961	37.897
Liability arising from assets held for sale	8	20.655	21.883	0	0
Total current Liabilities		**159.986**	**86.073**	**114.061**	**45.057**
Total liabilities (d)		**291.475**	**225.907**	**220.432**	**157.343**
Total Equity & Liabilities (c) + (d)		**447.830**	**386.589**	**342.693**	**291.461**

The accompanying notes on pages 101 to 163 are an integral part of the Consolidated Financial Statements.

Income Statement (Consolidated) for the period 1/1 to 31/12/2020 and 1/1 to 31/12/2019

(In thousands of Euro, unless otherwise stated)

	Note	Group 1/1 - 31/12/2020	Group 1/1 - 31/12/2019
Revenue		247.195	306.114
Cost of Goods Sold	5,11	(146.045)	(178.222)
Gross Profit		**101.150**	**127.892**
Other income	5	10.175	7.491
Distribution expenses	5	(76.790)	(95.011)
Administrative expenses	5	(16.423)	(12.814)
Other operating expenses	5	(1.044)	(678)
Operating Profit		**17.069**	**26.880**
Total finance cost	5	(10.455)	(10.268)
Total finance income	5	135	155
Contribution associate companies profit and loss	5	(2.767)	1.284
Profit before Tax		**3.982**	**18.051**
Income tax	25	(1.162)	(4.742)
Net Profit (A)		**2.820**	**13.309**
Attributable to:			
Equity holders of the parent		2.820	13.309
Net Profit (A)		2.820	13.309
Basic Earnings per Share (in EURO)	26	0,0594	0,2805
Diluted Earnings per Share (in EURO)	26	0,0594	0,2805

Revenue is meant as income from contracts with customers.

The accompanying notes on pages 101 to 163 are an integral part of the Consolidated Financial Statements.

Statement of Comprehensive Income (Consolidated) for the period 1/1 to 31/12/2020 and 1/1 to 31/12/2019

(In thousands of Euro, unless otherwise stated)

	Note	Group	
		1/1 - 31/12/2020	1/1 - 31/12/2019
Net Income (A)		**2.820**	**13.309**
Other comprehensive income/(expenses)			
Other comprehensive income/(expenses) transferred to the income statement			
Effective portion of changes in fair value of cash flow hedges	20,25	31	(71)
Total Other comprehensive income/(expenses) transferred to the income statement		**31**	**(71)**
Other comprehensive income/(expenses) not transferred to the income statement			
Actuarial gain/losses on defined benefit pension plans	19,25	(386)	(351)
Total Other comprehensive income/(expenses) not transferred to the income statement		**(386)**	**(351)**
Other Comprehensive Income/(Losses) after Tax (B)		**(355)**	**(421)**
Total Comprehensive Income/(Losses) after Tax (A) + (B)		**2.466**	**12.888**
Attributable to:			
Equity holders of the parent		2.466	12.888
Total Comprehensive Income/(Losses) after Tax (A) + (B)		**2.466**	**12.888**

The accompanying notes on pages 101 to 163 are an integral part of the Consolidated Financial Statements.

Income Statement (Separate) for the period 1/1 to 31/12/2020 and 1/1 to 31/12/2019

(In thousands of Euro, unless otherwise stated)

		Company	
	Note	**1/1 - 31/12/2020**	**1/1 - 31/12/2019**
Revenue		144.653	192.786
Cost of Goods Sold	5,11	(84.196)	(110.024)
Gross Profit		**60.457**	**82.762**
Other income	5	7.563	4.964
Distribution expenses	5	(53.944)	(68.762)
Administrative expenses	5	(11.657)	(11.668)
Other operating expenses	5	(249)	(533)
Operating Profit		**2.170**	**6.762**
Total finance cost	5	(8.110)	(7.843)
Total finance income	5	133	151
Dividends	18		2.000
Profit/(Loss) before Tax		**(5.807)**	**1.070**
Income tax	25	987	(2.445)
Net Loss (A)		**(4.820)**	**(1.375)**
Attributable to :			
Equity holders of the parent		(4.820)	(1.375)
Net Loss (A)		**(4.820)**	**(1.375)**
Earnings after tax per share - basic (in Euro)	26	(0,1016)	(0,0290)
Earnings after tax per share - diluted (in Euro)	26	(0,1016)	(0,0290)

Revenue is meant as income from contracts with customers.

The accompanying notes on pages 101 to 163 are an integral part of the Consolidated Financial Statements.

Statement of Comprehensive Income (Separate) for the period 1/1 to 31/12/2020 and 1/1 to 31/12/2019

(In thousands of Euro, unless otherwise stated)

		Company	
	Note	**1/1 - 31/12/2020**	**1/1 - 31/12/2019**
Net Loss (A)		**(4.820)**	**(1.375)**
Other comprehensive income/(expenses)			
Other comprehensive income/(expenses) transferred to the income statement			
Effective portion of changes in fair value of cash flow hedges		0	0
Total Other comprehensive income/(expenses) transferred to the income statement		**0**	**0**
Other comprehensive income/(expenses) not transferred to the income statement			
Actuarial gain/losses on defined benefit pension plans	19,25	(313)	(377)
Total Other comprehensive income/(expenses) not transferred to the income statement		**(313)**	**(377)**
Other Comprehensive Income/(Losses) after Tax (B)		**(313)**	**(377)**
Total Comprehensive Income/(Losses) after Tax (A) + (B)		**(5.132)**	**(1.752)**
Attributable to:			
Equity holders of the parent		(5.132)	(1.752)
Non controlling interest		0	0
Total Comprehensive Income/(Losses) after Tax (A) + (B)		**(5.132)**	**(1.752)**

The accompanying notes on pages 101 to 163 are an integral part of the Consolidated Financial Statements.

Statement of Changes in Equity (Consolidated) for the period 1/1 to 31/12/2020 and 1/1 to 31/12/2019

(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
Balance at 1.1.2019		**47.451**	**(561)**	**16.956**	**722**	**5**	**89.161**	**153.735**	**0**	**153.735**
Total comprehensive income/(loss) for the period										
Profit		0	0	0	0	0	13.309	13.309	0	13.309
Effective portion of changes in fair value of cash flow hedges		0	0	(71)	0	0	0	(71)	0	(71)
Actuarial gains (losses) on defined benefit pension plan		0	0	0	0	0	(351)	(351)	0	(351)
Total comprehensive income/(loss)		**0**	**0**	**(71)**	**0**	**0**	**(351)**	**(421)**	**0**	**(421)**
Total comprehensive income/(loss) after taxes		**0**	**0**	**(71)**	**0**	**0**	**12.958**	**12.888**	**0**	**12.888**
Transactions with shareholders recorded directly in equity										
SOP Reserve		0	0	257	0	0	0	257	0	257
Net Income directly booked in the statement movement in Equity		0	(88)	0	0	(5)	96	2	0	2
Dividends to equity holders		0	0	0	0	0	(6.200)	(6.200)	0	(6.200)
Total transactions with shareholders		**0**	**(88)**	**257**	**0**	**(5)**	**(6.104)**	**(5.940)**	**0**	**(5.940)**
Balance at 31.12.2019		**47.451**	**(649)**	**17.143**	**722**	**0**	**96.015**	**160.682**	**0**	**160.682**
Balance at 1.1.2020		**47.451**	**(649)**	**17.143**	**722**	**0**	**96.015**	**160.682**	**0**	**160.682**
Total comprehensive income/(loss) for the period										
Profit		0	0	0	0	0	2.820	2.820	0	2.820
Effective portion of changes in fair value of cash flow hedges	20,25	0	0	31	0	0	0	31	0	31
Actuarial gains (losses) on defined benefit pension plan	19,25	0	0	0	0	0	(386)	(386)	0	(386)
Total comprehensive income/(loss)		**0**	**0**	**31**	**0**	**0**	**(386)**	**(355)**	**0**	**(355)**
Total comprehensive income/(loss) after taxes		**0**	**0**	**31**	**0**	**0**	**2.434**	**2.466**	**0**	**2.466**
Transactions with shareholders, recorded directly in equity										
SOP Reserve	19	0	0	298	0	0	0	298	0	298
Net Income directly booked in the statement movement in Equity		0	0	0	0	0	(90)	(90)	0	(90)
Dividends to equity holders		0	0	0	0	0	(7.000)	(7.000)	0	(7.000)
Total transactions with shareholders		**0**	**0**	**298**	**0**	**0**	**(7.090)**	**(6.793)**	**0**	**(6.793)**
Balance at 31.12.2020		**47.451**	**(649)**	**17.472**	**722**	**0**	**91.359**	**156.355**	**0**	**156.355**

The accompanying notes on pages 101 to 163 are an integral part of the Consolidated Financial Statements.

Statement of Changes in Equity (Separate)
for the period 1/1 to 31/12/2020 and 1/1 to 31/12/2019

(In thousands of Euro, unless otherwise stated)

	Note	Share Capital	Share premium reserves	Reserves	Revaluation Reserves	Retained earnings / (Accumulated losses)	Total Equity
Balance at 1.1.2019		**47.451**	**(217)**	**17.049**	**722**	**76.827**	**141.832**
Total comprehensive income/(loss) for the period							
Profit /(Loss)		0	0	0	0	(1.375)	(1.375)
Actuarial gains (losses) on defined benefit pension plan		0	0	0	0	(377)	(377)
Total comprehensive income/(loss)		**0**	**0**	**0**	**0**	**(377)**	**(377)**
Total comprehensive income/(loss) after taxes		**0**	**0**	**0**	**0**	**(1.752)**	**(1.752)**
Transactions with shareholders recorded directly in equity							
SOP Reserve		0	0	238	0	0	238
Dividends to equity holders		0	0	0	0	(6.200)	(6.200)
Total transactions with shareholders		**0**	**0**	**238**	**0**	**(6.200)**	**(5.962)**
Balance at 31.12.2019		**47.451**	**(217)**	**17.287**	**722**	**68.874**	**134.117**
Balance at 1.1.2020		**47.451**	**(217)**	**17.287**	**722**	**68.874**	**134.117**
Total comprehensive income/(loss) for the period							
Profit /(Loss)		0	0	0	0	(4.820)	(4.820)
Actuarial gains (losses) on defined benefit pension plan	19,25	0	0	0	0	(313)	(313)
Total comprehensive income/(loss)		**0**	**0**	**0**	**0**	**(313)**	**(313)**
Total comprehensive income/(loss) after taxes		**0**	**0**	**0**	**0**	**(5.132)**	**(5.132)**
Transactions with shareholders, recorded directly in equity							
SOP Reserve	19	0	0	276	0	0	276
Dividends to equity holders		0	0	0	0	(7.000)	(7.000)
Total transactions with shareholders		**0**	**0**	**276**	**0**	**(7.000)**	**(6.724)**
Balance at 31.12.2020		**47.451**	**(217)**	**17.563**	**722**	**56.742**	**122.261**

The accompanying notes on pages 101 to 163 are an integral part of the Consolidated Financial Statements.

Statement of Cash Flow (Consolidated and Separate) for the period 1/1 to 31/12/2020 and 1/1 to 31/12/2019

(In thousands of Euro, unless otherwise stated)

	Note	Group		Company	
		1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Operating Activities					
(Loss)/Profit before taxes		**3.982**	**18.051**	**(5.807)**	**1.070**
Adjustments for:					
Depreciation / Amortization	5,6,7,9	14.019	14.063	9.106	10.789
Income on depreciation in fixed subsidy		0	(150)	0	0
Provisions		786	825	693	711
Foreign exchange differences		31	(14)	7	(19)
Results (Income, expenses, profit and loss) from investment activity		2.648	(22)	(86)	(2.019)
Interest Expense		10.415	10.172	8.093	7.755
Plus/less adj for changes in working capital related to the operating activities					
(Increase) / decrease in inventory		(1.740)	19	(2.412)	565
(Increase) / decrease in trade and other receivables		(1.690)	765	625	1.881
Increase / (decrease) in liabilities (excluding banks)		20.871	(22.815)	20.086	(20.186)
Less					
Interest paid		(7.498)	(7.254)	(5.509)	(5.001)
Income taxes paid		(1.546)	(1.583)	(239)	0
Net cash generated from operations (a)		**40.276**	**12.056**	**24.558**	**(4.454)**
Investing Activities					
Purchase or Share capital increase of subsidiaries and related companies		0	(20)	(280)	(300)
Purchase of tangible and intangible fixed assets	6,9	(6.977)	(9.741)	(2.814)	(4.814)
Proceeds from disposal of tangible and intangible assets		245	64	2	0
Addition of assets		(11.859)	(498)	(9.341)	(498)
Proceeds from the sale of other investments		3.695	0	3.695	0
Proceeds from dividends		0	0	2.000	3.000
Interest Received		89	42	87	40
Total (outflow) / inflow from investing activities (b)		**(14.808)**	**(10.154)**	**(6.651)**	**(2.572)**
Financing Activities					
Proceeds from issued loans	21	98.646	36.506	94.000	23.500
Repayment of loans	21	(57.545)	(25.484)	(51.615)	(7.047)
Dividends paid		(3.000)	(5.000)	(3.000)	(5.000)
Repayment of leasing	22	(7.244)	(7.339)	(6.276)	(6.326)
Total inflow / (outflow) from financing activities (c)		**30.857**	**(1.318)**	**33.110**	**5.127**
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)		56.325	584	51.017	(1.899)
Cash and cash equivalents at the beginning of the period		23.042	22.457	7.978	9.877
Closing balance, cash and cash equivalents		**79.367**	**23.042**	**58.995**	**7.978**

The accompanying notes on pages 101 to 162 are an integral part of the Consolidated Financial Statements.

Notes to the annual financial statements (consolidated and separate) as of Dec 31, 2020 and for the year then ended

1. Corporate information

1.1 General Information

HOUSEMARKET S.A. (the Company) is located in Greece 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 24th April 2050.

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

1. Dafni A. Fourlis, Chairman, executive member
2. Vassilis St. Fourlis, 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, Executive Director
7. Ioannis Ath. Kostopoulos, Director, independent non executive member, , Chairman of the Audit Committee

The total number of employees of the Company and its subsidiaries (hereinafter the "Group") as at the end of current and previous year was at 2.371 and 2.376 respectively while the total number of employees of the Company on 31/12/2020 was 1.441 and on 31/12/2019 was 1.483.

1.2 Activities

The Group's Companies activities are the retail trading of home furniture and household goods, food service activities, supply chain services and real estate.

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

Direct subsidiaries	**Parent**	**Location**	**% Holding**
HOUSE MARKET BULGARIA EAD	HOUSEMARKET SA	Bulgaria	100
HM HOUSEMARKET (CYPRUS) LTD	HOUSEMARKET SA	Cyprus	100
TRADE LOGISTICS SA	HOUSEMARKET SA	Greece	100
WYLDES LIMITED LTD	HOUSEMARKET SA	Cyprus	100
H.M. ESTATES CYPRUS LTD	HOUSEMARKET SA	Cyprus	100

Indirect subsidiaries			
RENTIS SA	HM HOUSEMARKET (CYPRUS) LTD	Greece	100
TRADE ESTATES CYPRUS LTD	H.M. ESTATES CYPRUS LTD	Cyprus	100
TRADE ESTATES BULGARIA EAD	HOUSE MARKET BULGARIA EAD	Bulgaria	100
Affiliates			
MANTENKO SA	HOUSEMARKET SA	Greece	50
POLICENCO SA	HOUSEMARKET SA	Greece	50
VYNER LTD	WYLDES LIMITED LTD	Cyprus	50
SW SOFIA MALL ENTERPRISES LTD	WYLDES LIMITED LTD	Cyprus	50

During the period 1/1 – 31/12/2020 no share capital changes were realised at the parent company.

2. Basis of presentation of the Financial Statements

2.1. Basis of preparation

The Consolidated and Separate Financial Statements (hereinafter Financial Statements) have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The Board of Directors of the Company approved the financial statements for the year ended on December 31 2020, on March 22, 2021. These financial statements are subject to the approval of the General Assembly of the Company's shareholders.

The Financial Statements have been prepared on the historical cost basis, except for certain data of Assets and Liabilities (investment properties, risk hedge financial instruments and investments/financial data available for sale) that have been measured at fair value and assuming that the Company and its subsidiaries will continue as a going concern. Management examined the impact of the COVID-19 pandemic up to the date of approval of these Consolidated and Separate Financial Statements and concluded that going concern assessment is the appropriate basis for their preparation. Reaching this conclusion, Management revised its plan taking into account the deterioration of the financial environment, the financial results of the year 2020 and the measures to reduce operating expenses and increase in liquidity received (refer to Note 4).

Management concluded that the Group is able to meet all its obligations on time, at least for a period of 12 months from the Financial Position date, and that there are no significant uncertainties that could doubt its ability to operate on a going concern basis. All amounts are presented in thousands of Euro, unless otherwise stated and any differentiations in sums are due to rounding.

2.2. Significant accounting judgments and estimates

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

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

Estimates:

- **Deferred Tax assets:** deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward unused tax losses can be utilised. The recognition of deferred tax assets requires significant judgments and estimates to be made in relation to the future activities and prospects of the Group companies and as to the level and timing of future taxable profits (Note 3.21 and 25 of Financial Statements).
- **Fair Values of investment properties:** the Group recognizes its investment properties at fair values as determined by independent appraising firms. The fair values of investment properties are assessed on an annual basis. The determination of the fair values of properties requires assumptions with respect to future cash flows from rents with the use of DCF (Note 3.8 of Financial Statements).
- **Impairment test of investments in subsidiaries:** at each reporting date, the Parent Company examines whether there are impairment indicators in relation to its investments in subsidiaries. Such assessment requires management to make significant judgements with respect to the existence of internal or external factors and the extent to which they affect the recoverable amount of these investments. If impairment indicators exist, the Company determines the recoverable amount of these investments. The determination of the recoverable amount requires estimates to be made with respect to the expected future cash flows of the investment, the business plans of the subsidiaries, and the determination of the applicable discount and growth rates. (Note 10 of Financial Statements).
- **Impairment test of property, plant and equipment, right of use assets and assets held for sale:** property, plant and equipment is constantly tested in order to define if there are indications which show that its book value is not recoverable. The Group considers, for impairment test purposes, that (a) each store basically is a cash flow generating unit while, (b) per case, assets or group of assets classified as held for sale may consist a cash flow generating unit (CGU). In cases that property, plant and equipment is part of CGU and there are impairment value indications that the recoverable amount of the CGU is determined as the higher amount between value in use and fair value. Value in use is calculated by implementing the cash flow discount method, taking into consideration Management's estimations (business plans 5-7 years) and any contingent impairment is determined by the comparison of book value and value in use. Fair value is calculated from independent appraisers report according to commonly accepted valuation principles. The loss-

making operating result of stores was considered as indication of possible impairment and wherever there was existence of such indication, an impairment test was implemented. Additional details for impairment test of tangible assets are included in Note 6 of the Financial Statements.

- **Useful lives of property plant and equipment:** Management makes estimates when determining the useful lives of depreciable assets. Such estimates are periodically reviewed. The useful lives estimated and applied are discussed in Note 3.7 and 3.9.
- **Post - retirement benefits to personnel:** post - retirement obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of a discount rate, future salary increases, disability rates, mortality rates and departure rates. Due to the complexity of the valuation and the basic assumptions included therein, a defined benefit obligation is highly sensitive to changes in these assumptions. Actuarial gains and losses that result from the difference among the actuarial assumptions are recognized in Statement of Comprehensive Income. Such actuarial assumptions are periodically reviewed by Management. Further details are provided in Note 19.
- **Share-based Payments:** Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 19 of the Financial Statements.
- **Provisions for slow moving inventory:** Inventory turnover ratio is tested regularly and provisions are made for unmoved, slow moving, obsolete inventory which will be written-off within the next period. Estimations are also made for seasonality of inventory and estimation for future sale price as well as for inventory count differences which are presented in Note 11 of Financial Statements.
- **Revenue from contracts with customers:** The Group estimates the fair value of non-redeemed points by using historical data and by assessing exercise possibility.

Judgments:

- **Right of use assets:** On the beginning date of the leasing period, a right of use asset and an liability are recognized by calculating present value of leases which remain unpaid, discounted with leasing interest rate (interest rate which would be accepted by the lessee in order to be loaned all necessary funds with similar terms). The Group determines the leasing duration as the contractual leasing duration, including the period which is covered by a) the right to extend leasing if it is almost sure that it will be exercised, or b) the right to terminate the contract if it is almost sure that it will not be exercised. The Group implements a single discount rate at each leasing category with similar characteristics (as leasing with similar duration, assets and economic environment).

Afterwards, the asset is measured at cost less depreciation and any impairment losses while, the liability is measured by increasing book value with interest expenses on the liability and by decreasing book value with leases payments. Further details are provided in Notes 7 and 22.

- **Assets held for sale:** The Group classifies an asset or a group of assets as held for sale when the following conditions are met: the asset (or group of assets) is available and in condition for direct sale and the sale is very likely to take place within 12 months since its classification date as held for sale. Right at the moment before their classification as assets held for sale, these assets are tested for impairment based on IAS 36. Assets which have been classified as held for sale are measured at the lower price between book value and fair value minus all sale costs. Any impairment loss is recognized in statement of comprehensive income. Impairment test of assets classified as held for sale took place entirely for assets described in Note 8, as a cash generating unit, due to the fact that it was considered that the sale will only take place as a whole and not each one asset separately and the sale criteria based on IFRS 15 are met. In addition, while the COVID-19 pandemic has delayed the negotiation process by about 10 months, advanced discussions and exchange of draft contract texts and detailed budget figures with specific potential investors, creates belief that it is very likely within 2021 to find a strategic partner who will make a significant investment in the established company, with percentage that will arise at least and more than 50%. On 31/12/2020 the criteria for the classification of assets held for sale under IFRS 15 continue to be met, given that:
    - their net book value will be recovered primarily from the sale and not from their continued use,
    - the assets are available for immediate sale in their current condition,
    - there is Management's commitment and a buyer-finding program is in progress, while active efforts have been made to sell the assets at a price that is reasonable in relation to their fair value. In particular, professional investment advisers have been hired and while the COVID-19 pandemic has delayed the negotiation process by about 10 months, advanced discussions and exchange of draft contract texts and detailed budget figures with specific potential investors, creates belief that it is very likely within 2021 to find a strategic partner who will make a significant investment in the established company, with percentage that will arise at least and more than 50%.
    - the sale is expected to take place no later than the second semester of year 2021.
- **Provisions for impaired receivables:** provisions of impaired receivables are based on the historical data of receivables and take into consideration the expected credit risk. The analysis of impaired receivables of Statement of Financial Position is included in Note 12 of Financial Statements.

2.3 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 2020.

- **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. Management of the Group and Company estimates that this amendment does 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. Management of the Group and Company estimates that this amendment does not have any impact on the financial statements.

- **Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)**

  In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provide temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Phase two (ED) focuses on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). Management of the Group and Company estimates that this amendment does not have any impact on the financial statements.

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 does not have any impact on the financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU. Management of the Group and Company estimates that this amendment does not have any impact on the financial statements.

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)**

  The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

  - ***IFRS 3 Business Combinations:*** Amendments update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - ***IAS 16 Property, Plant and Equipment:*** Amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
  - ***IAS 37 Provisions, Contingent Liabilities and Contingent Assets:*** Amendments specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
  - ***Annual Improvements 2018-2020*** make minor amendments to ***IFRS 1 First-time Adoption of International Financial Reporting Standards***, ***IFRS 9 Financial Instruments***, ***IAS 41 Agriculture*** and the Illustrative Examples accompanying ***IFRS 16 Leases***

  The amendments have been endorsed by the EU.

- **IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment)**

  The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

  - The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
  - Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
  - There is no substantive change to other terms and conditions of the lease

- **Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**

  In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. Furthermore, the amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods. Management of the Group and Company estimates that this amendment does not have any impact on the financial statements.

3. Summary of significant accounting policies

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

3.1. Basis of Consolidation

Consolidated Financial Statements comprise of the financial statements of the parent Company and all subsidiaries controlled by the Company directly or indirectly. Control exists when the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The subsidiaries' financial statements are prepared as of the same reporting date and using the same accounting policies as the parent company. Intra - group transactions (including investments in related companies), balances and unrealized gains are eliminated. Subsidiaries are fully consolidated from the date that control commences and cease to be consolidated from the date that control is transferred out of the Group. Losses within a subsidiary are attributed to the non - controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The financial results of subsidiaries, that are acquired or sold within the year, are included in the consolidated statement of comprehensive income from or up to the date of acquisition or sale, respectively.

3.2. Business Combinations and Goodwill

Business Combination is a transaction or another event during which an acquirer takes over control of one or more businesses. A Business is a combination of activities and assets that can be leaded and managed in order to return profits directly to its owners.

If the acquired assets do not compose a business, the transaction or any other fact are accounted as an acquisition of an asset and the acquisition cost is allocated among assets and liabilities based on the relative fair values during the acquisition date.

Business Combination is accounted for using acquisition method. The cost of acquisition of a subsidiary is the fair value of the assets contributed, the shares issued and the liabilities assumed at the transaction date, plus the amount of any non - controlling interest in the acquiree. For each business combination, the acquirer measures the non - controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net asset. Acquisition costs are expensed when incurred.

If the cost of acquisition is less than the fair values of the net identifiable assets acquired, the difference is recorded directly to the income statement.

Goodwill arising from subsidiaries' acquisitions is recorded as an intangible asset. Goodwill is not amortized but at least annually is subject to impairment test. As a result, after initial recognition, goodwill is measured at cost, less any impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the combination. The impairment test is performed by comparing the recoverable amount of the cash generating unit to its carrying value including the allocated goodwill. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The value in use is determined via a discounted cash flow analysis. Impairment losses relating to goodwill cannot be reversed in future periods.

Gains or losses arising from the disposal of subsidiaries are determined after taking into account the goodwill allocated to the disposed unit.

3.3 Investments in subsidiaries

In the separate financial statements of the parent Company, investments in subsidiaries are accounted for at cost, less any impairment in value. Impairment tests are carried out when there are clear indicators of impairment, in accordance with IAS 36 "Impairment of Assets".

3.4 Investments in associates

Associates are those entities, in which the Group has significant influence but which are neither a subsidiary nor a joint venture of the Group. A percentage holding from 20% to 50% implies significant influence. Such percentage holding indicates that company is an associate. Investments in associates are accounted for using the equity method based on which the investment is carried at cost plus post-acquisition changes in the Group's share of net assets of the associate, less provisions for any impairment in value. Goodwill arising upon the acquisition of associates is included in the value of investment, while any negative goodwill is recorded in the income statement upon acquisition.

The Group's share in the gains or losses of associates after acquisition is recognized in the statement of comprehensive income, while post - acquisition movements in reserves are recognized directly in reserves.

In applying the equity method of accounting, the Group appropriately adjusts the financial statements of those associates who are not applying IFRS so as to comply with IFRS and be uniform with the accounting policies of the Group. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are eliminated, unless the transaction provides evidence of impairment of the transferred asset.

When the Group's participation to the associate's losses equals or exceeds its interest in an associate, including any other bad debts, the Group does not recognize further losses, unless it has any liabilities or made payments on behalf of the associate and generally those arising from the ownership status. In the separate financial statements of the Parent Company, investments in associates are accounted for at cost less any accumulated impairment losses.

3.5 Segment information

The Board of Directors of the Company is the chief operating decision maker and monitors internal financial reporting information in order to evaluate the performance of the Company and the Group and to take decisions about resource allocation.

Management has defined its segments based on these internal reports according to IFRS 8. The operating segments are defined as those business segments where the Group is active and on which the internal information system of the Group is based.

For the categorization by business segment, the following has been taken into account:

- the nature of products and services,
- quantitative limitations, required by IFRS 8.

According to the aforementioned, the Group presents information by operating segment as follows:

- Retail Trading of Home Furniture and Household Goods (IKEA stores).

3.6 Foreign currency translation

(a) Functional currency and reporting currency

The companies of the Group maintain their books in the currency of the financial environment in which each company operates (functional currency). The consolidated financial statements are presented in

Euro's which is the functional currency of the parent Company.

(b) Transactions and balances

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

(c) Foreign Group Companies

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. The translation of the financial statements of the Group's companies which use a different functional currency from the parent company is performed as follows:

- Assets and liabilities are translated to Euro using the foreign exchange rate ruling at the date of the Statement of Financial Position.
- Equity is translated using the foreign exchange rates valid on the date they arose.
- Income and expenses are translated using the average foreign exchange rate of the period and on an annual basis according to the average foreign exchange rate of the last twelve (12) months.
- The resulting foreign exchange differences (gains/losses) are recognized in other comprehensive income and in Foreign Exchange differences from Statement of Financial Position translation Reserve. When subsidiaries operating in foreign countries are sold, accumulated foreign exchange differences existing in the Foreign Exchange differences from Statement of Financial Position translation Reserve are recognized in income statement as gains or losses from investments sales.

Goodwill and adjustments to fair values upon an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate of the date of the Statement of Financial Position and foreign exchange differences are recognized in equity.

3.7 Property, plant and equipment

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

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

Significant subsequent additions and improvements are recognized as part of the cost of the asset when they increase the useful life and / or the productive capacity of investment's value. Costs for repairs and maintenance are recognized in the income statement as an expense as incurred.

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

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

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

Category	**Useful life**
Buildings - Building installations (owned premises)	10 - 40 years
Buildings on third party land	10 – 36 years
Machinery and equipment	9 - 10 years
Motor vehicles	6 - 9 years
Miscellaneous equipment	4 - 10 years

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

3.8 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which is evaluated annually. In case of owner occupation, the investment property is derecognized and transferred to property, plant and equipment at fair value on the transfer date. The carrying value of investment property reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property fair value are recognized in the Income Statement of the period they occur.

3.9 Intangible assets

The intangible assets of the Group (excluding goodwill) are depreciated over their useful life which is annually reviewed.

- **Royalties**

Trademarks and licenses are valued at cost less amortization. Amortization is charged to the income statement on a straight - line basis over the estimated useful lives, which have been determined from 5 to 20 years.

- **Software - Other intangible assets**

Software licenses are valued at cost less amortization. Amortization is charged on a straight - line basis over the estimated useful lives and the depreciation rate is 15%.

Expenditure on development and maintenance of software is expensed as incurred. Expenditure of development activities for the production of new or substantially improved software (in - house developments), is recognized as intangible assets when the following criteria are met: a) when a specific asset is created, b) when it can be demonstrated that the intangible asset will generate probable future economic benefits and c) when the expenditures of development can be measured reliably. Such expenditures include also labor costs and an appropriate proportion of overheads. In case of software replacement, while the old one is no longer in use, intangible asset is permanently deleted from the register and the net book value burdens the income statement.

Costs incurred for performing software upgrades, are capitalized and the new gross value forms the depreciable amount.

3.10 Impairment of non - financial assets except Goodwill

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

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

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

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

3.11 Current / Non-current assets and liabilities: classification

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

An asset is classified as current when:

- It is expected to take place or its sale / consumption has been predicted within the next period
- It is mainly maintained for trading purposes
- It is expected to take place within twelve months since the reference period.

Or it is cash or cash equivalent, unless they have been eliminated from the exchange or their use in order to settle a liability for at least 12 months after the reference period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within the next operation year
- It is mainly maintained for trading purposes
- It is clarified that it will be settled within 12 months after the reference period.

There is no unconditional right to postpone the solution of a liability for at least 12 months after the reference period.

The liability terms which could, upon the selection of the counter-party, lead to its settlement, by issuing financial products, do not affect its classification.

The Group classifies all its other liabilities as non-current.

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

3.12 Financial instruments – initial recognition and measurement

IFRS 9 Financial Instruments

Classification and measurement of financial assets:

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

Other financial assets are classified and subsequently measured as follows:

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

3.13 Impairment of financial assets

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

Assets carried at amortized cost

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

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

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

Trade receivables (Note 12)

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

3.14 Inventory

Inventory (goods) is valued at the lower of cost or net realizable value. Cost is determined by using the weighted average method. The net realizable value is the estimated sales price at the ordinary operation of the company less any costs to sell having in mind seasonality and other conditions. The cost of inventory does not include any financial expenses.

3.15 Trade receivables

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

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

3.16 Cash and cash equivalent

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

3.17 Non-current assets held for sale and discontinued operation

Assets held for sale and discontinued operation are valued at the lower price between carrying amount and fair value less costs to sell.

Any possible fair value increase in a subsequent valuation is registered in Profit and loss but for amounts not bigger than the initially registered impairment loss. Since the date on which an asset is classified as held for sale, this asset is no longer depreciated or amortized. Before their classification, an impairment test for these specific assets takes place and it is tested if they compose a single cash generating unit. Assets of Note 9, compose a CGU mainly because altogether they can be contributed in TRADE ESTATES S.A. Real Estate Investment Company.

Assets held for sale are classified as such, provided that their carrying value will be mainly recovered through sale rather than through continuing use. This condition is considered valid only when the sale is highly probable and the asset is available for immediate sale at its current condition. In order for the sale to be very possible, the management must have a plan for the sale of the asset (or the group of assets) and must be committed to this, while an active plan has been initiated so as to find a buyer and complete the program. Moreover, active efforts must be done in order to sell the asset (or group of assets) in a reasonable price compared to its current fair value. Also, the Management must have proceeded its actions for the sale at such point so as to be expected to be completed either based on stipulated by contractual time commitment or within a year from classification date.

A discontinued operation is an integral part of a financial entity that either has been sold or has been classified as held for sale and:

a) represents a separate major part of business operations or a geographical area of operations,

b) is part of a single, coordinated divestment program of a great part of operations or a geographical area of operations or

c) is a subsidiary acquired exclusively with the prospect to be resold

3.18 Share Capital

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

3.19 Loans

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

Interest and related expenses on loans taken for purchase or construction of fixed assets are capitalized. Capitalization of borrowing costs ceases when the asset is ready for its intended use. In case of borrowing specifically for the purpose of constructing or acquiring an asset, the borrowing costs related to the loan agreement are directly capitalized. Otherwise, in order to determine the part of the loan related with that fixed asset, a method is implemented to determine the proportion of the capitalized interest and the proportion of the interest which will be recorded to the statement of comprehensive income as an expense. Revenues, occurred as a result of investing part of a loan taken for construction of a fixed asset, reduce the amount of borrowing costs capitalized.

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

3.20 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to mitigate the risk arising from fluctuations in interest rates (Note 20). Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement of the current year.

The effective part of hedges that qualify for hedge accounting is recognized directly to equity if it is related to cash flow hedges while the ineffective part is charged to the consolidated income statement, while the non - effective part is recognized in the statement of comprehensive income. If the hedge is related to effective fair value hedges, the gain or loss from re-measuring the derivative hedging instrument at fair value is recognized in profit or loss and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss.

Under cash flow hedge accounting, when the hedged firm commitment results in the recognition of non - financial asset or a non - financial liability, then, at the time the asset or liability is recognized the associated gains or losses that had previously been recognized in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognized in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the statement of comprehensive income.

The new requirements regarding hedge accounting have improved hedging instruments accounting through risk management measures implemented by the Group and therefore, the number of hedge relationships, which meet the criteria for the implementation of hedge accounting, is expected to increase. On the date of the initial implementation, all Group's current hedge relationships would be recognized as ongoing hedge relationships. Following the implementation of IFRS 9, the Group recognizes changes in time value of stock options as deferred amount at a new reserve "hedge accounting" within the Group's equity. Deferred amounts are recognized against relevant the hedge transaction when it occurs. However, since the amounts were insubstantial, no change occurred at the comparative basis.

3.21 Current and Deferred Tax

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

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

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

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

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

Deferred tax assets are recognized for deductible temporary differences and unused tax losses, to the extent that it is probable that sufficient future taxable income will be available against which the unused tax losses and tax credits can be used or sufficient taxable deductible temporary differences that incur in the same company and will be recovered. Significant judgement is required by the Management in order to define the value of deferred tax assets which can be recognized having in mind the future tax incomes as well as the tax plan of the Group.

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

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

As a result deferred tax assets and liabilities are presented on a net basis in the separate financial statements of the Company while such items are presented separately in the consolidated accounts of the Group.

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

The tax rates in the countries that the Group operates for the year 2020 are presented below:

Country	**% Income Tax/Deferred Tax**
Greece	24,0%
Cyprus	12,5%
Bulgaria	10,0%

3.22 Employee Benefits

Employee benefits are:

a) Short term benefits

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

b) Post - retirement benefits

Companies of the Group pay retirement compensation to their employees. Such compensation varies in relation to the employees' years of service and salary payable at the time of retirement and is accounted for as a defined benefit plan. Post - retirement obligations are calculated at the present value of future employee benefits accrued as at the end of the reporting period, based on the benefits to be earned over their expected labor life. The above mentioned obligations are calculated based on actuarial valuation methods and are determined using the Projected Unit Method. Net costs of the period are included in the attached statement of comprehensive income and consist of the present value of the employee benefits that were accrued during the current year, the interest derived from the employee benefit obligation and the actuarial gains and losses which are recognised in full in the period in which they occur in the comprehensive income and they are not transferred in income statement in next periods. Full yield curve method is used for the definition of the discount interest rate in the calculation of the present value of the employee benefits.

c) State insurance programs

The employees of the Greek subsidiaries of the Group are covered, in terms of insurance programs, mainly through the Social Insurance Institution (EFKA) the largest Social Security Organization of the private sector, which supplies pension and medical coverage. Every employee is obliged to participate partially, through his salary, in the costs of the insurance program, while the remaining cost is covered by the Group. Upon retirement, the pension fund is responsible to cover the obligation of pensions and retirement benefits to the employees. As a consequence the Group does not have any other legal or future obligation to cover future employee benefits according to this pension program. This program is considered and accounted for as a defined contribution plan whereby the accrued social security contributions are recorded as an expense in the financial period in which they are incurred.

d) Private insurance programs

Every full time employee of the Group belonging to the management team, according to the internal company policy, is covered by a private insurance pension and other benefits program. The Group covers, the contract defined fees, while the financial management of the program is performed by the Insurance Firm. This program is considered and accounted for as a defined contribution plan whereby the accrued cost of the insurance fees is recorded as expense in the period in which they are incurred.

e) Stock option plan

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

The Company makes decisions regarding the implementation of the Stock Option Plan – to executives of the Company and its subsidiaries and affiliates in compliance with par.5 of Art.42e of Law 2190/1920.

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

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

3.23 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants of assets are presented in statement of financial position as other non-current liabilities and amortized over the expected useful life of the related asset. Such amortization is presented in other income in Statement of Comprehensive Income.

3.24 Contingent liabilities and Provisions

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

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

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

3.25 Revenue and expense recognition

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

The recognition of revenue is accounted for as follows:

- *Sales of goods and revenue from contracts with customers:* Sales of goods are recognized when the Group invoices and delivers the goods to the customers and the goods are accepted by them. Retail sales are through cash payments or through credit cards. In these cases the income recorded is the amount received by the customer. IFRS 15 establishes a 5-step model implemented for income arising from a contract with a customer (with limited exceptions), regardless the type of income transaction or segment. The standard applies also for the recognition and measurement of profit and loss from the sale of non-financial assets which are not included in the ordinary operation of the Group (e.g. sales of tangible or intangible assets).

It requires that entities must allocate the transaction price from contracts to distinctive promises, namely execution liabilities, based on standalone selling prices, according to five-step model. Afterwards, the income is recognized when the entity satisfies execution liabilities, namely when it transfers goods or services which are determined in the contract at the customer.

The standard is based on the principle that the income is recognized when control of a product or service is transferred to the customer. The Group operates in retail trading of furniture and household goods and sporting goods. According to IFRS 15, Revenue from contracts with customers, the Group recognizes revenue when control of the products is transferred, being when the products are delivered to the customer. Therefore, the adoption of IFRS 15 did not have an impact at the time of the revenue recognition. Net sales revenue is measured at fair value of the amount received. Net sales revenue excludes amounts collected by third parties such as value added taxes (VAT), as these are not included in the transaction price.

However, future discounts related to customer loyalty programs of the Group's companies create a right which must be recognized when exercised or expired, only if it is considered substantial and the customer would not acquire it if the initial transaction was not implemented. The Group provides discounts to its customers based on the points gathered from transactions made by using the customer loyalty program card. All these discounts are settled within 18 to 24 months depending on the program. According to the requirements of the standard, the Group estimates that these discounts represent substantial right for customers, create obligation for execution and therefore part of the income of each transaction which corresponds to this right will be recognized when exercised (fulfilment of obligation) or expired. IFRS 15 neither excludes nor defines a specific methodology for the estimation of the price of the point gathered as long as the estimation composes a reliable reflection of the price at which the Group would provide separately this product to the customer.

- *Provision of services:* The income from provision of services is recorded in the period in which the services are provided, based on the stage of completion of the provided service.
- *Interest income:* Interest income is recognized proportionally in time and by using the effective interest rate.
- *Dividends:* Dividends are recorded as income when the right to collect vests which is upon the decision of the General Assembly (ordinary or extraordinary). Expenses are recognized in the statement of comprehensive income as accrued.
- *Advertising costs:* Advertising costs are expensed as incurred and are included in distribution expenses.
- *Borrowing costs:* Underwriters costs, legal and other direct costs incurred during the issue of long term loans are deducted from the loan balances and are recorded to the statement of comprehensive income based on the effective interest rate method over the duration of the loan. Borrowing cost is recognized as an expense during the issue period, except of the case that Group

capitalizes borrowing costs according to IAS 23.

3.26 Leases

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

- *Group as a Lessor:* Income from operating leasing is recognized as income on a straight - line basis over the lease term.
- *Group as a Lessee:* The Group as a Lessor has only operating leasing. In more details, on the beginning date of the leasing period, a right of use asset and an liability are recognized by calculating present value of leases which remain unpaid, discounted with leasing interest rate (interest rate which would be accepted by the lessee in order to be loaned all necessary funds with similar terms). The Group determines the leasing duration as the contractual leasing duration, including the period which is covered by a) the right to extend leasing if it is almost sure that it will be exercised, or b) the right to terminate the contract if it is almost sure that it will not be exercised. The Group implements a single discount rate at each leasing category with similar characteristics (as leasing with similar duration, assets and economic environment). Afterwards, the asset is measured at cost less depreciation and any impairment losses while, the liability is measured by increasing book value with interest expenses on the liability and by decreasing book value with leases payments.

3.27 Offsetting of financial assets and liabilities

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

3.28 Derecognition of financial assets and liabilities

Financial Assets

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

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

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

Financial liabilities

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

3.29 Earnings/Losses per share

The basic and diluted earnings per share are calculated by dividing net profits after taxes with the weighted average number of shares of each period/ year.

The weighted average number of shares arises by summing the outstanding shares into which the share capital is divided and the rights that can be contingently exercised and are owned by the company and subtracting the shares buy back.

4. Financial Risk Management

a) Financial Risk Management

The Group is exposed to financial risks such as foreign exchange risk, credit risk, interest rate risk and liquidity risk. The management of risk is achieved by the central Treasury department, which operates using specific guidelines set by the Board of Directors. The Treasury department identifies, determines and hedges the financial risks in cooperation with the Groups' subsidiaries that face these risks. 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 credit risk, 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.

Credit risk:

The Group has diminuated the credit risk due to the focus in retail segments where the payment of goods is mainly achieved by cash in hand or by pre-paid credit cards.

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 these risks.

Coronavirus spread risk:

The Group carefully monitors the events regarding the spread of coronavirus, in order to adjust in the special conditions arising exclusively for the treatment and restriction of spread of COVID-19. It complies with the official directives of competent authorities for the operation of physical stores and central offices in countries it operates. It also complies with the existing legislation and conducts its trading transactions in its physical stores according to the directives. The quantitative and qualitative consequences on the Group's and Company's operation also taking into consideration the directives of capital market committee (letter sent to listed companies on 31/3/2020) are summarized in the following:

1. Reduction of the Group's sales within the period 1/1-31/12/2020 amounted € 58,9 million compared to the same period of last year and reduction of gross profit margin by 0,9% compared to the same period of last year. It is noted that within the period 1/1-31/12/2020, the Group's sales through its ecommerce stores increased by 18,4% compared to the same period of last year, while investments in innovation and technology continued and the upgrade of services, following the rapid changes in consumer habits and the physiognomy of the retail trade.
2. Increase in Group's cash equivalents within the period 1/1-31/12/2020 amounted € 56,3 million compared to last year due to the utilization of open credit lines and financial support measures to deal with the pandemic.
3. Reduction of the Group's operating expenses within the period 1/1-31/12/2020 amounted € 14,3 million compared to the last year and specifically reduction of the salary costs amounted € 7,2 million, third party services (rights, leases, energy, etc.) amounted € 3,1 million, other expenses (advertising, storage, transport, etc.) amounted € 3,4 million and taxes amounted € 0,5 million.
4. The Group utilized the national supporting measures to deal with the consequences of the pandemic in all countries which operates, whether they concerned salary costs, or leasing costs, or tax reliefs, or financing, or facilitation of payments.
5. The Group secured "freezing" agreements of payments to its main suppliers during suspension of stores operation as well as modification of payment terms for the period after the end of the suspension.
6. Within the year 2020 the availability of goods was not affected compared to the same period of last year.
7. Management of the Group has implemented telework in all the countries in which it operates.
8. The portfolio management service continues to identify, assess and hedge financial risks and provide guidance on the management of this exceptional risk, in order to provide protection to investors.

9. The Group has reinforced its infrastructures both in terms of information systems and operation of logistics centers, in order for its operational and commercial operation not only to continue smoothly but also to be further reinforced. In this context, new investments are realized by the subsidiary TRADE LOGISTICS AEBE for the expansion of the storage and the e-commerce orders' management and the automation of the provision of the relevant services. In addition, in order to enhance the coverage of its consumers growing expectations and creation of a complete positive experience for the customer, the Group seeks for the harmonious combination of e-commerce with the "traditional" development model, making the most of digital media and new technologies in order to offer an omnichannel experience to both offline and online level.
10. The Group continues strictly selected investments in home furniture and household goods retail segment in which it operates. In September 2020, the first IKEA Small Store in Varna, Bulgaria, with an area of 8.000 sq.m. and in December 2020, the IKEA Small Store in Piraeus, with an area of 1.850 sq.m., were added to the stores network of segment.
11. In the context of the approval received from the Hellenic Capital Market Commission for operating the company under formation "TRADE ESTATES REAL ESTATES INVESTMENT COMPANY" for its operation as: a) Real Estate Investment Company according to the provisions of law 2778/1999 and b) an internally managed Alternative Investments Fund Manager ("AIFM") according to the provisions of L. 4209/2013, the Group continues the implementation of its strategic plan. Moreover, within the first semester of 2020, it has acquired an indirect shareholding in the real estate company MANTENKO SA, while in the second semester of 2020 and specifically in July, it proceeded with the acquisition of a new corresponding indirect shareholding of 50% of the shares of the real estate company POLIKENCO SA.

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 - 31/12/2020.

5. Analysis of expenses and other operating income

a) The expenses are presented in the Consolidated Income Statement as follows:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Distribution expenses	66.327	81.610	45.729	59.104
Administrative expenses	13.053	12.633	10.766	10.537
Depreciation/Amortisation (Distribution)	10.463	13.400	8.215	9.658
Depreciation/Amortisation (Administration)	3.370	181	891	1.131
Expenses embedded on cost of sales	4.282	3.494	0	0
Depreciation/Amortisation on cost of sales	186	481	0	0
Other operating expenses	1.044	678	249	533
Total	**98.724**	**112.478**	**65.850**	**80.963**

The main categories of expenses are analysed below:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Payroll Expenses	37.538	44.341	24.155	30.451
Third party services	28.231	31.563	20.339	23.836
Taxes-duties	1.415	1.940	921	1.269
Depreciation/Amortisation	14.019	14.063	9.106	10.789
Other operating expenses	17.522	20.571	11.330	14.618
Total	**98.724**	**112.478**	**65.850**	**80.963**

The main categories of operating expenses are analyzed below:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Payroll Expenses	34.538	41.698	24.155	30.451
Third party services	15.493	18.631	9.758	12.533
Third party expenses	11.477	12.100	10.581	11.303
Taxes-duties	1.415	1.940	921	1.269
Other expenses & Depreciation	31.334	34.134	20.436	25.407
Total	**94.256**	**108.503**	**65.850**	**80.963**

Due to the Covid-19 pandemic and the consequent restrictions imposed on the countries in which the Group operates (suspension of physical stores) during the year 2020, expense lines such as payroll expenses, third party services and other operating expenses were significantly affected.

For the year ended on 31/12/2020, Company's miscellaneous expenses include auditors remuneration of amount € 20 th. regarding services other than financial statements audit (namely excluding ordinary audit services and tax certificate services of amount € 92 th.). Therefore, the percentage of non-audit services in relation to the audit services provided by the statutory auditor is 21,4%.

Payroll expenses are analyzed as follows:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Salaries and wages	28.596	34.099	18.022	23.052
Social security contributions	6.212	7.542	4.268	5.570
Miscellaneous grants	2.338	2.365	1.547	1.591
Personnel retirement benefits	392	335	318	238
Total	**37.538**	**44.341**	**24.155**	**30.451**

b) Other operating income is analysed as follows:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Subsidies Law 3299/04	0	150	0	0
Revenue from prior year and non-use of provisions	281	679	229	437
Fixed Assets Gain	2	5	2	0
Other income	9.892	6.658	7.333	4.527
Total	**10.175**	**7.491**	**7.563**	**4.964**

Consolidated other income of the year 2020, includes the amount of € 2.771 th. (2019: € 2.640 th.) which is mainly income from orders delivery charges and rents receivable and expenses of Group's subsidiaries, € 2.449 th. (2019: € 1.973 th.) from customer services and € 344 th. (2019: € 345 th.) from photovoltaic income. Other income also includes income from co-advertising amounted € 1,5 million (2019: 0 million) and income from lease discounts and VAT refunds due to COVID amounting to € 1.297 thousand.

Moreover, Company's other income of the year 2020, includes the amount of € 1.585 th. (2019: € 1.856 th.) which is mainly income from orders delivery charges and rents receivable, € 1,5 million (2019: 0 million) income from co-advertising, € 2.192 th. (2019: € 1.788 th.) from customer services and € 1.222 th. income from lease discounts and VAT refunds due to COVID.

c) Net Financial Results are analyzed as follows:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Interest - expenses	(4.951)	(4.164)	(3.517)	(2.620)
Credit Card fees	(2.504)	(2.830)	(1.927)	(2.235)
Foreign exchange differences (expense) - realized-	(32)	(95)	(8)	(88)
Other bank expenses	(478)	(453)	(345)	(344)
Other financial expenses	(8)	(1)	(8)	(1)
Interest of lease liabilities	(2.481)	(2.725)	(2.305)	(2.556)
Total finance cost	**(10.455)**	**(10.268)**	**(8.110)**	**(7.843)**
Interest and related income	89	42	87	40
Foreign exchange differences (income) - realized-	1	109	1	107
Gain from sale of Equity Investments	45	4	45	4
Total finance income	**135**	**155**	**133**	**151**
Financial expenses / income	**(10.320)**	**(10.113)**	**(7.977)**	**(7.692)**

(d) Consolidated financial statements include, through equity method, the associated companies VYNER LTD and SW SOFIA MALL ENTERPRISES LTD, MANTENKO SA, POLIKENCO SA.

6. Property, plant and equipment

Changes in property, plant and equipment for the periods 1/1-31/12/2020 and 1/1-31/12/2019 are analyzed as follows:

Group

	Buildings and installations	Machinery /Installations	Vehicles	Furniture	Assets under construction	Total
Net book value at 31.12.2019	**22.308**	**1.714**	**948**	**5.859**	**3.282**	**34.111**
1.1 - 31.12.2020						
Additions	2.545	275	113	2.630	315	5.879
Other changes in acquisition cost	(19.387)	(38)	(5)	(842)	(3)	(20.274)
Depreciation/ amortization	(2.400)	(354)	(192)	(1.968)	0	(4.914)
Other changes in depreciation	18.872	37	5	839	0	19.753
Acquisition cost at 31.12.2020	**47.106**	**6.231**	**5.498**	**38.436**	**3.594**	**100.865**
Accumulated depreciation at 31.12.2020	**(25.167)**	**(4.596)**	**(4.630)**	**(31.918)**	**0**	**(66.310)**
Net book value at 31.12.2020	**21.939**	**1.635**	**869**	**6.519**	**3.594**	**34.555**

Group

	Land	Buildings and installations	Machinery /Installations	Vehicles	Furniture	Assets under construction	Total
Net book value at 31.12.2018	**52.266**	**119.141**	**1.775**	**966**	**5.936**	**2.688**	**182.772**
1.1 - 31.12.2019							
Additions	325	3.612	403	188	1.877	1.756	8.162
Other changes in acquisition cost	0	53	(69)	(24)	(510)	(138)	(688)
Transfer of acquisition cost to assets held for sale	(52.591)	(121.016)	0	0	0	(1.024)	(174.631)
Depreciation/ amortization	0	(5.917)	(451)	(206)	(1.936)	0	(8.510)
Other changes in depreciation	0	32	56	24	492	0	603
Transfer of accumulated depreciation to assets held for sale	0	26.403	0	0	0	0	26.403
Acquisition cost at 31.12.2019	**0**	**63.948**	**5.993**	**5.390**	**36.648**	**3.282**	**115.260**
Accumulated depreciation at 31.12.2019	**0**	**(41.640)**	**(4.279)**	**(4.442)**	**(30.789)**	**0**	**(81.150)**
Net book value at 31.12.2019	**0**	**22.308**	**1.714**	**948**	**5.859**	**3.282**	**34.111**

Company

	Buildings and installations	Machinery /Installations	Vehicles	Furniture	Assets under construction	Total
Net book value at 31.12.2019	**17.925**	**1.210**	**309**	**3.046**	**58**	**22.548**
1.1 - 31.12.2020						
Additions	894	234	22	864	9	2.024
Other changes in acquisition cost	(18.458)	(32)	(5)	(783)	(2)	(19.280)
Depreciation/ amortization	(1.879)	(220)	(53)	(1.051)	0	(3.203)
Other changes in depreciation	18.458	32	5	781	0	19.275
Acquisition cost at 31.12.2020	**40.769**	**4.392**	**1.639**	**22.089**	**66**	**68.955**
Accumulated depreciation at 31.12.2020	**(23.829)**	**(3.169)**	**(1.361)**	**(19.232)**	**0**	**(47.590)**
Net book value at 31.12.2020	**16.941**	**1.223**	**279**	**2.857**	**66**	**21.365**

Company

	Land	Buildings and installations	Machinery /Installations	Vehicles	Furniture	Assets under construction	Total
Net book value at 31.12.2018	**31.316**	**53.200**	**1.310**	**298**	**3.141**	**0**	**89.265**
1.1 - 31.12.2019							
Additions	37	1.392	202	77	1.005	999	3.711
Other changes in acquisition cost	0	(36)	(30)	(5)	(444)	0	(515)
Transfer of acquisition cost to assets held for sale	(31.354)	(34.847)	0	0	0	(941)	(67.141)
Depreciation/ amortization	0	(3.097)	(300)	(65)	(1.084)	0	(4.546)
Other changes in depreciation	0	31	29	5	428	0	493
Transfer of accumulated depreciation to assets held for sale	0	1.281	0	0	0	0	1.281
Acquisition cost at 31.12.2019	**0**	**58.334**	**4.190**	**1.621**	**22.007**	**58**	**86.211**
Accumulated depreciation at 31.12.2019	**0**	**(40.409)**	**(2.980)**	**(1.312)**	**(18.962)**	**0**	**(63.663)**
Net book value at 31.12.2019	**0**	**17.925**	**1.210**	**309**	**3.046**	**58**	**22.548**

Additions in Property, Plant and Equipment for the period refer to the purchase of equipment and formation expenses of retail stores of home furniture and household goods (new and existing). On 10/9/2020 a new IKEA Store started its operation in Varna, Bulgaria (IKEA Small Store), in the Delta Planet Mall. This is an 8.000 sqm store that is the first of the network of stores with the new philosophy of medium and small size Group intends to develop in the near future. On 9/9/2020, the Pick Up & Order Point Center in Varna, Bulgaria, stopped its operation.

On 28/12/2020, a new IKEA Store of 2.000 sqm started operating in Piraeus, which is also a new generation store for the home furniture and household goods segment (IKEA Small Store).

Most considerable additions in property, plant and equipment in the year 2020 refer to:

a) property, plant and buildings installations of amount € 2,5 million for IKEA Stores.

b) machinery – installations, furniture and miscellaneous equipment of amount € 2,5 million for IKEA Stores.

Other changes in acquisition cost of the Group include write-offs of amount € 1.540 thousand, amount € 18.457 th. which concerns reclassification of the amounts that have been transferred to assets held for sale on 31/12/2019 and sales of assets of amount € 275 th.. Also, the other changes in depreciation of the Group include write-offs of amount € 1.264 th., amount € 18.457 th. which concerns reclassification of the amounts that have been transferred to assets held for sale on 31/12/2019 and sales of assets of amount € 32 th..

Other changes in acquisition cost of the Company include write-offs of amount € 793 thousand, amount € 18.457 th. which concerns reclassification of the amounts that have been transferred to assets held for sale on 31/12/2019 and sales of assets of amount € 28 th.. Also, the other changes in depreciation of the Group include write-offs of amount € 791 th., amount € 18.457 th. which concerns reclassification of the amounts that have been transferred to assets held for sale on 31/12/2019 and sales of assets of amount € 27 th..

Depreciation of property, plant and equipment and intangible assets of total amount € 6.149 thousand, was registered in cost of sales by the amount of € 186 th., in Distribution expenses by the amount of € 5.111 thousand and in Administrative expenses by the amount of € 851 thousand and respectively for the Company depreciation of total amount € 4.177 thousand (Note 5), was registered in Distribution expenses by the amount of € 3.409 thousand and in Administrative expenses by the amount of € 768 thousand. On 31/12/2020, the Group examined the value of property, plant and equipment of its stores (Cash Generating Units) and wherever there was existence of indication for impairement of value, an impairement test was implemented. On 31/12/2020 no impairement arised for the Group's property, plant and equipment. Net book value of property, plant and equipment regarding IKEA Stores for the Group amounts to € 31.273 th. (2019: 31.377 th.) and for the Company amounts to € 21.206 th. (2019: 22.384 th.)

7. Right of use assets

Right of use assets of the Group and the Company for the years 2020 and 2019 are analysed as follows:

	Leasing Buildings	Group Leasing Machinery /Installations	Leasing Vehicles	Total
Net book value at 31.12.2019	**60.017**	**2.010**	**556**	**62.583**
Other changes				
Additions	6.371	29	248	6.648
Other changes in acquisition cost	(3.988)	0	(31)	(4.019)
Depreciation/ amortization	(5.272)	(394)	(185)	(5.851)
Acquisition cost at 31.12.2020	**67.812**	**2.437**	**987**	**71.236**
Accumulated depreciation at 31.12.2020	**(10.684)**	**(791)**	**(399)**	**(11.874)**
Net book value at 31.12.2020	**57.128**	**1.646**	**588**	**59.362**

	Leasing Buildings	Group Leasing Machinery /Installations	Leasing Vehicles	Total
Initial Recognition 1.1.2019	**65.125**	**2.379**	**636**	**68.140**
Other changes				
Additions	304	29	134	467
Depreciation/ amortization	(5.412)	(398)	(214)	(6.023)
Acquisition cost at 31.12.2019	**65.429**	**2.408**	**769**	**68.606**
Accumulated depreciation at 31.12.2019	**(5.412)**	**(398)**	**(214)**	**(6.023)**
Net book value at 31.12.2019	**60.017**	**2.010**	**556**	**62.583**

	Company		
	Leasing Buildings	Leasing Vehicles	Total
Net book value at 31.12.2019	**57.771**	**340**	**58.112**
Other changes			
Additions	2.569	160	2.730
Other changes in acquisition cost	(3.086)	(31)	(3.117)
Depreciation/ amortization	(4.797)	(101)	(4.898)
Acquisition cost at 31.12.2020	**62.220**	**609**	**62.829**
Accumulated depreciation at 31.12.2020	**(9.762)**	**(240)**	**(10.002)**
Net book value at 31.12.2020	**52.457**	**369**	**52.827**

	Company		
	Leasing Buildings	Leasing Vehicles	Total
Initial Recognition 1.1.2019	**62.432**	**417**	**62.849**
Other changes			
Additions	304	63	367
Depreciation/ amortization	(4.965)	(139)	(5.104)
Acquisition cost at 31.12.2019	**62.737**	**479**	**63.216**
Accumulated depreciation at 31.12.2019	**(4.965)**	**(139)**	**(5.104)**
Net book value at 31.12.2019	**57.771**	**340**	**58.112**

Additions of right to use assets of the period relate to new lease agreements for retail stores of the home furniture and households goods and sporting goods segments.

In particular, on 10/9/2020 the IKEA Store (IKEA Small Store) in Varna, Bulgaria started its operation and on 28/12/2020 the IKEA Store (IKEA Small Store) in Piraeus started its operation.

On 31/12/2020, the Group examined the value of property, plant and equipment of its stores (Cash Generating Units) and wherever there was existence of indication for impairement of value, an impairement test was implemented. On 31/12/2020 no impairement arised for the Group's right to use assets.

8. Assets held for sale

The Group continues to exploit new investing opportunities regarding the approval it received from Hellenic Capital Market Commission on 28/2/2019 for operating 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 for the establishment of companies operating in real estate management in Cyprus and Bulgaria

(TRADE ESTATES CYPRUS LTD, H.M. ESTATES CYPRUS LTD, TRADE ESTATES BULGARIA EAD) and for the strategic plan of TRADE ESTATES S.A. which includes the finding of a business partner who will make a significant investment in the established company, with percentage that will arise at least and more than 50%. Therefore, on 31/12/2019 the Group classified its assets related to TRADE ESTATES SA of amount € 176,9 mil. as held for sale because on this date all criteria are met regarding their classification based on IFRS 15 as mentioned in Note 3.17. Before classification time, as defined by provisions of IAS 36, an impairment test was made at these specific assets before their classification as assets held for sale and no impairment loss arised. Assets which have been classified for sale compose a cash generating unit (CGU) given that they set an entire total of operations and assets which will be contributed in TRADE ESTATES SA in order implement the approval received by HCMC. These specific assets were measured at the lowest value between book value and fair value minus sale expenses. The fair value estimation was conducted by certified appraisers in February 2021 and amounted to € 184,7 mil. Based on the estimates, impairment amounted € 1,9 million arised in the assets held for sale of two subsidiaries (RENTIS SA and TRADE ESTATES BULGARIA EAD). During the year 2020 the Management confirmed the assumptions that were used to ensure that the assets held for sale are measured at the lowest value between book value and fair value.

On 31/12/2020 the criteria for the classification of assets held for sale under IFRS 15 continue to be met, given that:

- their net book value will be recovered primarily from the sale and not from their continued use,
- the assets are available for immediate sale in their current condition,
- there is Management's commitment and a buyer-finding program is in progress, while active efforts have been made to sell the assets at a price that is reasonable in relation to their fair value. In particular, professional investment advisers have been hired and while the COVID-19 pandemic has delayed the negotiation process by about 10 months, advanced discussions and exchange of draft contract texts and detailed budget figures with specific potential investors, creates belief that it is very likely within 2021 to find a strategic partner who will make a significant investment in the established company, with percentage that will arise at least and more than 50%.
- the sale is expected to take place no later than the second semester of year 2021.

Assets and liabilities which are included in category held for sale on 31/12/2020 are as follows:

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Assets	180.564	178.502	79.753	79.434
Investments	5.363	0	5.363	0
Deferred Taxes	(3.422)	(2.766)	(2.650)	(2.210)
Total non-current assets	**182.505**	**175.737**	**82.466**	**77.223**
Other receivables	0	1.212	0	0
Total current assets	**0**	**1.212**	**0**	**0**
Non - current loans	(13.800)	(15.100)	0	0
Other non-current liabilities	(4.355)	(4.383)	0	0
Total non current Liabilities	**(18.155)**	**(19.483)**	**0**	**0**
Current portion of non-current loans and borrowings	(2.500)	(2.400)	0	0
Total current Liabilities	**(2.500)**	**(2.400)**	**0**	**0**
Net Assets	**161.850**	**155.066**	**82.466**	**77.223**

Changes in the value of assets held for sale within the period 1/1 - 31/12/2020 include:

a) the indirect shareholding of the company MANTENKO SA amounted € 3,3 mil. which was classified as an asset held for sale within the year 2020,

b) the indirect shareholding of the company POLIKENCO SA amounted € € 2.1 million which was classified as an asset held for sale within the year 2020 and

c) the additions amounted € 3,2 million in assets that were recognized as held for sale on 31/12/2019.

9. Intangible assets

Intangible assets are analyzed as follows:

	Group			
	Royalties	**Software**	**Miscellaneous**	**Total**
Net book value at 31.12.2019	**3.796**	**3.220**	**9**	**7.026**
1.1 - 31.12.2020				
Additions	0	1.098	0	1.098
Depreciation/ amortization	(278)	(955)	(2)	(1.235)
Acquisition cost at 31.12.2020	**8.872**	**10.766**	**12**	**19.650**
Accumulated depreciation at 31.12.2020	**(5.353)**	**(7.403)**	**(5)**	**(12.761)**
Net book value at 31.12.2020	**3.519**	**3.363**	**7**	**6.889**

	Group			
	Royalties	Software	Miscellaneous	Total
Net book value at 31.12.2018	**4.074**	**2.317**	**11**	**6.402**
1.1 - 31.12.2019				
Additions	0	1.580	0	1.580
Depreciation/ amortization	(278)	(677)	(2)	(956)
Acquisition cost at 31.12.2019	**8.872**	**9.668**	**12**	**18.552**
Accumulated depreciation at 31.12.2019	**(5.075)**	**(6.448)**	**(3)**	**(11.526)**
Net book value at 31.12.2019	**3.796**	**3.220**	**9**	**7.026**

	Company			
	Royalties	Software	Miscellaneous	Total
Net book value at 31.12.2019	**2.917**	**2.400**	**9**	**5.325**
1.1 - 31.12.2020				
Additions	0	790	0	790
Depreciation/ amortization	(250)	(723)	(2)	(975)
Acquisition cost at 31.12.2020	**7.210**	**8.227**	**12**	**15.449**
Accumulated depreciation at 31.12.2020	**(4.543)**	**(5.760)**	**(5)**	**(10.308)**
Net book value at 31.12.2020	**2.667**	**2.467**	**7**	**5.141**

	Company			
	Royalties	Software	Miscellaneous	Total
Net book value at 31.12.2018	**3.167**	**1.810**	**11**	**4.988**
1.1 - 31.12.2019				
Additions	0	1.103	0	1.103
Depreciation/ amortization	(250)	(513)	(2)	(765)
Acquisition cost at 31.12.2019	**7.210**	**7.437**	**12**	**14.659**
Accumulated depreciation at 31.12.2019	**(4.293)**	**(5.037)**	**(3)**	**(9.334)**
Net book value at 31.12.2019	**2.917**	**2.400**	**9**	**5.325**

Royalties include the use of brand names (IKEA).

Additions in intangible assets are related to software licenses.

Depreciation of intangible assets of the Group for the year 2020 amounted to € 1.235 th.

On 31/12/2020, the Group examined the value of property, plant and equipment of its stores (Cash Generating Units) and wherever there was existence of indication for impairement of value, an impairement test was implemented. On 31/12/2020 no impairement arised for the Group's intagible assets.

10. Investments in affiliates and associates

Investments are as analyzed as follows:

	COUNTRY	COMPANY			
		% SHAREHOLDING 2020	31/12/2020	% SHAREHOLDING 2019	31/12/2019
SUBSIDIARIES					
HM HOUSEMARKET (CYPRUS) LTD	Cyprus	100%	11.041	100%	11.041
HM HOUSEMARKET BULGARUA EAD	Bulgaria	100%	9.999	100%	9.999
TRADE LOGISTICS SA	Greece	100%	18.520	100%	18.520
WYLDES LTD	Cyprus	100%	40.937	100%	40.657
TOTAL			**80.497**		**80.217**

Operation of each company is analysed in the Annual Report of the Board of Directors.

On 31/12/2020 there were no indications for the conduction of impairment test of the subsidiaries, as subsidiaries had operating profits.

Associated companies VYNER LTD and SW SOFIA MALL ENTERPRISES LTD are included in the consolidated financial statements of the Group through the application of equity method, the amount of which in "investment in subsidiaries and associates" of the Group on 31/12/2020 was € 27.465 th. (2019: € 29.803 th.). After applying the equity method, loss of € 2.767 thousand (2019: profit € 1.284 thousand) was recognised in the consolidated income statement under "Contribution to associate companies profit and loss" with a corresponding increase in the carrying value of investments in associates. Further differentiation of the investment value is due to the increase of the share capital of the associate SW SOFIA MALL ENTERPRISES LTD of amount € 250 thousand and due to receivables write-off of amount € 94 thousand of the associate SW SOFIA MALL ENTERPRISES LTD and of amount € 85 thousand of the associate VYNER LTD.

The consolidated financial information of VYNER LTD is as follows:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Profit/ (Loss)	% Shareholding
2020	Cyprus	149.269	89.387	7.952	(186)	50,00%
2019	Cyprus	146.395	86.772	11.230	1.242	50,00%

The consolidated financial information of SW SOFIA MALL ENTERPRISES LTD is as follows:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Profit/ (Loss)	% Shareholding
2020	Cyprus	2.789	206	198	193	50,00%
2019	Cyprus	2.266	200	183	(169)	50,00%

In relation to the associated company SW SOFIA MALL ENTERPRISES LTD, we note that regarding IAS 28, if the investor's share in an associate's losses equals or exceeds the book value o the investment, the investor no longer recognizes his share in further losses. The proportion in equity of the company, at the end of the current period amounts to € 1.292 th. (2019: € 1.033 th.)

Associated companies MANTENKO SA and POLIKENCO SA are included in the consolidated financial statements of the Group through the application of equity method, the amount of which in "assets held for sale" of the Group on 31/12/2020 was € 5.363 th. (2019: € 0 th.).

The financial information of MANTENKO SA is as follows:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Profit/ (Loss)	% Shareholding
2020	Greece	6.587	9	-	-	50,00%

The financial information of POLIKENCO SA is as follows:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Profit/ (Loss)	% Shareholding
2020	Greece	6.304	2.210	-	-	50,00%

11. Inventory

Inventory is analyzed as follows:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Inventory	37.765	35.821	24.751	22.296
Advances for purchases of merchandise	(171)	33	0	43
Total	**37.594**	**35.854**	**24.751**	**22.339**

The inventory cost of the Group which was recorded as an expense under cost of goods sold amounts to € 141.577 thousand (2019: € 174.246 thousand) for the Group and € 84.196 thousand (2019: € 110.024 thousand) for the Company.

The inventory value written-off within the financial year amounts to € 679 thousand (2019: € 936 thousand) for the Group and € 517 thousand (2019: € 730 thousand) for the Company.

The total provision for inventory on 31/12/2020 for the Group amounts to € 2.291 th. (31/12/2019: € 459 th.) and for the Company amounts to € 2.019 th. (31/12/2019: € 357 th.).

12. Trade receivables

Trade receivables are analyzed as follows:

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Trade receivables	10.953	10.731	10.144	9.838
Cheques receivables	18	24	18	24
Bad Debt Provisions	(7.512)	(7.412)	(7.512)	(7.412)
Total	**3.458**	**3.343**	**2.650**	**2.449**

As at December 31, 2020 and 2019 the ageing of trade receivables is analyzed as follows:

	Group		
	Total	**Not due trade receivables**	**Overdue trade receivables**
31/12/2020	**3.458**	2.058	1.401
31/12/2019	**3.343**	1.864	1.478

Not due trade receivables of the Group include amounts resulting from leasing and occupancy invoicing € 545 th. (2019: € 194 th.), from electricity invoicing to LAGIE € 73 th. (2019: € 79 th.), from warehousing of subsidiary company € 401 th. and from other € 1.039 th.

	Company		
	Total	**Not due trade receivables**	**Overdue trade receivables**
31/12/2020	**2.650**	1.249	1.401
31/12/2019	**2.449**	971	1.478

Not due trade receivables of the Company mainly include amounts resulting from leasing invoicing € 67 th. (2019: € 166 th.).

13. Long-term receivables

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Assets:				
Guarantees given to Property Lease Holders	2.624	2.655	2.620	2.651
Guarantees given to third party	11	31	0	20
Other Long term claims	0	0	0	2.500
Total	**2.636**	**2.687**	**2.620**	**5.171**

Guarantees for property lease are directly related to the operation of the Group's companies as they regard trading property. Also, guarantees have been given for public services and organizations.

14. Other receivables

Other receivables are analyzed as follows:

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Suppliers advances	2.448	562	89	286
Credit Cards receivable	1.897	2.120	676	1.667
Accruals	1.694	2.489	1.172	1.598
Other debtors	4.049	3.398	6.123	4.908
Total	**10.088**	**8.568**	**8.060**	**8.459**

For the Company on 31/12/2020, other debtors include the amount of € 245 th. regarding credit cards discounting program (2019: € 273 th.) € 1.209 th. regarding municipal taxes receivables (2019: € 1.209 th.) and € 22 th. regarding pledged bank accounts (2019: € 52 th.).

For the Group on 31/12/2020, other debtors include the amount of € 245 th. regarding credit cards discounting program of a subsidiary through factoring (2019: € 273 th.), € 1.209 th. regarding municipal taxes receivables (2019: € 1.209 th.) and € 22 th. regarding pledged bank accounts.

15. Cash and cash equivalent

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

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Cash in hand	1.628	1.357	1.319	961
Bank Deposits	77.739	21.685	57.676	7.016
Total	**79.367**	**23.042**	**58.995**	**7.978**

The increase in cash is due to the utilization of open credit lines and government's financial support measures for companies. The temporary unallocated cash amounts of the Group's companies are placed in short-term deposits in euros. The average weighted deposit interest rate for the year 2020 is 0,25% (2019: 0,57%).

16. Share capital

On 31/12/2020 the share capital amounted to € 47.450.647 (2019: € 47.450.647) divided into 47.450.647 (2019: 47.450.647) shares of nominal value € 1,00 per share.

17. Reserves

The movement of the reserves is analyzed as follows:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Statutory Reserves	8.268	8.268	8.268	8.268
Revaluation Reserves	722	722	722	722
Tax free reserves	7.725	7.725	7.725	7.725
SOP Reserve	1.735	1.437	1.570	1.295
IRS Reserve	(256)	(287)	0	0
Total	**18.194**	**17.865**	**18.285**	**18.009**

Statutory Reserve: In accordance with the provisions of Greek company law, the creation of a statutory reserve, through the transfer of the 5% of the annual after tax profits, is mandatory up until the reserve reaches 1/3 of the share capital. The statutory reserve is only distributable upon dissolution of the Company, it may however be used to set - off accumulated losses.

Tax-free reserves: The Group has tax-free reserves of amount € 7.725 th. (2019: 7.725 th.) which arised mainly from dividends and income from doubtful debt provision of L. 3296/04. In case of disposal or capitalization they will be taxed with the tax rate provided by article 71B of L. 4172/2013.

Exchange Differences from foreign companies' financial statements conversion: This reserve is comprised from the foreign exchange differences arising from the retranslation of the financial statements of the Group's companies which have a different functional currency from the parent company.

Cash Flow Hedging reserve: The hedging reserve comprises of the effective portion of the cumulative net change in the fair value of cash flow hedging instruments (IRS) – Note 20.

SOP Reserves: This reserve is created with the General Assembly approval of the SOP for employees of the Company and Group. After the exercise of the options or waive of beneficiaries, the remaining amount of the reserve can be transferred to Retained Earnings.

Revaluation Reserves: This reserve is created from revaluation on land and buildings. According to Greek Law, revaluation reserves can not be distributed to shareholders.

18. Dividends

The Ordinary Shareholders General Assembly dated on 12/6/2020 did not propose a dividend distribution for the year 2019 taking into consideration the financial results of this period. The Extraordinary General Assembly of shareholders of the Company on 31/12/2020 approved the distribution of dividend from prior year profits of amount € 7 mil. (2019: € 6,2 million).

19. Employee retirement benefits

19.1 Liabilities due to termination of service

The obligation of employee compensation due to termination of service (Law 2112/20, 4093/12 for Greek Companies, Bulgarian Labor Law for Bulgarian Company) appears in the Financial Statements in compliance with IAS 19 and is based on an actuarial study elaborated by AON Hewitt on December 31st 2020.

Basic assumptions of the actuarial study for Greece are the following:

Greek Companies	2020	2019
Average annual payroll increase	1,00%	1,00%
Discount interest rate	0,53%	1,01%
Inflation	1,00%	1,00%
Plan duration (years)	23	16-15

In case of an average annual payroll increase by 0,50% (namely 1,50%), the amount of liabilities due to termination of service of Greek companies would increase from 7,35% to 7,89%. In case of a discount rate increase by 0,50%, the amount of liabilities due to termination of service of Greek companies would decrease from 6,71% to 7,22%.

Bulgarian Company	2020	2019
Average annual payroll increase	2,50%	1,80%
Discount interest rate	0,29%	0,40%
Inflation	1%	0,30%
Plan duration (years)	14,54	21

In case of an average annual payroll increase by 0,50% (namely 3%), the amount of liabilities due to termination of service of Bulgarian company would increase by 11,21%. In case of a discount rate increase by 0,50% (namely 0,79%), the amount of liabilities due to termination of service of Bulgarian company would decrease by 10,12%.

The expense derived from the compensation to employees due to retirement, that was recorded in the Income Statement is analysed as follows:

	Group		**Company**	
	1/1 - 31/12/2020	**1/1 - 31/12/2019**	**1/1 - 31/12/2020**	**1/1 - 31/12/2019**
Service Cost	286	295	216	205
Interest Cost	42	62	39	56
Cost reduction/settlement/termination service	129	37	121	32
Total amount allocated in Income statement	**458**	**394**	**376**	**292**
Balance of liability at the beginning	**4.234**	**3.428**	**3.731**	**2.996**
Compensation due to retirement	458	394	376	292
Paid amounts	(70)	(61)	(58)	(53)
Actuarial gains/losses	499	473	411	496
Balance of liability in the end	**5.121**	**4.234**	**4.460**	**3.731**

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

19.2 Share based payments

Members of the Management of the Company and its subsidiaries take part in a SOP program of the parent company FOURLIS HOLDINGS SA.

The Ordinary General Assembly of the Company FOURLIS HOLDINGS SA of June 16, 2017, under the context of Stock Option Plan, approved the disposal of 2.566.520 stock options and the authorization to the Board of Directors regarding the settlement of procedures and details. The program will be implemented in four waves, with a maturity period of five years per wave. Options should be exercised within five years since their maturity date. In case that, after the grant some of the options remain undisposed, those options will be cancelled. The underlying price of each wave is the closing stock price on the day of General Assembly's resolution regarding the approval of the program.

On 20/11/2017 the board of Directors granted 641.630 Stock Options, which are the first of the four waves. The underlying share price, to which conferred options reflect, is determined at the amount of 5,768 € per share which is the closing stock price of the share on the date of the General Assembly.

The options of the wave mentioned above are granted within five years as follows:

Vesting Date	No of Options
31/12/2017	128.326
31/12/2018	128.326
31/12/2019	128.326
31/12/2020	128.326
31/12/2021	128.326

The fair value of options has been calculated based on the simulation of the Company's share price assuming that the price will develop to the "Binomial Pricing" model. Fair value per option and vesting date has been defined based on model 5 Bermudan option as follows:

Vesting Date	Value per Option €
31/12/2017	0,962
31/12/2018	1,064
31/12/2019	1,152
31/12/2020	1,225
31/12/2021	1,290

The variables upon which the data above were calculated are as follows:

Variable	Value
Exercise Price	€ 5,77
Grant Date	20/11/2017
Stock Volatility	28,1%
Dividend Yield	1,72%
Attrition Rate	0%
Risk Free Rate	0,3953%

On 19/11/2018 the board of Directors granted 641.630 Stock Options, which are the second of the four waves. The underlying share price, to which conferred options reflect, is determined at the amount of 5,667 € per share which is the closing stock price of the share (adjusted with the share capital decrease which took place after the date of the General Assembly).

The options of the wave mentioned above are granted within five years as follows:

Vesting Date	**No of Options**
31/12/2018	128.326
31/12/2019	128.326
31/12/2020	128.326
31/12/2021	128.326
31/12/2022	128.326

The fair value of options has been calculated based on the simulation of the Company's share price assuming that the price will develop to the "Binomial Pricing" model. Fair value per option and vesting date has been defined based on model 5 Bermudan option as follows:

Vesting Date	**Value per Option €**
31/12/2018	0,541
31/12/2019	0,623
31/12/2020	0,694
31/12/2021	0,756
31/12/2022	0,809

The variables upon which the data above were calculated are as follows:

Variable	**Value**
Exercise Price	€ 5,67
Grant Date	19/11/2018
Stock Volatility	26,6%
Dividend Yield	2,012%
Attrition Rate	0%
Risk Free Rate	0,575%

On 19/11/2019 the board of Directors granted 641.630 Stock Options, which are the third of the four waves. The underlying share price, to which conferred options reflect, is determined at the amount of 5,5637 € per share which is the closing stock price of the share (adjusted with the share capital decrease which took place after the date of the General Assembly).

The options of the wave mentioned above are granted within five years as follows:

Vesting Date	**No of Options**
31/12/2019	128.326
31/12/2020	128.326
31/12/2021	128.326
31/12/2022	128.326
31/12/2023	128.326

The fair value of options has been calculated based on the simulation of the Company's share price assuming that the price will develop to the "Binomial Pricing" model. Fair value per option and vesting date has been defined based on model 5 Bermudan option as follows:

Vesting Date	Value per Option €
31/12/2019	1,006
31/12/2020	1,098
31/12/2021	1,176
31/12/2022	1,240
31/12/2023	1,294

The variables upon which the data above were calculated are as follows:

Variable	Value
Exercise Price	€ 5,56
Grant Date	19/11/2019
Stock Volatility	27,7%
Dividend Yield	1,852%
Attrition Rate	0%
Risk Free Rate	0,575%

On 24/11/2020 the board of Directors granted 641.630 Stock Options, which are the fourth of the four waves. The underlying share price, to which conferred options reflect, is determined at the amount of 5,5637 € per share which is the closing stock price of the share (adjusted with the share capital decrease which took place after the date of the General Assembly).

The options of the wave mentioned above are granted within five years as follows:

Vesting Date	No of Options
31/12/2020	128.326
31/12/2021	128.326
31/12/2022	128.326
31/12/2023	128.326
31/12/2024	128.326

The fair value of options has been calculated based on the simulation of the Company's share price assuming that the price will develop to the "Binomial Pricing" model. Fair value per option and vesting date has been defined based on model 5 Bermudan option as follows:

Vesting Date	Value per Option €
31/12/2020	0,507
31/12/2021	0,601
31/12/2022	0,683
31/12/2023	0,755
31/12/2024	0,818

The variables upon which the data above were calculated are as follows:

Variable	Value
Exercise Price	€ 5,56
Grant Date	24/11/2020
Stock Volatility	38,8%
Dividend Yield	2,111%
Attrition Rate	0%
Risk Free Rate	0,575%

Under the context of the Stock Option Plan which was approved and established by the resolution of the Extraordinary General Assembly of the shareholders on 27/9/2013 (Stock Option Plan – hereinafter "the Program"), within the year 2020, 87.040 options were exercised (hereinafter "the Options"). Following the resolution of the Board of Directors on 28/12/2020 (relevant minutes of the BoD with number 417/28.12.2020), the exercise of the aforementioned options from the corresponding beneficiaries of the Program was certified by payment of the exercise price of the new shares.

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 (27/9/2013). Already, following the resolutions of 20/11/2017, 19/11/2018 and 18/11/2019 of the BoD (relevant minutes of the BoD 389/20.11.2017, 399/19.11.2018 and 407/18.11.2019), an adjustment has been made at the historical price of the Company's share and therefor the implememted exercise price of the options of the SOP is accounted at the amount of € 0,2226 € (3,2226 €) per share.

Following the certification of the payment of the exercise price of the Stock Options by their beneficiaries, namely the amount of € 280.495,10, 87.040 new common nominal shares were issued and delivered to the corresponding beneficiaries of the Program, of nominal value € 1,00 per share, while the share capital of the Company increased by the amount of € 87.040,00 which reflects to the nominal value of the new shares. Moreover, following the exercise of the aforementioned Options by payment of the exercise value, namely € 3,2226 per share according to the aforementioned, the share premiun, of total amount € 193.455,10, was transferred to "Share Premium reserve".

During the period 1/1 – 31/12/2020, beneficiaries waived their right to exercise 0 options (2019: 2.378) which were granted by the BoD of the parent Company FOURLIS HOLDINGS SA on 25/11/2013, beneficiaries waived their right to exercise 0 options (2019: 4.677) which were granted by the BoD on 24/11/2014 and also beneficiaries waived their right to exercise 0 options (2019: 6.840) which were granted by the BoD on 25/11/2015.

During the period 1/1 – 31/12/2020, the amount of € 298 th. (2019: € 257 th.) was registered in the Consolidated Income Statement as an expense. During the period 1/1 – 31/12/2020, the amount of € 276 th. (2018: € 237 th.) was registered in the Separate Income Statement as an expense.

19.3 Benefit contributions under the private insurance program

During the year ended on December 31, 2020 the amount of defined benefit contributions under the private insurance program that was recorded as an expense by the parent Company totalled to € 292 thousand (2019: € 275 thousand) while the respective amount recorded as an expense by the Group amounted to € 340 thousand (2019: € 312 thousand).

20. Financial Instruments and Risk Management Policies

20.1 Credit Risk

Exposure to Credit Risk

The Group has significantly reduced its exposure to credit risk due to the focus in the retail segments where the payment of goods is mainly made by cash or credit cards discounts. The maximum exposure at 31/12/2020, without taking into consideration any hedging or insurance strategies, was as follows:

	Book Value	
€000s	**31/12/2020**	**31/12/2019**
Trade receivables	3.458	3.343
Other Debtors	8.191	6.449
Credit Cards receivable	1.897	2.120
Cash & cash equivalent	79.367	23.042
Total	**92.913**	**34.952**

The maximum exposure to credit risk on trade receivables of the Group without taking into consideration any hedging or insurance strategies at the date of the Statement of Financial Position, per geographic segment was as follows:

	Book value			
	Greece		**Southeastern Europe Countries**	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
€000s				
Trade receivables	3.115	3.066	343	277
Other Debtors	7.331	5.135	861	1.313
Credit Cards receivable	676	1.667	1.220	452
Cash & cash equivalent	60.475	9.270	18.891	13.772
Total	**71.597**	**19.138**	**21.316**	**15.814**

The maximum exposure at the date of the Statement of Financial Position, per customer type was:

	Book Value	
	31/12/2020	**31/12/2019**
€000s		
Wholesale trade customers	2.752	2.759
Retail trade customers	707	583

20.2 Liquidity Risk

Liquidity risk is retained at low levels by maintaining adequate bank credit lines and significant cash and cash equivalents which on 31/12/2020 amounted to € 79 million for the Group vs € 23 million on 31/12/2019. During year 2020, the Group managed to maintain the improved credit terms from its main suppliers.

The contractual loan dues including interest payments, excluding the net - off agreements, are as per paragraph Borrowings, while for Accounts Payable and Other Liabilities are less than 12 months.

31/12/2020	Immediate termination	3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
			Group			
Credit lines	3.300	0	4.990	0	0	8.290
Long-term loans	0	1.367	48.603	84.806	0	134.777
Total	**3.300**	**1.367**	**53.593**	**84.806**	**0**	**143.067**
31/12/2019						
Credit lines	0	2.000	9	0	0	2.009
Long-term loans	0	1.187	6.931	90.837	534	99.490
Total	**0**	**3.187**	**6.941**	**90.837**	**534**	**101.499**

31/12/2020	Immediate termination	3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
			Company			
Credit lines	0	0	4.990	0	0	4.990
Long-term loans	0	496	42.260	51.089	0	93.844
Total	**0**	**496**	**47.250**	**51.089**	**0**	**98.834**
31/12/2019						
Credit lines	0	2.000	0	0	0	2.000
Long-term loans	0	495	495	53.172	0	54.162
Total	**0**	**2.495**	**495**	**53.172**	**0**	**56.162**

The table above includes the syndicated loan of the company TRADE ESTATES BULGARIA EAD of amount € 16.300 th. with issuing date 5/12/2019 and duration 5 years since the issuing date (€ 2.500 th. payable in forthcoming period) which was reclassified (Note 8).

20.3 Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising for its transactions in foreign currencies (SEK). The Group, in order to minimize the foreign exchange risk, in certain cases pre - purchases foreign currencies.

Translation risk of such kind is due to the activity in Bulgaria BGN. In Bulgaria the local currency is pegged to the Euro (EUR/ BGN = 1.95583) a fact which can not guarantee that economic problems and consequences of global crisis on Bulgaria will not affect the stability of the currency.

	Trade creditors and other libilities Foreign currency in thousands euros 31/12/2020	 31/12/2019
USD	1	1
SEK	(316)	(711)
BGN	0	0
Euro	262	407

Sensitivity Analysis

A Euro revaluation of 10% at December 31, vs the below currencies would increase (decrease) the Net Equity and the Operating Results as per the amounts indicated at the below summary. It is assumed that all other variables (Interest Rates) would remain constant. The analysis was performed in a similar manner for 2019.

Impact in €000s	**Net Equity**	**Operating Result**
Dec 31 , 2020		
USD	1	1
SEK	(31,6)	(31,6)
BGN	0	0
Dec 31 , 2019		
USD	1	1
SEK	(71,1)	(71,1)
BGN	0	0

A Euro devaluation of 10% at December 31, vs the aforementioned currencies would have an equal but opposite impact in comparison to the ones presented above, based on the assumption that all the other variables would remain constant.

The exchange rates of foreign currencies used for the conduction of the financial statements of the year 2020 and 2019, is BGN**:** 1,95583.

20.4 Interest Rate Fluctuation Exposure

Profile

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. Despite of the fact that we believe that in an environment of prolonged global slowdown, the risk of rising interest rates remains low, the group has entered into Interest Rate Swap (IRS) contracts effectively converting part of the loans from floating to fixed interest rate for a period of 3 to 5 years.

The profile of Group's loan liabilities at the date of the Statement of Financial Position is analysed in paragraph Borrowings.

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

A 1% fluctuation of the Group's borrowing rate at December 31, would equally increase (decrease) the Net Equity and the Operating Results by € 1.430,67 th. for the year 2020 and € 1.014,99 thousand for the year 2019.

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

The Company has no such Instruments (Assets/Liabilities) valued at fair value through income statement.

20.5 Fair value of financial instruments

The carrying amounts of the financial instruments of assets and liabilities (i.e. trade and other receivables, cash and cash equivalents, trade and other payables, derivative financial instruments, borrowings and finance leases) approximate their fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants at the measurement date. The fair values of the financial instruments as of 31 December 2020 represent management's best estimate. In situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Group's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Group based on the best information available in the circumstances.

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

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Assets or liabilities prices that are not corroborated by market data.

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

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

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

20.6 Capital Management

The primary objective of the Group's capital management is to ensure and maintain strong credit ratings and healthy capital ratios in order to support the investment projects and maximizing the return of invested capital for the shareholders.

The Group monitors its capital management through the use of a gearing ratio - net debt divided by equity plus net debt - where net debt includes interest bearing loans and borrowings minus cash. The Group's strategic objective is to maintain the above ratio between 30% and 45%. On 31/12/2020 the ratio stood at 23% (2019: 27%).

21. Borrowings

Borrowings for the years 2020 and 2019 are analyzed as follows:

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Non - current loans	**118.477**	**81.990**	**93.844**	**54.162**
Current portion of non-current loans and borrowings	47.470	5.719	42.756	991
Non - current loans	71.006	76.271	51.089	53.172
Short term loans for working capital	8.290	2.009	4.990	2.000
Total loans and borrowings	**126.767**	**83.999**	**98.834**	**56.162**

The repayment period of non - current loans varies between 1 to 5 years and the average effective interest rate of the Group was 3,01% during the year 2020 (2019: 3,58%). Repayments and proceeds of loans of the Group for the current period amounted to € 57.545 thousand (2019: € 25.484 th.) and € 98.646 thousand (2019: € 36.506 th.) respectively. Repayments and proceeds of loans of the Company for the current period amounted to € 51.615 thousand (2019: € 7.047 th.) and € 94.000 thousand (2019: € 23.500 th.) respectively.

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 for 31/12/2020 and 31/12/2019 respectively:

31/12/2020		**Amount**	**Issuing Date**	**Duration**
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	9.385	23/4/2019	5,5 years from the issuing date (€2.168 th. payable forthcoming period)
		9.385		
HOUSE MARKET BULGARIA EAD	Syndicated	10.084	11/7/2016	9 years from the issuing date (€1.947 th. payable forthcoming period)
		10.084		
HOUSEMARKET A.E.	Bond	39.765	4/10/2016	5 years from the issuing date
	Bond	9.923	26/2/2019	5 years from the issuing date (€991 th. payable forthcoming period)
	Bond	19.828	17/7/2020	4 years from the issuing date (€2.000 th. payable forthcoming period)

31/12/2020		**Amount**	**Issuing Date**	**Duration**
	Bond	19.432	31/7/2020	4 years from the issuing date (€0 th. payable forthcoming period)
	Bond	4.896	24/9/2020	3 years from the issuing date
		93.844		
TRADE LOGISTICS A.E.B.E.	Bond	5.050	8/3/2017	5 years from the issuing date (€600 th. payable forthcoming period)
	Refundable down payment	113	16/6/2020	5 years from the issuing date
		5.163		
Total		**118.476**		

31/12/2019		**Amount**	**Issuing Date**	**Duration**
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	11.374	23/4/2019	5,5 years from the issuing date (€2.168 th. payable forthcoming period)
		11.374		
HOUSE MARKET BULGARIA EAD	Syndicated	11.103	11/7/2016	9 years from the issuing date (€1.960 th. payable forthcoming period)
		11.103		
HOUSEMARKET A.E.	Bond	39.702	4/10/2016	5 years from the issuing date
	Bond	14.461	26/2/2019	5 years from the issuing date (€991 th. payable forthcoming period)
		54.163		
TRADE LOGISTICS SA	Bond	5.350	8/3/2017	5 years from the issuing date (€600 th. payable forthcoming period)
		5.350		
Total		**81.990**		

Non –current loans include loans with a guarantee of 80% of their value from the Hellenic Development Bank with the financing of the Hellenic State and the European Union:

- Company's bond loan of € 20 million issued by NATIONAL BANK on 16/7/2020 with maturity on 30/6/2024.
- Company's bond loan of € 20 million issued by EUROBANK on 30/7/2020 with maturity on 31/7/2024.
- Company's bond loan of € 5 million issued by PIRAEUS BANK on 24/9/2020 with maturity on 24/9/2023.

Current portion of non-current loans and borrowings includes:

- The bond loan issued by the company HOUSEMARKET S.A. of five-year maturity. The Bond Loan, was disposed through a public offering between 28th and 30th of September 2016 in Greece by cash payment and the available 40 million 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. The Company purchased totally 107.184 treasury shares, which were canceled according to the announcement of 10/8/2020.
  Direct costs of the bond loan issue amounted to € 853 th, of which € 556 th. have been allocated within the years 2016-2019, € 171 th. have been allocated within the year 2020 and € 126 th. will be allocated within the next months of year 2021 until maturity on 4/10/2021.
- Part of Company's bond loan corresponding to an amount of € 2 million, with four-year maturity ending on 30/6/2024 with a total amount of € 20 million.

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. The weighted average interest rate for the period 1/1 – 31/12/2020 was 2,84% (2019: 3,8%)

During the current period, Interest Rate Swaps or IRSs continue to exist, in order to mitigate the risk of subsidiaries of a sudden increase in interest rates in the interbank market.
The terms of the swap agreements are as follows:

- 7year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for nominal amount of € 8,6 million, with a negative fair value for HOUSE MARKET BULGARIA EAD on 31/12/2020 of € 111 thousand (31/12/2019: € 126 thousand). The outcome of the valuation has been registered in the Statement of Comprehensive Income.

- 7year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for nominal amount of 12,6 million, with a negative fair value for TRADE ESTATES BULGARIA EAD on 31/12/2019 of € 174 thousand (31/12/2019: € 194 thousand). The outcome of the valuation has been registered in the Statement of Comprehensive Income.

Some of Group's loans include loan covenants. On 31/12/2020 the Group was either in compliance with its loan terms or had received waiver in their measurements.

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 31/12/2020, the open balance of credit lines amounted to € 85 million.

22. Leasing liabilities

On 31/12/2020, leasing liabilities for the Group and Company are analyzed as follows:

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Opening balance	(63.992)	(68.140)	(59.446)	(62.849)
Additions	(6.648)	(467)	(2.730)	(367)
Other changes	3.988	0	3.086	0
Interest expense on lease liabilities	(2.481)	(2.725)	(2.305)	(2.556)
Repayment of leasing	7.244	7.339	6.276	6.326
Total	**(61.889)**	**(63.992)**	**(55.118)**	**(59.446)**

Maturities of leasing liabilities are presented below:

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Up to 1 year	6.974	4.952	4.354	4.099
Between 1-5 years	22.387	21.193	18.732	18.004
More than 5 years	32.528	37.848	32.031	37.343
Total	**61.889**	**63.992**	**55.118**	**59.446**

During the year 2020 the Group's subsidiaries have received a discount in leases (either by law or as a result of negotiations with the lessors).

23.Long-term liabilities

Other Non-Current Liabilities are analyzed as follows:

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Liabilities:				
Received Guarantees	169	147	59	37
Reserve for IRS	111	126	0	0
Total	**280**	**273**	**59**	**37**

24. Trade and other payables

Trade and other payables are analyzed as follows:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Trade payables	40.025	24.314	32.790	17.456
Accrued expenses	5.999	5.938	4.107	4.581
Other payables	3.501	3.441	2.474	2.395
Taxes liability	12.248	7.657	9.315	4.646
Customers advances	2.636	2.046	1.703	1.189
Insurance Organizations	1.812	1.840	1.372	1.430
Dividends payable	10.200	6.200	10.200	6.200
Total	**76.420**	**51.435**	**61.961**	**37.897**

Increase in trade and other payables for the Group during the year 2020, is mainly due to the utilization of tax support measures to deal with the COVID-19 pandemic and the provision of improved credit terms by the Group's key suppliers.

25. Income taxes

The nominal tax rates in the countries that the Group is operating vary between 10% and 24% for the year 2020, as follows:

Country	Income Tax Rate (31/12/2020)	Income Tax Rate (31/12/2019)
Greece	24,0%	24,0%
Bulgaria	10,0%	10,0%
Cyprus	12,5%	12,5%

The parent company and its subsidiaries have not been audited by the tax authorities for the years noted below:

COMPANY	YEARS
HOUSEMARKET SA	2015 – 2020 (*)
TRADE LOGISTICS SA	2015 – 2020 (*)
HM HOUSEMARKET (CYPRUS) LTD	2014 – 2020
HOUSE MARKET BULGARIA EAD	2013 – 2020
RENTIS SA	2015 – 2020 (*)
WYLDES LTD	2019 – 2020

Assosiate companies have not been audited by the tax authorities for the years noted below:

COMPANY	YEARS
VYNER LTD	2019-2020
SW SOFIA MALL ENTERPRISES LTD	2019-2020
MANTENKO SA	2019-2020
POLIKENCO SA	2020

(*) For the fiscal years 2011, 2012 and 2013 all companies of the Group located in Greece, have been subjected to tax audit by Certified Audit Accountants in compliance with the provisions of Article 82 par. 5 of Law 2238/1994 and for the fiscal years 2014, 2015, 2016 and 2017 in compliance with the provisions of Article 65 a of Law 4174/2013. The companies received a Tax Compliance Certificate for fiscal years 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 while tax audit for the fiscal year 2020 is in progress. Upon completion of the audit, the Management of the Company and Group does not expect any significant liabilities to occur, other than those recorded in the Financial Statements. The years until 2014 are integrated.

The income tax expense for the year 2020 and the relative year 2019 is as follows:

	Group		**Company**	
	1/1 - 31/12/2020	**1/1 - 31/12/2019**	**1/1 - 31/12/2020**	**1/1 - 31/12/2019**
Income tax	**(1.874)**	**(1.363)**	**(141)**	**(71)**
Deffered Taxes:				
Differences of fixed assets	(777)	(186)	(358)	(9)
Provisions for employee benefits (IAS 19)	83	63	76	57
Effect of changes on tax rates	0	(458)	0	(322)
Differences from the application of IFRS 16	329	362	230	320
Provisions	605	(428)	441	(363)
Deferred tax from tax loss recognition	473	(2.731)	740	(2.058)
Total Deffered taxes	**713**	**(3.379)**	**1.128**	**(2.375)**
Income Tax Expense	**(1.162)**	**(4.742)**	**987**	**(2.445)**

The reconciliation between the nominal tax rate and the effective tax rate for the year 2020 and the relative year 2019 is analyzed as follows:

	Group		**Company**	
	1/1 - 31/12/2020	**1/1 - 31/12/2019**	**1/1 - 31/12/2020**	**1/1 - 31/12/2019**
Profit Before Taxes	**3.982**	**18.051**	**(5.807)**	**1.070**
Income tax based on nominal tax rate	(956)	(4.332)	1.394	(257)
Tax rate differences between the group tax rate (Greek rate) and the corporate tax rate	1.177	1.578	0	0
Tax on tax free income	0	0	0	480
Tax on non deductible expenses	(662)	(381)	(199)	(317)
Income tax difference of previous year	(136)	0	(141)	0
Tax on tax losses	(757)	2.413	0	2.127
Proportionate tax on non recognized profit	0	(3.743)	0	(3.743)
Miscellaneous timing differences	173	(277)	(66)	(737)
Tax in statement of comprehensive income	**(1.162)**	**(4.742)**	**987**	**(2.445)**

Miscellaneous timing differences include the amount of € 0 th. (31/12/2019: € 458 th.) for the Group and € 0 th. (31/12/2018: € 322 th.) for the Company, regarding the effect of taxes due the change in tax rates.

Deferred taxes on 31/12/2020, which appear in the Consolidated Statement of Comprehensive Income and compose income due to valuation of cash flow hedging at the fair value, amount to € 3 th. (€ 8 th. on 31/12/2019) and income due to defined benefits plans, amount to € 113 th. (€ 122 th. on 31/12/2019). Deferred taxes on 31/12/2020 which are presented in the Statement of Comprehensive Income due to defined benefits plans for the Company, amount to € 99 th. (31/12/2019: € 119 th.)

Deferred taxes as at 31 December 2020 and 31 December 2019 which appear in accompanying Financial Statements are analysed as follows:

	Group		Company	
	1/1 - 31/12/2020	**1/1 - 31/12/2019**	**1/1 - 31/12/2020**	**1/1 - 31/12/2019**
Assets :				
Depreciation calc. difference	(894)	(940)	(826)	(907)
Employee retirement benefits (IAS 19)	1.154	963	1.070	895
Stock devaluation	485	86	485	86
Provisions	95	392	30	362
Provision for doubtful debts	899	899	899	899
Deferred income tax	947	474	740	0
Reclass of Revenue account	435	38	351	(23)
Differences from the application of IFRS 16	690	362	550	320
Total	**3.811**	**2.274**	**3.299**	**1.632**

	Group		Company	
	1/1 - 31/12/2020	**1/1 - 31/12/2019**	**1/1 - 31/12/2020**	**1/1 - 31/12/2019**
Liabilities				
Depreciation Difference	184	0	0	0
Provision Expenses	(17)	17	0	0
Total	**167**	**17**	**0**	**0**

Deferred income taxes result from temporary differences between assets and liabilities tax recognition and financial statements composition.

On 31/12/2020, the Group had accumulated carried forward tax losses in its subsidiaries on part of which a provision was made for deferred tax asset of amount € 947 thousand (2019: € 474 th.) and the Company made a provision for deferred tax asset of total amount € 740 th. from tax losses of the current year (2019: € 0 th.), as the Management considered that the recognition criteria were met. For the part of tax losses on which a deferred tax asset has been recognized, the Management estimates that they will be covered against taxable profits before their expiration date.

26. 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 31 December 2020 is 47.450.647.

	Group		Company	
	31/12/2020		31/12/2020	
Profit / (Loss) after tax attributable to owners of the parent	2.820	13.309	(4.820)	(1.375)
Number of issued shares	47.450.647	47.450.647	47.450.647	47.450.647
Weighted average number of shares	**47.450.647**	**47.450.647**	**47.450.647**	**47.450.647**
Basic Earnings / (Losses) per Share (in Euro)	0,0594	0,2805	(0,1016)	(0,0290)
Diluted Earnings / (Losses) per Share (in Euro)	0,0594	0,2805	(0,1016)	(0,0290)

27. Commitments and Contingencies

27.1 Commitments

The Group's contingent liabilities for the period 1/1 - 31/12/2020 are analyzed as follows:

- Letters of guarantee from the Company, amounting to € 2.220 thousand for the proper execution of the contract beween the Company and Athens International Airport, € 8.000 thousand for the proper execution of the contract between the Company and NOVAL PROPERTIES REIC and € 1.024 thousand for the timely and accurate payment of exchanges and utilities expenditure between the Company and BHTA TETARTI, whereas furthermore other letters of guarantee of amount € 24 thousand have been given. Other guarantees of the Company for its subsidiaries H.M. HOUSEMARKET (CYPRUS) LIMITED amounting to € 9.385 thousand and TRADE LOGISTICS of amount € 8.350 th.
- Letter of guarantee for HOUSEMARKET BULGARIA EAD of amount € 1.670 th. for the proper execution of the leasing contract with the company TRADE ESTATES BULGARIA EAD.
- Letter of guarantee for H.M. HOUSEMARKET (CYPRUS) LTD of amount € 1.545 th. for the proper execution of the leasing contract with the company TRADE ESTATES CYPRUS LIMITED.
- A subsidiary company of the Group mortgage its property to secure a bond loan amounting to € 45.372 th.
- A subsidiary company has provided fluctuating guarantee on assets until the amount of € 13.000 th. in order to secure bilateral loan.

27.2 Operating Lease

Group as Lessor

The future leasing contracts of the Group as a lessor are as below:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Up to 1 year	990	1.210	85	403
Between 1-5 years	3.872	3.340	22	22
More than 5 years	2.888	2.749	1	7
Total	**7.750**	**7.299**	**108**	**432**

27.3 Litigation

There are no litigation or arbitration proceedings as well as resolutions of judicial institutions that might have a material impact on the assets of the Group.

28. 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 31 December 2020 and 2019 are as follows:

		Group		Company	
		1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Receivables from:	FOURLIS HOLDINGS SA	1	1	0	0
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	6	2.006
	INTERSPORT SA	454	619	44	74
	INTERSPORT (CYPRUS) LTD	10	5	0	0
	GENCO BULGARIA	13	13	0	0
	HOUSE MARKET BULGARIA EAD	0	0	14	5
	VYNER	0	140	0	0
	SW SOFIA MALL ENTERPRISES LTD	0	94	0	0
	Total	**477**	**871**	**64**	**2.086**

		Group		Company	
		1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Payables to:	FOURLIS HOLDINGS SA	10.548	6.576	10.464	6.488
	HOUSE MARKET BULGARIA EAD	0	0	9	5
	TRADE LOGISTICS SA	0	0	606	420
	Total	**10.549**	**6.577**	**11.080**	**6.913**

Related party transactions as at 31 December 2020 and 2019 are as follows:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Revenue	3.685	3.928	42	22
Other income	384	429	328	418
Dividends	0	0	0	2.000
Total	**4.070**	**4.358**	**370**	**2.440**

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Distribution expenses	836	786	5.073	4.749
Administrative expenses	2.969	3.129	2.335	2.442
Other operating expenses	0	0	0	0
Total	**3.805**	**3.914**	**7.408**	**7.191**

Transactions and fees of management members for the years 2020 and 2019 are as follow:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Transactions and fees of management members	1.489	1.681	1.318	1.492

There are no other transactions between the Group and the Company with the management. The transactions with related parties are arm's length and include mainly sales and purchases of goods and services under the context of the ordinary operation of the Group.

29. Transactions with Subsidiaries

During financial years 2020 and 2019, between the parent company and its subsidiaries the following transactions occurred:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Revenue	11.217	6.085	37	16
Cost of sales	36	16	31	16
Other income	341	166	129	142
Administrative expenses	23	70	12	14
Distribution expenses	11.455	6.165	4.790	4.504
Other operating expenses	43	0	0	0
Dividends	0	2.000	0	2.000

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Trade receivables	657	2.603	20	2.011
Creditors	657	2.603	616	425

30. Significant Changes in Consolidated Data

The most significant changes recorded in the Consolidated and Separate Statement of Financial Position as of 31/12/2020 in comparison with the corresponding data as at 31/12/2019 are the following:

- Increase in the amount of “Cash and cash equivalents” and “Other receivables” is due to the pandemic response actions taken by the Group, whose retail stores in all countries of operation have suspended their operations by order of governments for 2 to 4 months, depending on the country.
- Increase in the amount of “Trade and other payables” is due to change in credit terms agreed in response to the pandemic.

31. Subsequent events

There are no other subsequent events as of 31/12/2020 that may significantly affect the financial position and results of the Group other than the following:

- on 05/03/2021 the subsidiary TRADE LOGISTICS SA issued a bond loan amounted € 13 million maturity on 30/12/2028.

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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 31/12/2020

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 21.06.2016 and the approval of the content of the Prospectus from the Hellenic Capital Market Commission dated 12.09.2016, 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 04/10/2016.

Furthermore, the forty million bearer bonds commenced trading in the fixed income securities category of the regulated market of Athens Stock Exchange on 06/10/2016.

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 31/12/2020:

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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	H2 2019	H1 2020	H2 2020	
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	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	0	0	0
	Upgrade of electromechanical equipment of existing stores	-	2.100		-	-	0	375,11	375,69	558,72	790,98	0,00	0,00	0,00	0,00	0
	Refurbishment of IKEA stores	5.000					75,40	256,37	848,79	564,90	362,40	410,23	681,44	347,67	1.452,80	0,00
Working Capital Facilities		21.500					21.500	0	0	0	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	681,44	347,67	1.452,80	0,00

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

It is noted that on 31/12/2020, the Company has concluded the utilization of the raised funds of the Non-Convertible Bond Loan.

Paiania, March 22th, 2021

Chairman of the BoD	Vice Chairman of the BoD	Managing Director
Dafni Fourli	Vassileios Fourlis	Panagiotis Katiforis

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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 August 28, 2020 , 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 December 31, 2020.
3) We examined whether the amounts used from the bond loan, from the date the funds were raised up to December 31, 2020, 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 December 31, 2020.

   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 financial statements prepared by the Company for the year ended December 31, 2020, for which we have issued a separate Audit Report, dated March 23, 2021.

Athens, 23 March 2021
The Certified Auditor

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Web site for the publication of the Annual Financial Statements

The Annual Financial Report of the Group (Consolidated and Separate), The Independent Auditors Report and the Board of Directors Report for the year 2020 has been published by posting on the internet at the web address of the Company http://www.ikea.gr and www.housemarket.gr. At the same web addresses, all Annual Financial Statements, Audit Reports and Board of Directors Reports of the companies which are consolidated and they are not listed and which cumulatively represent a percentage higher than 5% of consolidated revenues or assets or operating results after the deduction of minority shares proportion, are published.