AS COMPANY S.A.
GROUP OF COMPANIES

ANNUAL FINANCIAL REPORT

of the financial year from
1 January 2020 to 31 December 2020

According to article 4 of Law 3556/2007

Contents

I. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

(in accordance with article 4, paragraph 2 of Law 3556/2007)

We, the members of the Board of Directors of **"AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A."**:

1. Efstratios Andreadis Konstantinos, President & C.E.O.,
2. Anastasia Andreadou, Vice-President of the Board of Directors,
3. Theodora Koufou, Member of the Board of Directors,

under our above-mentioned positions specifically designated by the Board of Directors of **"AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A."** (hereinafter referred to as "Company") hereby declare and certify that to the best of our knowledge:

a) The accompanying Separate and Consolidated Financial Statements for the period 1 January 2020 to 31 December 2020, of the Company "AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A.", as well as the companies that are included in the consolidation taken as a whole, which were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, present in a true manner the Assets and Liabilities, Equity and Profit and Loss statement of the year for the twelve-month period ended 31 December 2020.

b) The Board of Directors Report accurately reflects in a true manner the development, performance and financial position of the Company as well as the companies included in the Consolidated Financial Statements taken as a whole, including the description of the major risks and uncertainties they face.

Thessaloniki, 16 April 2021

PRESIDENT of the BoD & C.E.O.
MANAGING DIRECTOR

EFSTRATIOS K. ANDREADIS
ID No AB 691316

VICE-PRESIDENT of the BoD

ANASTASIA E. ANDREADOU
ID No AH 181790

B.O.D MEMBER
THEODORA D. KOUFOU
ID No AN 233404

II. ANNUAL REPORT OF THE BOARD OF DIRECTORS (SEPARATE AND CONSOLIDATED) FOR THE FINANCIAL YEAR FROM 1 JANUARY 2020 TO 31 DECEMBER 2020 (in accordance with article 4 of Law 3556/2007).

Dear Shareholders,

This Annual Report of the Company's Board of Directors concerns the financial year 2020 and was prepared in accordance with articles 150-154 of Law 4548/2018, article 4 of Law 3556/2007 and the relevant decisions of the Hellenic Capital Market Commission and the relevant decisions of the Hellenic Capital Market Commission and refers to the Annual Separate and Consolidated Financial Statements (hereinafter referred to as "Financial Statements") as at 31 December 2020 and in the twelve-month period ended on that date.

This Report includes the actual depiction for the period from 1 January 2020 to 31 December 2020, the major events that took place in 2020, the description of the main risks and uncertainties, the major events that took place after the end of 2020, the material transactions of the Company and the Group of AS Company S.A. (the "Group") with the related parties as well as the Corporate Governance Declaration.

The Annual Financial Statements (Separate and Consolidated), the Auditor's Report and the Board of Directors Report of AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. can be found on the link: https://ir.ascompany.gr/el/home/.

The Separate and Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The main point of reference of this Annual Financial Report is the consolidated financial data of the Company with reference to the Company's and the Group's individual financial data.

All amounts in this Annual Financial Report are expressed in Euro.

A. FINANCIAL INFORMATION 2020

In 2020 the Group's key financial figures were reduced in comparison to the prior year of 2019, however maintaining high levels of liquidity, despite the difficult circumstances that were present over the majority of the year.

The Greek Government, in its effort to reduce the negative impact of the COVID-19 pandemic, took measures that limited the smooth operation of trade, including the mandatory suspension of operations of many companies. Due to the above regulations in the retail trade, from March 18, 2020 the products of our Company were available in limited distribution channels. The Company did not interrupt its operation and continued to invoice customers who did not suspend their operation, responding to a demand significantly lower than normal levels.

The Government took new emergency measures to protect public health from the risk of further spread of COVID-19 throughout the country from the period of Saturday, November 7, 2020, which remain in force until today with toy trading being banned from food stores (supermarkets) and specialized retail stores. This restriction had a significant effect on sales at the most critical time of demand for our products, the period of December 2020.

The introduction of the pandemic at the beginning of 2020 had an obvious negative impact on the financial figures for the first half of the year, while during the 3rd and 4th quarter of the year the company was affected less.

The decrease of the Group's sales amounted to -15.0% despite the initial estimates of the Management for a decrease of sales turnover by 25.0% compared to the previous year. In addition, the main objectives of Management was to achieve profitable results and enhance liquidity which were achieved.

The most significant figures of the Company and the Group in relation to 2019 were as follows:

	Group			Company		
	2020	2019	V %	2020	2019	V%
Turnover	19.607.363	23.308.010	-15,88%	18.233.819	22.149.704	-17,68%
% Gross profit margin	48,19%	48,08%		44,71%	45,99%	
EBIDTA	3.103.290	4.060.292	-23,57%	2.547.976	3.685.396	-30,86%
% of sales	15,83%	17,42%		13,97%	16,64%	
Profit before tax	2.393.444	4.184.899	-42,81%	1.836.858	3.838.990	-52,15%
Profit after tax	1.872.221	3.098.251	-39,57%	1.376.174	2.808.175	-50,99%
Total inflows from operating activities	464.255	3.081.439	-84,93%	23.293	2.107.854	-98,89%
Cash and investments	15.619.597	16.300.025	-4,17%	13.621.122	14.769.391	-7,77%

The Group's turnover decreased by 15,88% compared to the prior year of 2019 and amounted to € 19,6 million. The decreased sales stem mainly from the Company and the decreased wholesales in Greece which showed a decrease of 16,8% compared to the corresponding period last year.

The activity of the Group abroad through its two subsidiaries in Cyprus and Romania was increased by 18,58%.

For the Group, the gross profit margin improved by 0.11 percentage points at 48.19% from 48.08% last year due to the increase of the subsidiaries' gross profits compared to the previous year. For the Company, the gross profit margin decreased from 45.99% to 44.71% in 2020 due to increased transport costs.

Despite the significant constraint of expenses and increased gross profit, the decrease in revenues resulted in EBITDA to decrease by 15.83% as a percentage to sales against 17.42% in the previous year.

As a result of decrease of sales, the profit before tax of the Group and the profit after tax of the Group of the fiscal year 2020 are reduced in relation to the fiscal year 2019 in absolute figures, by €1.791 thousand and €1.226 thousand respectively.

The total inflows of the Group from operating activities decreased by € 2,617 thousand compared to the previous year, i.e. €464 thousand in the current year compared to € 3.081 thousand, which is mainly due to the decrease in the sales volume and the Acts of Legislative Content which postponed the due date of checks by 75 days.

Net Profit before Tax: The decrease in profitability compared to the previous year for the Group and the Company is attributable to:

Company (A)	
A. Decrease in sales volume	-1.750.806
B. Decrease in gross profit margin %	-282.667
C. Decrease in operating costs	870.980
D. Increase of financial income	-852.429
E. Decrease in other income	25.072
F. Decrease in depreciation	-12.282
Total change in Profits before taxes	**-2.002.132**
Subsidiaries Activities (B)	210.677
Total Change (A + B)	**-1.791.455**

Gearing rate: The situation of the gearing rate on 31.12.2020 excluding IFRS 16 is as follows:

	Group			Company		
	2020	2019	V %	2020	2019	V %
Bank loans	0	644		0	0	
less: cash and investments	-15.619.596	-16.300.025		-13.621.122	-14.769.391	
Net Debt	**-15.619.596**	**-16.299.381**	-4,2%	**-13.621.122**	**-14.769.391**	-7,8%
Equity	31.363.190	30.658.198	2,3%	29.968.293	29.754.891	0,72%
Gearing ratio	-49,80%	-53,16%		-45,45%	-49,6%	

The gearing ratio appears to be reduced compared to 2019 and is still negative. Cash plus short-term investments, is higher than bank debt by € 13,6 million and € 15,6 million (Company and Group respectively), a fact that certifies the healthy financial situation of the Company and Group.

The adjusted gearing ratio rate taking into account the effect of IFRS 16 implemented for the first time in 2019 is as follows:

	Group			Company		
	2020	2019	V %	2020	2019	V %
Bank loans	345.053	428.578		311.874	393.294	
less: cash and investments	-15.619.597	-16.300.025		-13.621.122	-14.769.391	
Net Debt	**-15.274.543**	**-15.871.447**	-3,8%	**13.309.248**	**14.376.097**	-7,4%
Equity	31.363.190	30.658.198	2,3%	29.968.293	29.754.891	
Gearing ratio	-48,70%	-51,77%		-44,41%	-48,3%	0,7%

Working Capital: The comparative figures for the working capital are as follows:

	Group			Company		
	2020	2019	V %	2020	2019	V %
Current assets	31.113.993	31.822.411		28.752.210	29.942.253	
Current liabilities	-4.274.352	-5.796.529		-3.828.582	-5.341.185	
Working capital	**26.839.641**	**26.025.882**	3,1%	**24.923.628**	**24.601.068**	1,3%

The Group's inventories amounted to € 4,617 thousand compared to €4,955 thousand in the previous year and represent 12,7% of total assets, compared to 13,2% in the same period last year. The inventories of 2020 include stock in transit of €1,264 thousand compared to €2,147 thousand of the previous year.

Respectively, the receivables from the customers of the Group decreased compared to the previous year by €772 thousand, meaning 8% while the turnover decreased by 15,9% compared to the previous year.

	Group			Company		
	2020	2019	V %	2020	2019	V %
Inventory and Receivables from Customers & Other receivables	15.494.396	15.522.386		15.131.088	15.172.862	
Less: Trade payable and other short term liabilities	-4.160.016	-5.690.737		-3.733.795	-5.249.922	
Net Working Capital	**11.334.381**	**9.831.649**	15,3%	**11.397.293**	**9.922.940**	14,9%
% of sales	57,8%	42,2%		62,5%	44,8%	

Earnings per share: Earnings per share of the Company based on the weighted number of shares amounted to €0,1029 compared to € 0,216 of the previous year, showing a decrease of 52,4%. The nominal number of shares on 31.12.2020 was 13.104.089.

Capital expenditure: The Company's investments amounted to € 216.654 in the period from 1.1.2020 to 31.12.2020, compared to € 225.209 of the respective comparative period.

Research and development costs: Within 2020, the Company incurred increased costs by 35,4% compared to the previous year, meaning €218 thousand compared to €161 thousand.

Key Financial Ratios: The main financial ratios as of 31.12.2020 and 31.12.2019 were as follows taking into account the effect of IFRS 16 first implemented in 2019:

Group	**31.12.2020**	**31.12.2019**
a. Financial Structure ratios		
Current Assets / Total Assets	85,4%	85,0%
Equity / Total Liabilities	619,7%	452,0%
Equity / Fixed Assets	632,1%	591,4%
Current Assets / Current Liabilities	727,9%	549,0%
b. Performance and Efficiency ratios		
EBITDA / Turnover	15,8%	17,4%
Gross Profit / Turnover	48,2%	48,1%
Turnover / Equity	62,5%	76,0%

Company	**31.12.2020**	**31.12.2019**
a. Financial Structure ratios		
Current Assets / Total Assets	83,2%	83,0%
Equity / Total Liabilities	651,3%	471,8%
Equity / Fixed Assets	605,1%	575,7%
Current Assets / Current Liabilities	751,0%	560,6%
b. Performance and Efficiency ratios		
EBITDA / Turnover	14,0%	16,6%
Gross Profit / Turnover	44,7%	46,0%
Turnover / Equity	60,8%	74,4%

Building Facilities: The Company maintains in Oreokastro, Thessaloniki, in a privately owned space, offices, warehouse and a wholesale / retail store. Also, the Company maintains a rented office and exhibition space in Attica. In Cyprus and Romania, the subsidiaries rent space for their offices.

Personnel: The number of employees at the end of the audited fiscal year 2020 amounted to 73 employees in the Group, specifically 68 in the parent company and 5 in the subsidiaries in Cyprus and Romania. At the end of the previous year, the number of employees in the Group was 74 employees, specifically 69 in the parent company and 5 in the subsidiaries in Cyprus and Romania.

Investments: The Group structure as at 31.12.2020 is as follows:

Name	Consolidation Method	% of parent
AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. Ionia str., Oreokastro, 57013, Thessaloniki, Greece		
AS COMPANY CYPRUS LTD Akadimias 21 Aglatzia 2017, Nicosia, Cyprus	Full Consolidation	100%
AS KIDS TOYS S.R.L Calea Bucurestilor – No 3A, Parter Camera P1 Otopeni, Romania	Full Consolidation	100%

In the fiscal year ended 31 December 2020, Consolidated Financial Statements included the financial information of the subsidiaries of «AS COMPANY CYPRUS LTD» and «AS KIDS TOYS S.R.L.».

The financial statements of the Group subsidiaries that are consolidated and their shares are not traded on any stock market are posted at the following address: https://ir.ascompany.gr/el/home/.

B. IMPORTANT EVENTS OF 2020

1. General Meeting of Shareholders decisions

The General Meeting of the Company's Shareholders held on 14.07.2020 took the following decisions:

a) approved the Separate and Consolidated Annual Financial Statements for the fiscal year 1.1.2019 – 31.12.2019, accompanied with the relevant reports of the Board of Directors and the Auditor's.

b) approved the non-distribution of dividends for the fiscal year 2019,

c) approved the overall management of the Board of Directors for the fiscal year 1.1.2019 - 31.12.2019 according to article 108 of Law 4548/2018 and the discharge of the Auditors for the same fiscal year, according to article 117 par. 1 case c ' Law 4548/2018.

d) approved the remuneration and compensation paid to the members of the Board of Directors during the year 1.1.2019–31.12.2019, according to article 112 of Law 4548/2018,

e) approved the remuneration and compensation to the members of the Board of Directors for the fiscal year 1.1.2019 – 31.12.2019

f) approved the remuneration and compensation to the members of the Board of Directors for the fiscal year 1.1.2020 – 31.12.2020 (up to a total amount of 500.000 euro) and until the Ordinary General Meeting of 2021

9) the election of the Firm of Certified Auditors under the name "KPMG Certified Auditors SA" (AM SOEL: 114), to carry out the mandatory audit of the annual and interim Financial Statements and the granting of the annual tax certificate for the fiscal year 2020 (1.1.2020 – 31.12.2020),

h) the decrease of the Company's share capital by nine hundred and eighteen thousand eight hundred and twenty-one euro and forty cents (€ 918,821.40), with a decrease in the nominal value of each share, from 0.49 euro to 0.42 euro, i.e. by 0.07 euro, the return of the above amount to the shareholders

i) the increase of the share capital by 1 cent per share, from 0.42 euros to 0.43 euros each, with capitalization of tax-free reserve and profit balance in new, in the total amount of 131,260.21 euros, according to article 27 of Law. 4649/2019

j) approved the amendment of article 5 of the articles of association in order to adjust reflect the previous decisions of the daily agenda, regarding the decrease and increase of capital

k) approved the amendment of article 22 of the articles of association of the Company, regarding the participation of the Shareholders to the General Meetings of the Company by distance in real time, according to article 125 of Law 4548/2018 and participation to the voting process via mail vote, pursuant to article 126 of Law 4548/2018.

2. Approval of Reduction & Increase of Share Capital by the competent Authorities.

On the 27.07.2020 the decision no. 80226/28.07.2020 of the Ministry of Development and Investments was registered in the General Commercial Registry, which approved the amendments of article 5 (share capital) and 22 (right of participation and vote of shareholders in the General Meeting) of the Company's articles of association. The Commitee of Corporate Acts of the Athens Stock Exchange was informed on its 30.07.2020 meeting about:

a) the decrease of the Company's share capital by 0.07 euro per share in order to return the above amount to the shareholders and

b) the increase of the share capital by 1 cent per share, from 0.42 euros to 0.43 euros each, with capitalization of tax-free reserve and profit balance in new, in the total amount of 131,260.21 euros, according to article 27 of Law. 4649/2019

By 4.9.2020 (record date), the shares of the Company were available on ASE for trading with the new nominal value of 0,43 euro per share, withouth the right to participate in the share capital return via cash deposit to the shareholders of 0,07 euros per share. From the same date, the starting value of the shares of the Company in ASE was formulated pursuant to the Rulebook of Athens Stock Exchange, as well as decision no. 26 of the ASE's BoD as it stands. The shareholders registered in the records of SAT on the 07.09.2020 (record date) were entitled to receive the aforementioned share caoital return. The date of commencement for the share capital return was Friday, 11.09.2020 and the amounts were paid via the Bank "Eurobank Ergasias S.A." bank.

The reduction of the company's share capital by 918.821,40 euro and its increase by 131.260,21 euro was completed within September 2020. After the above reduction, the company's share capital is 5.644.188,60 euro, divided to 13.126.020 ordinary sahres, of nomilan value 0,43 euro each.

3. Decisions of the Extraordinary General Meeting

The Extraordinary General Meeting of the Company's shareholders, held on December 22, 2020, decided the following:

1) approved the increase of the share capital of the Company in the amount of 74,509.17 euros with capitalization of a reserve in favor of the par, with an increase of the nominal value of the share by 0.00568 cents.

2) approved the increase of the share capital of the Company in the amount of 2,944,475.43 euros with the capitalization of profits of previous years, totaling 3,099,447.82 euros (the amount of the capitalization is subject to withholding of 5% according to the provisions of article 24 of L.4646 / 2019), with an increase of the nominal value of each share by 0.22432 euros.

3) approved the amendment of article 5 of the Company's articles of association, regarding capital, for its adjustment in accordance with the decisions on the previous items of the agenda, regarding the increase of the capital.

4. Approval of Share Capital Increase by the competent Authorities.

On 11.01.2021 the decision No. 2302250 / 11.01.2021 of the Ministry of Development and Investment was registered in the General Commercial Register, which approved the amendment of articles 5 (Share Capital) of the Company's Articles of Association.

The Corporate Operations Committee of the Athens Stock Exchange was informed at its meeting of 04.02.2021 about:

A) the increase of the share capital by 74,509.17 euros with capitalization of the reserve in favor of the par, with an increase of the nominal value of the share by 0.00568 cents per share, the value of which was thus formed, from 0.43 euros to 0.43568 euros each.

B) the increase of the share capital by the amount of 2,944,475.43 euros, with capitalization of profits of previous years, in accordance with the provisions of article 24 of L.4646 / 2019 with the increase of the nominal value of the share by 0.22432 cents , whose value was thus formed from 0.43568 euros to 0.66 euros each.

From 09.02.2021 the Company's shares were traded on the ASE with the new nominal value of € 0.66 per share. From the same date, the starting price of the Company's shares on the ASE was formed in accordance with the Regulations of the Athens Stock Exchange in combination with the decision No. 26 of the Board of Directors. of ASE as applicable. Due to the capitalization of profits of previous years based on the provisions of article 24 of Law 4646/2019 being equated with the distribution of a net dividend, the Company proceeded with the return of withholding tax of 5%. For those shareholders who did not have a withholding obligation, the corresponding withheld amount was returned. Beneficiaries of the withholding tax refund were the excluded shareholders who were registered in the files of the SAT. on 9.2.2021 (date of identification of the beneficiaries - record date). The starting date for the payment of the withheld tax was set on Friday, 26.02.2021 and the payment was made through the Bank "Eurobank Ergasias A.E.".

After the above increase, the share capital of the Company now amounts to € 8,663,173.20 divided into 13,126,020 common registered shares, with a nominal value of € 0.66 each.

5. Issuance of tax certificate for the year 2019

The tax audit of the Company for the year 2019, carried out by the Certified Public Accountant in accordance with article 65A of Law 4174/2013, was completed on November 16, 2020, and the corresponding Tax Compliance Report was issued with a conclusion "without reservation".

6. Participation in exhibitions

In 2020 the Company had presence in several national & international exhibitions.

Specifically, it participated in the following exhibitions:

a. Parousies in Greece, in Metropolitan Expo at 08/01/2020 – 12/01/2020

b. d. Hong Kong Toy Exhibition at 03/01/2020 – 11/01/2020.

C. Spielwarenmesse in Nuremberg at 29/01/2020 – 02/02/2020

d. Annual Corporate 'Exhibition in Greece at 03/03/2020 - 16/03/2020

The presence of the Company in exhibitions abroad is considered to be of utmost importance for the efforts to open new markets and for this reason it plans its active participation in subsequent exhibitions within the industry throughout the year, however many exhibitions were postponed during 2020, as was Distoy in London.

7. Investment Completion Certification L.3299 / 2004

On 10/4/2020 the General Directorate of Private Investments of the Ministry of Development and Investment certified the completion-finalization of the cost and start of the production operation that concerns investment in the modernization of the supply chain services with a total reinforced expenditure of € 312,046 (three hundred and twelve thousand and forty six) and a grant amount of € 109,216 (one hundred and nine thousand two hundred and sixteen).

C. FINANCIAL RISK MANAGEMENT AND FINANCIAL ASSETS

The activities of the Company and the Group are exposed to a number of risks. The risks and uncertainties are described in detail in this Annual Financial Report for the year 2020.

The main risks that the Company and the Group are exposed to are:
- Exchange rate risk
- Interest rate risk
- Risk from commodity prices fluctuations and dependence for the supply of the goods.
- Credit risk and liquidity risk
- Insurance risk

Group Management aims to limit the potential negative impact of these risks on its financial results and is constantly adapting to the new circumstances so as to maintain its activities unaffected. Particularly:

<u>(a) Foreign Exchange risk</u>

This specific risk relates to the foreign exchange rate between euro and other currencies that are related to the sales and purchases of the Company and the Subsidiaries.

The Group carries out a significant part of its imports from China which are invoiced in US Dollars (USD). In 2020, purchases in dollars comprised 71,7% of the total purchases, compared to 69,9% of the previous year's purchases. The value of imports in dollars (USD) is 1,79% lower than the same period last year.

The Group maintains cash and investment products in dollars (USD), which cover 72,5% of the imports value in dollars made within 2020.

The average foreign exchange rate between euro/dollar the last 4 years is as follows:

	2017	2018	2019	2020
Average exchange rate	1,1297	1,1810	1,1195	1,1419
Annual change %	2,07%	4,54%	-5,21%	2,00%

The Group in 2020 did not use financial instruments to reduce its exposure from foreign exchange risk arising from the markets.

(b) Interest rate risk

The Group's companies have credit limits in banks, but due to the significant liquidity, they have not resorted to bank lending in 2020 and all their needs in working capital are financed by own available cash .

The Group does not use derivatives financial instruments to reduce its exposure to the interest rate risk at the date of preparation of the Statement of Financial Position.

The Management considers that the aforementioned risk is not expected to significantly affect the financial position of the Company and the Group.

(c) Risk from commodity prices fluctuations and dependence for the supply of the goods.

Given that most of the toys traded by the Company and its Subsidiaries are imported from China, any change in trade relations between China and the European Union, or any change in the exchange rate between CNY/USD given that most of the of the Group's purchases are made in USD, may affect positively or negatively, on the one hand, the supply of customers and sales of the Group and on the other the Cost of Sales and Profitability.

The Company continuously monitors the financial data of the Chinese market by maintaining long lasting relationships with its suppliers. The Company also participates in exhibitions in China with the purpose of setting up preferred suppliers list, with whom it could enter into a business relationship.

(d) Credit risk and liquidity risk

This specific risk has to identify the risk that the Company or the Group may face if a customer fails to fulfil its contractual obligations. The Group and the Company, in order to reduce their credit risk, apply a rational credit policy, taking into account any market information collected from data banks for the credibility of their customers. The receivables of the Group and the Company derive mainly from wholesales, while a significant part of the receivables derive from large customers.
The financial position of its customers is continuously monitored by the Group and the Company by controlling the volume of credits as well as the credit limits provided. If deemed necessary additional collaterals and guarantees are obtained.

Due to the size of the Company's trading circuit, the potential credit risk for the Group currently concerns mainly the Company, which handles total demands above 85%.

Liquidity risk exists in the event where the Group cannot fulfil its financial obligations. As appears in the financial statements, both at Company and at Group level, the liquidity risk is fully controlled (see working capital ratio) and the working capital ratio is improved compared to the same period last year.

GROUP	**31.12.2020**	**31.12.2019**
Current Assets / Current Liabilities	727,9%	549,0%
Company	**31.12.2020**	**31.12.2019**
Current Assets / Current Liabilities	751,0%	560,6%

As far as the cash flow risk is concerned, it is noted that the Company and the Subsidiary in Cyprus are adequately protected, due to: a) their positive cash flows as mentioned above, b) the high credit rating from the banking institutions, c) the financial assets of the Company, whose carrying amount in the financial statements does not deviate from their fair value, d) maintaining cash at credible banks e) placing cash to trading investments.

The subsidiary in Romania as of 31-12-2020 had € 277.618 in cash and has secured a funding line of € 700.000 which has not been used as of to date.

Due to the seasonality in the Group's products, a rational management of working capital is required because in any other case additional financial costs may burden its results. The Group has sufficient funding lines from various Banking Institutions.

The tables below summarize the maturities of the Company's and the Group's financial liabilities at the date of preparation of the financial statements based on the payments terms resulting from the relevant loan term agreements or the agreements with the counterparties.

Group	**Total**		**Up to 1 year**		**From 1 to 5 years**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Short Term Bank Loans	0	644	0	644	0	0
Accounts payables	1.776.855	3.525.488	1.776.855	3.525.488	0	0
Lease liabilities	345.053	427.934	114.336	105.148	230.717	322.786
Other short-term liabilities	2.383.161	2.165.249	2.383.161	2.165.249	0	0
Total	**4.505.069**	**6.119.315**	**4.274.352**	**5.796.529**	**230.717**	**322.786**

Company	**Total**		**Up to 1 year**		**From 1 to 5 years**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Short Term Bank Loans	311.874	393.294	94.787	91.263	217.087	302.031
Accounts payables	1.776.855	3.253.218	1.776.855	3.253.218	0	0
Other short-term liabilities	1.956.940	1.996.704	1.956.940	1.996.704	0	0
Total	**4.045.669**	**5.643.216**	**3.828.582**	**5.341.185**	**217.087**	**302.031**

Based on the above facts, the Group's Management estimates that Cash and Short Term Investments, in addition to the above mentioned liquidity capabilities, adequately offset the aforementioned risks.

(e) Insurance Risk

Given that most of the Company's merchandise is carried over from its warehouse to customers, the Company should be covered by its exposure to counterparty risk by insuring its products.

For this purpose, the Company carries out insurance of its facilities by a consortium of insurance companies, something that gives adequate insurance cover for all the main risks.

The subsidiaries of Romania and Cyprus do not have their own warehouse and the trasnport of goods takes place through the Company's warehouse facilities in Thessaloniki. The products are insured during their transport, both to the warehouses of the Company, and until their delivery to the subsidiaries customers.

Macroeconomic conditions in Greece-Cyprus-Romania

Greece

After a deep recession associated with the pandemic in 2020, with a real GDP decrease around 9.9%, the economy is projected to recover gradually during 2021. Access to generous EU funds will increase production, especially from 2022 and beyond. The average annual GDP growth in 2021-25 is estimated at 3.7%.

This year, unemployment is estimated to reach 16.9% from 17.3% in 2019 and is expected to increase in 2021 to 17.8%. OECD analysts estimate that it will fall again to 17.2% in 2022. The 2021 draft budget prioritizes cuts in staff income taxes and social security contributions, which will support long-term employment growth.

Inflation is expected to increase from 0.3% in 2020 to 1.4% in 2021 and decrease to 1.3% in 2022.

Starting from extremely low levels of activity, with extensive overcapacity and taking into account the new tax easing policy, high liquidity, low financing costs and unprecedented levels of European resources, Greece is able to recover the lost production associated with pandemic, but also to move to a higher economic growth trajectory than our predictions before COVID-19.

Aiming at the complete preparation of the corporate structures for the foreseen market recovery in the post-pandemic era, the Company maintained its human resources, without using the support measures announced by the Government to limit the negative effects of COVID-19.

Cyprus

For 2020 as a whole, the growth rate is expected to be around -5.5% in real terms compared to -7.0% which was the previous forecast as it was included in the Stability Program 2020-2023 (April 2020). From 2021 it is expected to enter a recovery trajectory and it is predicted that the economy will return to the levels of the pre-COVID-19 period towards the end of the programming period. In the medium term 2021-2023, the average real growth rate is projected at around 3.6%. For the whole of 2020, it is estimated that unemployment will be around 8.0%, from 7.1% around which it fluctuated by in 2019.

Government debt for 2020 is estimated at 114.8%, as a percentage of GDP, compared to 95.5% at the end of last year, while it returns to a downward trend from 2021 onwards, where it is projected to reduced to 111.0% and by the end of 2023 is expected to reach 98.1%.

In Cyprus, the Council of Ministers on March 15, 2020 in an extraordinary meeting announced that Cyprus is entering a state of emergency taking into account the uncertain situation as it was evolving daily. The Cypriot Government has introduced various financial support measures to address the economic impact of the COVID-19 pandemic. The Company has not applied for state aid.

Romania

Romania's GDP fell by just -3.9% in 2020, while in the 4th quarter it had the largest increase in Europe compared to the 3rd quarter (over 5%).

Romania chose a different model of dealing with the health crisis and did not impose a strict lockdown from May 2020 onwards. Another approach and criteria were followed, ad hoc per prefecture and municipality. The shops were all open, always with protection measures, while the Christmas market was operating normally. Romania implemented about the same package of measures as Greece, in terms of job support, also allowed non-payment of taxes on time and froze loans. The Company did not use the support measures, given that in 2020 it marked a significant improvement in all its financial figures. Romania's seasonally adjusted unemployment rate stood at 4.9% in December 2020.

Very low taxes and an open economy have driven public revenues to very good levels, with revenues being much higher than expected.

The European Commission forecasts an increase of 3.3% of GDP in Romania in 2021. Growth is expected to accelerate to 3.8% in 2022.

The Management of the Group evaluates the changes in the macroeconomic and financial environment in Greece and abroad in order to minimize any impact on its activities. A very significant part of the Company's sales takes place in the months of September - December and the Company, due to the zero exposure to borrowing, has sufficient funds to finance its smooth supply of goods from foreign companies. Based on the data available to date, the Management has estimated that no additional impairment provisions are required for the financial and non-financial assets of the Group as at 31 December 2020.

Other risks

The demand of Company's products is influenced by external factors such as economic uncertainty, reduced consumption and consumers preference for low-priced products. In this

context, Management has made a selection of quality products with reasonable retail price, which are attractive to consumers throughout the year.
The Company continues to proceed with short-term investments (mainly bonds) having first evaluated the relevant ratings from international firms.

D. STRATEGY OF THE COMPANY AND PERSPECTIVES FOR THE YEAR 2021

In 2020 the Group was affected by the health crisis of COVID-19, which was more evident in the financial results of the parent company. In Greece, the temporary suspension of the activity of many companies and in particular that of tourism, resulted in a significant drop in GDP at estimated levels of -8.2% compared to 1.9% in 2019. The impact on its economic activity Greece due to the effects of the pandemic are estimated to be greater and the financial crisis of 2008.

With the prospect of the gradual reversal of the financial environment, the Group continues its organizational and digital restructuring activities, in order to be ready to face the challenges of the upcoming changes in the market. In particular, emphasis has been placed on the digital footprint of the Group, with a high focus on the dynamic development of its products and customers. Specifically, the strategy combines e-commerce with the "traditional" model of development of our customers, making the most of digital media and new technologies, to offer the consumer an omnichannel experience both offline and online.

The contribution of the financial figures of the subsidiaries to the total financial figures of the Group is estimated to be positive, with the effect of COVID-19 being limited and at lower levels than those of the parent company.

The financial impact of the current crisis on the markets in which the Group operates in terms of overall business activities cannot be estimated with reasonable certainty due to the rate of expansion and duration of the pandemic and the high level of uncertainty. With these data there can be no reliable prediction of financial results.

Shielding liquidity and achieving profitable results in an undeniably unpredictable year remains a key goal of Management for the year 2021.

PANDEMIC COVID-19: IMPACT TO THE FINANCIALS OF AS COMPANY

The Management of the Group, adopting all hygiene protocols, prepared and implemented a plan for the reduction of the possible threat from COVID-19 and to ensure its business continuity. It has implemented strict measures to ensure the health of its employees while implementing and maintaining solutions for the remote work of its employees.

Following all the developments, the Company's Management has additionally focused on the following main points:

- Security of Employees, Partners, Customers and Computer systems.
- Supply Chain for smooth and timely delivery of orders
- Retention of operating costs.

The Greek government, in its effort to reduce the negative consequences of the COVID-19 pandemic, has taken measures that have limited the smooth operation of trade, including the mandatory suspension of many businesses.

Due to the above regulations in the retail trade, from 18 March of 2020, the products of our Company are available in limited distribution channels. However, the Company did not cease operations and continued to invoice its customers who did not have their operations suspended, responding to a demand clearly much lower than normal levels. With the extraordinary measures of protection of the public health from the risk of further spread of COVID-19 in the whole Territory for the period from Saturday, November 7, 2020 to the beginning of April 2021, the distribution of toys in the food shops (super market) and in the specialized retail stores was prohibited. This ban had a significant effect on sales in the period March-June and especially in the last critical quarter of 2020, while it has negatively affected sales in the first quarter of 2021.

With Acts of Legislative Content, the government extended by 75 days the deadline for expiration and claim of securities for companies whose operation had been suspended or had been classified as affected based on specific criteria. Our Company is in constant communication with all customers, trying in good faith to ensure the widest possible maintaining of the agreed repayment time. By the date of writing this report, the majority of our customers have complied with the agreed repayment period. In any case, the Management estimates that the untimely payment of securities will have a temporary impact on cash flows but will not affect the financial position of the Company.

Despite the prevailing uncertainty, the Management believes that - even in adverse scenarios - the Company is able to meet the challenges of the crisis for the following reasons:

• The Company has strong liquidity which amounted to 31.3.2021 to € 13,900 thousand.

• The Group is able to fully meet its liabilities since the Real Liquidity ratio (acid ratio) remains at very high levels (31.12.2019: 4.6 and 31.12.2020: 7.4). On 31.12.2020 the working capital was € 24.92 million for the Company and € 26.84 million for the Group, ie improved by + 1.3% and + 3.1% compared to the corresponding figures last year.

The total impact on the size of the Group in 2021 will depend on the time of return of trade to normal conditions and the general conditions that will be created in the whole economy in the post-COVID-19 era.

E. RELATED PARTIES TRANSACTIONS

The definition of related parties means, as defined by IAS 24, in addition to subsidiaries and affiliates, also management and members of the Board of Directors.

Transactions with related parties during the year 2020, i.e. intercompany sales / purchases and intercompany balances, were all transactions within the scope of the Company's business operations.

All related party business transactions were conducted only with AS COMPANY CYPRUS LTD and AS KIDS TOYS S.R.L.. No intercompany transactions were conducted beyond those described above.

Sales	2020	2019
AS COMPANY CYPRUS LTD	868.054	803.775
AS KIDS TOYS S.R.L	546.715	324.599
Total	**1.414.769**	**1.128.374**

Purchases	2020	2019
AS COMPANY CYPRUS LTD	0	157.520
AS KIDS TOYS S.R.L	63.186	40.437
Total	**63.186**	**197.957**

Other Transactions	2020	2019
AS COMPANY CYPRUS LTD	82.911	76.490
AS KIDS TOYS S.R.L	73.492	34.962
Total	**156.403**	**111.452**

Balances from trading transactions

Receivables	2020	2019
AS COMPANY CYPRUS LTD	584.494	575.897
AS KIDS TOYS S.R.L	376.929	224.580
Total	**961.423**	**800.477**

Payables	2020	2019
AS COMPANY CYPRUS LTD	0	0
AS KIDS TOYS S.R.L	0	0
Total	**0**	**0**

The remuneration to the Directors and the Company's management are analysed as follows:

Remuneration and Transactions of Management	Group		Company	
Short – term employee benefits	**2020**	**2019**	**2020**	**2019**
Salaries	647.360	768.704	573.349	695.590
Social Security cost	116.949	139.916	108.383	132.036
Total	**764.309**	**908.620**	**681.733**	**827.626**

Remunerations and Transactions of Board of Directors Members	Group		Company	
Short – term benefits	**2020**	**2019**	**2020**	**2019**
Salaries	278.800	282.800	260.800	264.800
Social Security cost	41.584	41.516	41.584	41.516
BoD Remuneration Stamp	3.130	3.130	3.130	3.130
Other fees	33.365	26.910	33.365	26.910
Total	**356.879**	**354.356**	**338.879**	**336.356**

No loans have been granted to the Board of Director members, or to Management (and their families). There were no changes in the transactions between the Company and its related persons which could have a material impact on the Company's financial position and performance.

The fees paid during the fiscal year 2020 to the Chairman of the Board of Directors Mr. Efstratios Andreadis, the Vice President of the Board of Directors Mrs. Anastasia Andreadou and the non-executive members Mr. Ioannis Apostolakos, Petros Iakovou, Theofilos Mehteridis and Apostolos Petalas, concern remuneration of their position as members of the Board of Directors. To the non-executive member of the Board of Directors Theofilos Mehteridis fees also paid for the provision of customs services, in the context of his professional cooperation with the Company, based on a relevant evaluation of the Board of Directors. The fees paid to the executive member of the Board of Directors Mr. Theodora Koufou, concern the provision of dependent work services to the Company throughout the year. The non-executive member Mr. Konstantinos Andreadis did not receive remuneration from the Company, but from the subsidiary of Cyprus, to which he provides his services. The management personnel who are not members of the Board of Directors, received remuneration based on the employment contracts they have with the Company.

F. Corporate Governance Declaration

This Corporate Governance Declaration has been prepared in accordance with article 152 of Law 4548/2018 (Government Gazette A '104/ 13.06.2018) and is included in the Annual Board of Directors Report for the fiscal year 2020, as a special part of it; and is available through the Company's website. The contents below reflect the current legal and factual situation, not taking account the amendments which will enter into force pursuant to Law 4706/2020.

CONTENTS

I. Corporate Governance Rules

The Company has adopted and applies the Corporate Governance Rules as they are valid from the applicable legislation and the applicable international practices in connection with its principles and corporate culture, aiming at functionality, efficiency and transparency towards the investing public and safeguarding interests of shareholders' and all those who are in any way connected with its operation.

II. Corporate Governance Code

The Board of Directors of the Company has adopted and applies the Hellenic Code of Corporate Governance of 2013 (hereinafter referred to as the "Code") as jointly proposed by the Hellenic Federation of Enterprises (SEV) and Hellenic Corporate Governance Council. The Company applies the Code with some deviations that are in line with the Company's specific characteristics and make its management more flexible and functional. These deviations are listed below (under IV).

The adopted Code in its initial format (without deviations) is uploaded on the electronic address:

http://www.sev.org.gr/Uploads/pdf/kodikas_etairikis_diakivernisis_GR_OCT2013.pdf

The Board of Directors may approve amendments to the Code of Corporate Governance applied by the Company. In this case, the amended text after its approval will be uploaded on the Company's website.

The Company is in the process of drafting a new Code of Corporate Governance, in combination with its further adoption to the Societe Anonyme operation regime, pursuant to Law 4548/2018 and the provisions of Corporate Governance under Law 4706/2020.

III. Corporate Governance Practices in addition to legislation requirements

The Company does not apply additional Corporate Governance practices than those set out in the adopted Code and the applicable legislation.

IV. Deviations from the Corporate Governance Code – Justification Role and responsibilities of the BoD

Duties and obligations of the Board of Directors

The Board of Directors has not established a Nomination Committee with the objective of the nomination and introduction for the election of new members to the Board of Directors. The policy applied for the nomination of new members in the Board of Directors concerns persons with sufficient qualifications and several years of experience. The nominations of new members of the Board of Directors are proposed by BoD members or Shareholders to the BoD or to the General Meeting (hereinafter referred to as "GM") as deemed appropriate.

Size and composition of the Board of Directors

The Board of Directors consists, according to the Articles of Association, of 5 to 9 Members. The current Board of Directors consists of eight (8) Members. From these members, three (3) members are executive and five (5) non-executive. From the five non-executive members, the three (3) are independent non-executive. This composition proves to be adequate, flexible and effective in its operation. Due to the size of the Company there is no specific diversity policy of the Board of Directors or senior executives. The existing BoD contains four (4) Members with knowledge of the toy industry (E.Andreadis, A. Andreadou, Th. Koufou, K. Andreadis), seven (7) Members with knowledge of the commercial sector (the above plus I. Apostolakos, Th. Mexteridis and A. Petala) and four (4) Members with knowledge in the financial sector (Th. Koufou, I. Apostolakos, P. Iakovou and A.Petalas). The Company does not follow a specific policy of diversity and gender balance for the members of the Board of Directors or its executives. In the existing BoD both genders (six men and two women) are represented.

Role and required characteristics of the Chairman of the Board

The responsibilities of the Chairman of the BoD are defined by the Law and Company's Articles of Association. Due to the size of the Company, the Chairman of the BoD also serves as its Chief Executive Officer, the Company does not see the necessity of assisting the Chairman in his/ her executive duties by appointing an Independent Executive Vice President from its Independent Members, but an Executive.

Duties and behaviour of the members of the Board

There is no limitation on the number of Boards of listed or non-listed companies, to which the Members of the BoD may participate, given that as Members they devote the necessary and sufficient time to their participation in the Company's BoD and their information about matters related to the Company and the Group and their duties are sufficient.

No approval of the Board of Directors is required for the appointment of an Executive Member as non-Executive to a Company that is not a subsidiary or affiliate and does not maintain any other commercial relationship because it is not considered to be critical to the Company's interests.

Nomination of Members of the Board of Directors

The members of the Board of Directors are elected by the General Meeting of the Company's shareholders for three (3) years. The term of the members of the Board of Directors is extended until the expiry of the period within which the ordinary general meeting must be held immediately after the end of its term. As mentioned above, there is no Nomination Committee and the provisions of the Code are not applicable.

peration of the Board of Directors

- There is no specific regulation for the Board of Directors operating in accordance with the Law and the Articles of Association. The Board of Directors does not adopt a specific calendar of meetings at the beginning of each year. Meetings are carried out on the basis of the needs presented and there has been no difficulty in applying this practice.
- The Board of Directors are not supported by a Corporate Secretary. The President and all members of the Board of Directors full secretarial and any other support is provided upon request, by the Company's experienced secretarial staff with the assistance of other executives, whenever deemed necessary. They are also provided with the capability of continuous access to legal counsel services.
- The Chairman has no regular meetings with Non-Executive Members, without the presence of the Executive Members, to discuss the performance and remuneration of the latter, and other relevant issues. All relevant issues are discussed in the presence of all Members at the Board meetings.
- The minutes of BoD meetings are signed at the end of each meeting or in the next meeting by its members. During the next meeting the minutes of BoD meetings that have been taken place through teleconference are also signed.
- There are no introductory information courses for new members of the Board of Directors. Nominees of the Board of Directors are always persons with specific and targeted skills and experience, so that they can assist, each on the basis of their qualifications, to achieve the Company's goals. In any case, if proposed by a member or executive and training on a particular subject is considered necessary, the Board of Directors may approve its implementation.

Evaluation of the Board of Directors

- There is no specific procedure for the evaluation of the effectiveness of the Board of Directors and Committees every two years. Their evaluation takes place in practice, within the framework of their election every three years by the General Meeting. Also, the Board of Directors do not evaluate the performance of the Chairman of the Board of Directors during the course of his/her chairmanship or the need of an independent Vice-Chairman or other Non-Executive Member of the Board. The relevant provision is deemed unnecessary as the Board, is constantly taking care to alleviate recognized deficiencies.

- The Non-Executive Members do not meet without the presence of Executive BoD members in order to evaluate the performance of the Executive Members and to determine their remuneration.
- Given the above, the Board of Directors does not include in the Annual Corporate Governance Declaration a brief description of the evaluation process of itself and its Committees.

Internal Control System

- The Board of Directors does not carry out an annual evaluation of the Internal Control System because the Audit Committee reviews and expresses its opinion on the Internal Audit Department on a regular basis to the Board of Directors of the Company.
- No specific funds have been allocated to the Audit Committee for its use of external consultancy services. If required, the Audit Committee recommends respectively to the Board of Directors, which decides accordingly.

Remuneration

- With the establishment of the Remuneration Committee the remuneration of all members of the Board of Directors, Executive and Non-Executive, and their form, are approved by the General Meeting, following a recommendation by the Board of Directors, in accordance with the Articles of Association of the Company and L.4548/2018 after the instruction of the Remuneration Committee. The method of calculation and the level of remuneration are adapted to the prevailing economic conditions of the Company and the general, local and international environment.

Relations with Shareholders

General Meeting

- No summary of the General Meeting of the shareholders minutes is uploaded on the Company's website. However, the relevant announcement is published on the Athens Stock Exchange Bulletin, with all the crucial elements of the decisions taken, it is posted within 15 days of the General Meeting. Moreover, the Company as a listed company in the Athens Stock Exchange, publishes on its web site, under the responsibility of the Board of Directors, the results of the voting, within five (5) days from the date of the General Meeting specifying for each decision at least the number of shares for which valid votes were casted, the proportion of the share capital represented by such votes, the total number of valid votes, as well as the number of votes in favor and against each decision and the number of abstentions. This information is sufficient to inform the shareholders and the investing public.

- Due to the size of the Company and the acknowledgement that there is no need for this, the participation in the General Meeting and voting issues electronically have not been established. The Company will apply the extraordinary regulations that have been established or will be established in the future, regarding the conduct and participation of the shareholders in the General Meetings, such as the content of Article 33 par. 3 of the legislative act (PNP) of 20.3.2020.

In the General Meeting of the shareholders at least all Executive Members shall attend, the Chairman of the Audit Committee, the Chairman of the Remuneration Committee, the internal auditor and the independent statutory auditor, except in the case of extreme difficulties for someone not to attend. The above may provide information on all matters within their duty. The presence of non-Executive Members of the Board, as well as all members of the Committees in the General Meeting is encouraged.

V. Description of the main features of the internal control and risk management systems of the Company and its Subsidiaries regarding the process of preparing the financial statements.

An internal control system is defined as the set of procedures that are implemented by the Board of Directors, the Management and the rest of the Company's personnel, in order to ensure the efficiency and effectiveness of the company's operations, the reliability of the financial information intended to be used to the preparation of financial statements and compliance with applicable laws and regulations. Its responsibilities include monitoring financial information, evaluating and improving risk management and internal control systems, as well as verifying compliance with the statutory policies and procedures as defined in the Company's Internal Rules of Operation and applicable legislation.

2020 was AS Company Cyprus Ltd's fifth year of operation from its establishment in May 2016. The internal control and risk management systems are currently exercised on a case by case basis by executives of the Company or external associates who assist the Management of the Subsidiary.

AS KIDS TOYS S.R.L. in the year 2020 covered its third year of operation, while the company's sales activity officially began in the 4th quarter of 2018. The internal control and risk management systems are currently exercised by Company executives or external associates who assist the Management of the Subsidiary.

The Company and its Subsidiaries in Cyprus and Romania apply the following internal control procedures for the preparation of the financial statements:

- The Accounting Department carries out periodic reconciliations on receivables, liabilities, cash and short-term investments
- Uniform budgets for the following year are prepared and approved by the Board of Directors of the company
- Summary profit and loss statements for the financial position are prepared monthly based on IFRS standards and uniform accounting applications and procedures enforced.
- The subsidiaries in Cyprus and Romania submit their six-month and annual statement of financial position and income and comprehensive Statement of Profit or Loss according to specific closure and audit procedures
- The Accounting Department carries out the consolidation entries based on IFRS standards.
- The Financial Statements of the Company and the Group are audited by independent statutory auditors the work of whom are monitored by the Audit Committee which in turn makes its recommendations to the BoD of the Company

There are also entity-level controls applied by management of each company of the Group in the conduct of corporate functions and by the Audit Committee on the Internal Control System under the Internal Operation Regulation.

Additionally, security measures and controls are in place to safeguard software data (back-ups), access to software applications of specific executives with a password. The Company's central computer installation is located in a specially designed area of the headquarters which meets specific safety requirements. If necessary and under certain conditions, it is possible to operate the Company's computer systems from the branch in Athens.

Concerning the management of specific risks, those are mentioned above in the relevant Chapter of this Report of the Board of Directors.

VI. Data relating to the control regime of the Company ((c), (d), (f) (h) (i) of paragraph 1 of Article 10 of Directive 2004/25/EC of the European Parliament and the Council of 21.4. 2004)

Significant direct or indirect participation (including indirect participations through pyramid structures or mutual participation) within the meaning of Article 85 of Directive 2001/34 / EC.

Concerning significant participations in the Company's share capital and voting rights within the meaning of Article 85 of Directive 2001/34/EC - see explanation on page 27 - c. Significant direct or indirect participations within the meaning of Articles 9 to 11 of Law 3556/2007.

No other natural person or legal entity holds more than 5% of the share capital and voting rights except a) Andreadis Efstratios and b) Andreadou Anastasia.

The information on the number of shares and voting rights of the persons holding significant holdings have been derived from the Company's share book and the disclosures made by shareholders by law to the Company.

VII. Information on the operation of the General Meeting of Shareholders and its basic powers as well as a description of shareholders' rights and how to exercise them.

General Meeting Mode of Operation

The Board of Directors ensures the careful preparation and smooth conduct of the General Meeting of shareholders. In this context, it facilitates the effective exercise of shareholders' rights, who can easily be informed about issues related to their participation in the General Meeting, including the agenda items and their rights. In the General Meeting of shareholders all information and clarifications are provided, in the context of a meaningful dialogue between Management and shareholders. The Company posts on its internet site at least twenty (20) days before the General Meeting information on:

- The date, time and venue of the General Meeting of Shareholders,
- the basic rules and practices of participation, including the right to introduce items on the agenda and submit questions, as well as the deadlines within which such rights may be exercised,
- voting procedures, proxy terms and forms used for proxy voting,
- the proposed agenda for the meeting, including draft decisions for discussion and voting, as well as any accompanying documents,
- the proposed list of Nominees for the Board of Directors and their CVs (if there is a subject of election of members) and
- the total number of shares and voting rights at the date of the meeting.

At least the Chairman of the Board of Directors of the Company, the Vice-Chairman, the Chief Executive Officer, the Head of the Audit Committee, the internal auditor and the statutory auditor are present at the General Meeting of Shareholders in order to provide information on issues of their competence for discussion, and upon questions or clarifications requested by shareholders. The Chairman of the General Meeting will have sufficient time for accepting questions from shareholders and provide responses to them.

Basic Powers of the General Meeting

The General Meeting of the shareholders of the Company is the supreme body of the Company and is competent to decide on all the Company's matters. The decisions of the General Meeting binds all shareholders including those who are absent or those that disagree with these decisions.

The General Meeting of Shareholders of the Company is solely responsible for deciding on all the matters that are provided for in paragraph 1 of article 117 of C.L. 4548/2018, subject to the exceptions listed in paragraph 2 of that Article.

Rights of shareholders and ways of exercising them

In the General Meeting of the Company one is entitled to participate and vote if the shareholder appears in the records of the authority in which the shares of the Company are held. The exercise of those rights does not entail the pledge of the shares of the beneficial owner or the observance of a similar procedure. Shareholders entitled to participate in the General Meeting may be represented by a person whom they have legally authorized. Each share provides with all the rights provided by the Law as it applies every time, but also by the Company's Articles of Association.

VII. Information on the composition and operation of the Board of Directors

Composition of the Board of Directors

The Board of Directors exerts the management of corporate affairs for the benefit of the Company and all its shareholders, ensuring the implementation of the corporate strategy and the fair and equal treatment of all shareholders, including minority and non-resident shareholders. It is responsible to decide on any matter concerning the Company, other than those for which the General Meeting of Shareholders is responsible by the Law or by the Articles of Association.

The Company is governed by a Board of Directors, which consists of at least five (5) and up to nine (9) members. As a Member of the Board of Directors can be assigned a legal entity, which is required to designate a natural person for the exercise of its powers, as a member of the Board of Directors. The members of the Board of Directors are elected by the General Meeting of the shareholders of the Company for a three (3) year term.

The current Board of Directors consists of eight (8) members, 3 executive and 5 non-executive members. From the non-executive members the 3 are independent, fulfilling the requirements set by L. 3016/2002 on Corporate Governance.

The persons who make up the current BoD are:

1. Efstratios Andreadis of Konstantinou, executive member of the BoD, Chairman and Managing Director.
2. Anastasia Andreadou the genus of Angelos Kozlacidis, executive member of the BoD, Vice-President.
3. Theodora Koufou of Dimitriou, executive member of the BoD.
4. Petros Iacovou of Nickolaou, independent non-executive member of the BoD
5. Ioannis Apostolakos of Georgios, independent non-executive member of the BoD
6. Apostolos Petalas of Dimitriou, independent non-executive member of the BoD
7. Theofilos Mechteridis of Ioanni, non-executive member of the BoD
8. Konstantinos Andreadis of Efstratios, non-executive member of the BoD

The above BoD commenced on 21.06.2019 and expires on 21.06.2022 and is extended until the Annual General Meeting of the year 2022, if it takes place after 21.06.2022.

Short Curriculum Vitae of Board Members:

EFSTRATIOS ANDREADIS, Chairman, executive member of the BoD and Chief Executive Officer.

Born in 1957 in Vienna, Austria. He studied Mathematics at Universita Degli Studi Di Perugia, Italy. He speaks English and Italian. He has been active in commerce since 1980. Along with the Vice-President in 1990 they proceeded in the incorporation of AS Company.

ANASTASIA ANDREADOU, Vice Chairman and executive member of the BoD

Born in 1950. She studied Accounting and Economics in Thessaloniki and speaks English. She has been active in commerce since 1982. She is a founding member of AS Company.

THEODORA KOUFOU, Executive Member of the BoD

Born in 1972 in the United States. She holds a BSc in Finance from New York University and a postgraduate Diploma in Economics from Pace University. She has been appointed General Manager of AS Company S.A. on July 2015, and was also the Internal Auditor of the Company from September 2001 to June 2015. Prior to taking up her duties at AS Company, she worked in the U.S. at John Kaldor Ltd, Angelika Films and others companies.

PETROS IAKOVOU, Independent Non-Executive Member of the BoD

Born in 1959 in Thessaloniki. He holds a degree in Mathematical Statistics and Probabilities at the University of Ioannina, two MSc at Syracuse University, Syracuse, USA, in IT and Computer Studies and Probability and Statistics of Syracuse University, Syracuse NY, USA. He is Managing Director of Hellenic American Securities and Member of the BoD of PALEOLEDIA ENERGY S.A.

APOSTOLOS PETALAS, Independent Non-Executive Member of the BoD

Born in 1961 in Soufli, Evros. He holds a Business Administration degree from Piraeus University, certified in special programs: Leadership, Executive Management, Economics and Strategic Analysis, in the Colgate Palmolive and PepsiCo internal training system in the USA. From 1985 to 1990 he worked at Colgate Palmolive in various sectors of Financial Services. From 1990 to 2007 he held management positions in the PepsiCo Hellas, among which the one of Financial Controller for more than five years, the Finance Director and Managing Director. He is currently the Chief Executive Officer of the listed company "Fourlis A.E. Holdings". He is also Vice-Chairman of the Association of Chief Executive Officers (ACEO) and Member of the BoD of the Association of Business and Retail sales of Greece (HRBA).

IOANNIS APOSTOLAKOS, Independent Non-Executive Member of the BoD

Born in 1964 in Athens. He studied Business Administration at ASOEE and holds an MBA from the University of Cardiff, Wales. For many years he has worked as an executive in banks, in financial services companies, commercial and industrial companies. He is a special associate of the audit firm Deloitte Greece, in matters of raising funds for businesses. In this context, he has extensive experience in the analysis, understanding and control of financial statements, as well as the financial and creditworthiness of companies. He has participated in the Board of Directors of listed and non-listed companies in stock markets. Administrator in the Consulting Company ANCIENT OLYNTHEF IKE.

THEOFILOS MECHTERIDIS, Non-Executive Member of the BoD

Born in 1966 in Thessaloniki. He studied at the School of Management and Economics of the Department of Business Administration T.E.I. of Kavala and speaks English. He received his degree as a customs agent in 1989 and since then he has been practicing this profession until today.

KONSTANTINOS ANDREADIS, Non-Executive Member of the BoD
Born in 1980 in Thessaloniki. He studied Business Administration at Kingston University and holds a postgraduate diploma (MA) in Marketing Management from Middlesex University.

Here is a description of the main responsibilities of the Chairman of the BoD and Chief Executive Officer:

- Determines the issues on the agenda and convenes the BoD, ensures the good organization of his work and directs its Meetings.
- Represents the Company in court and out of court.
- Exercises all the powers that belong to the BoD by the Articles of Association and the law, which may delegate to another member by proxy.

As C.E.O. monitors the achievement of the objectives and manages the Company's daily matters, always in accordance with the decisions of the General Meeting and the BoD, ensuring the orderly and efficient operation of the Company.

How the Board of Directors operates

The Board of Directors meets at the headquarters of the Company or at the branch office in Athens, or anywhere in Greece or abroad, in accordance with the terms of the Law and the Articles of Association. It is convened by the Chairman or his deputy, or whenever at least two (2) of the Directors ask for it. The Board of Directors may meet by teleconference.

The Board of Directors may, by a decision taken by a simple majority of its Members present and/or represented, delegate all or part of its powers, including the power of representation and commitment of the Company, with the exception of those exercised collectively, to one or more persons, members or non-members of the Board of Directors or third parties, determining at the same time the extent of the aforementioned delegation.

The Board of Directors is in quorum and holds a valid meeting if half (1/2) plus one Director are present or represented in it. To find the corresponding quorum number, the fraction that may arise is omitted. The Board of Directors decides validly by an absolute majority of the Representatives present or represented, except for the cases provided for in the Articles of Association or the Law provide for increased majority. In case of a tie, the vote of the Chairman of the Board prevails.

In case of personal issues, the Board of Directors decides by secret vote by ballot. Each director has one vote, while when it represents an absent director it has two (2) votes. A director who is absent for any reason at a meeting is entitled to be represented by another director, but in no case a member of the board can represent more than one directors.

During 2019, the Board of Directors of the Company held twenty nine meetings. The table below shows the attendance of each member to the meetings of the Board:

Member	Attending Meetings
Efstratios Andreadis, Chairman & CEO, executive member	27
Anastasia Andreadou, Vice-Chairman, executive member	27
Theodora Koufou, executive member	27
Petros Iakovou, independent non-executive member	27
Ioannis Apostolakos, independent non-executive member	27
Apostolos Petalas, independent non-executive member	27
Konstantinos Andreadis, non-executive member	27
Theofilos Mechteridis, non-executive member	27

IX. Information on the composition and operation of the Audit Committee

The Company, complying with the requirements of L.4449/2017, as every listed in the stock exchange company ("public interest entity") has an Audit Committee made up of 4 members of the Board of Directors, out of which 3 are independent non-executive members and 1 non-executive member.

The Audit Committee of the Company consists of the following members of the Board:

a) Ioannis Apostolakos, Independent Non-Executive Member of the BoD

b) Petros Iakovou, Independent Non-Executive Member of the BoD

c) Theofilos Mechteridis, Non-Executive Member of the BoD

d) Apostolos Petalas, Independent Non-Executive Member of the BoD

Chairman of the Audit Committee is Mr. Petros Iakovou.

The Committee includes two members who have knowledge of accounting and auditing, Messrs. I. Apostolakos and A. Petalas.

The term of the Audit Committee under Article 44 of L.4449/2017 is three years. The term of this Audit Committee commenced on 21.06.2019 and expires on 21.06.2022 and is automatically extended until the Annual General Meeting of the year 2022, if it is held after 21.06.2022.

The renewal of the term or the modification of the composition of the Audit Committee is always made by decision of the General Meeting of the shareholders of the Company. The Audit Committee monitors and supervises the application of Internal Control audits & procedures by the Internal Control Department.

The Audit Committee meets on a regular basis 4 times a year after the completion of the quarterly Internal Control Reports, as well as extraordinarily, if the circumstances prevail. The findings of the audit work of the supervisory authorities and the Internal Control Department are evaluated and communicated.

The Audit Committee shall be convened by its Chairman. The Committee shall meet in quorum when at least three of its members are present. Decisions are taken by the majority of its members.

During 2020, the Audit Committee held in total 7 meetings. The attendance of members in meetings is shown in the table below.

Member of the Audit Committee	Attending Meetings
Petros Iakovou, independent non-executive member	7
Ioannis Apostolakos, independent non-executive member	7
Apostolos Petalas, independent non-executive member	7
Theofilos Mechteridis, non-executive member	7

During the fiscal year 2020, the Audit Committee held three meetings with the independent certified public accountants of the audit firm KPMG. In addition to the meetings, there were also telephone communications, whenever necessary.

During 2020, the Remuneration Committee held two meetings.

Member of the Remuneration Committee	Attending Meetings
Petros Iakovou, independent non-executive member	2
Apostolos Petalas, independent non-executive member	2
Theofilos Mechteridis, non-executive member	2

There were also complementary communications via telephone, whenever deemed necessary.

X. Information on the composition and operation of the Remuneration Committee

The Remuneration Committee of the members of the Board of Directors was established with a decision of the Board of Directors of the Company in December 2019, based on the decision of the extraordinary General Meeting as of 18.12.2019. With the same decision of the General Assembly, the Rules of Operation were approved. It consists of three non-executive members of the Board, in the majority of them independent. Independent non-executive member of the Board is also its Chairman.

The current Remuneration Committee consists of the following members:

a) Apostolos Petalas, independent non-executive member of BoD

b) Petros Iakovou, independent non-executive member of BoD

c) Theofilos Mechteridis, non-executive member of BoD

The Chairman of the Remuneration Committee is Mr. Apostolos Petalas

The term of the members of the Committee is three years and follows the term of the Board of Directors. The term of the first Committee ends with the term of the incumbent at the election of the Board of Directors, i.e. on 21.06.2022, and is automatically extended until the commencement of the Annual Ordinary General Meeting of 2022, if it takes place after 21.06.2022.

The Committee has the authority to make recommendations to the Board of Directors about:

(a) the amount of the remuneration of the executive members of the BoD and the General Manager of the company. Remuneration means all benefits in cash and in kind, regular and extraordinary ones.

(b) the conditions for granting and assisting the variables (other than a fixed salary) of the above remuneration (e.g. determining and achieving financial or other performance goals).

(c) the submission of suggestions to the Board of Directors regarding the terms of the above contracts, in particular with regard to non-wage benefits (e.g. pension / insurance programs) and compensation in case of withdrawal from the company.

(d) the amount of all types of remuneration of the non-executive members of the Board of Directors, in a way that corresponds to the duties they are called to perform, based on the prevailing conditions.

(e) the formulation and submission of suggestions to the Board of Directors on any policy related to the remuneration of the members of the Board of Directors and other executives.

The Commission meets regularly at least twice a year and extraordinarily if required. It is convened by its Chairman and is in quorum when at least 2 of its Members are present. Decisions are taken by the majority of its members.

XI. Diversity policy in the administrative, management and supervisory bodies

The Members of the Board have experience covering a relatively wide age range (ages 41-71) while at the same time several of them have studied abroad. They actively contribute to the work of the bodies as they have experience in areas related to the business of the Company and the Group such as trade, imports / exports, financial, accounting and audit procedures.

The Board of Directors of the Company elected by the General Meeting as of 21.06.2019 consists in its majority of men. The Audit Committee and the Remuneration Committee are made up of men only. The Company makes an effort so that the Board Members and the Audit Committee to adhere to a high level of professional training and experience, a high level of education and organizational and administrative skills having served in similar positions.

The Group in no way considers gender as a criterion and factor that can in any way affect the choice or participation of a person in any body or position in the company, unless this is required by specific and very special circumstances. The aim is to add more female representatives to the Board of Directors or to the Committees in the future, according to the needs of the Company and the Group in general, but this is not an end in itself.

In addition to the Vice President and Executive Member of the Board Mr. Anastasia Andreadou, the executive member of the Board Ms. Th. Koufou holds the position of General Manager of the

Company, as well as that of Managing Director of the subsidiary in Romania, "AS KIDS TOYS S.R.L"

Managerial positions in the Company are held by 3 other women, 1 General Manager, two heads of departments and the position of Audit Manager.

Z. CORPORATE SOCIAL RESPONSIBILITY

Safety and product quality are the basic principles governing the operation of the Company and its Subsidiaries. On this basis, the course of the Group is formed from first day of its operation and continues the same way for the future. These values are of particular importance to a Group dealing with kids and their entertainment.

In practice, this means that AS toys have a safety and quality guarantee to provide carefree hours of entertainment and joy to kids and parents. The Quality Assurance Department is responsible for checking and complying with product safety and quality standards. We work with internationally accredited external quality and safety testing laboratories that are internationally recognized. The Customer Service department takes care of responding promptly to all requests it receives, always in line with the family and its needs concerning the kid and toy.

In addition, AS Company carries out actions and initiatives of Corporate Social Responsibility to support vulnerable social groups. In this context, it created the "Put the Screen Down" campaign and the hashtag #asekatotinothoni in order to prompt parents with a more active role, setting limits to protect children from the risk of screen addiction. It suggests a return to real life, the joy of group board games, quality time with family and friends, and enhanced human contact. In the context of the campaign, the Company will donate part of its proceeds from the sale of board games to support organizations that treat internet pathogens preventively and therapeutically. Specifically, it will support the NGO DIADRASIS, the operation of the specialized detoxification clinic for children & adolescents addicted to electronic devices, the child psychiatric unit of the Ippokratio Hospital of Thessaloniki, as well as the Hackathon Athens program of the Adolescent Health Unit of the 2nd Pediatric Clinic of the Athens Children's Hospital "P & A Kyriakou".

At the same time, with a sense of responsibility for society as a whole, the Company contributed to the treatment of the coronavirus covid19 by supporting the National Health System with sanitary material. Specifically, it allocated € 17,500 for the purchase of medical uniforms (coverall) of high protection at the AHEPA reference hospital to cover the urgent needs of the Intensive Care Units. At the same time, it distributed toy candles to the families of all the ICU staff of AHEPA and Papageorgiou Hospital in Thessaloniki, as a symbolic act of support to the doctors and nurses who fight daily in the front line to deal with the pandemic. For this action, he received the honorary distinction "Heroes of covid-19 in Northern Greece", organized by the journal group "Macedonia" under the auspices of the Ministry of Interior (Macedonia Thrace), the Municipality of Thessaloniki, the Region of Thessaloniki and the TIF - Helexpo.

In addition, it encourages and promotes education through creative play. Specifically, it supports the model special education center "Charismatic Children", offering its educational games to enhance their teaching method. The aim is to highlight and develop the talents of each child, while enhancing the skills in which the child lags.

Finally, it makes a series of product donations throughout the year, actively supporting organizations and clubs, such as "The Smile of the Child", "Make a Wish", as well as many local organizations, which through their actions support mainly children and families.

H. Environmental & Work Issues

The Company and its subsidiaries, in their countries of operation, are not active in the manufacturing of the products they distribute. Also, the operation of the Group's facilities is of low nuisance. As the Company believes that environmental management and the ecosystem is a concern of all, it makes sure that the products it distributes are as environmentally friendly as possible. In addition, in 2020, the Company plans to include products from recyclable materials in its range. In 2020, the products of Clementoni's series "Play for future" were available, made from recycled and recyclable materials, exhibiting its commitment for more environmentally friendly products.

In addition, in collaboration with the NGO "A Child Counts the Stars" collects plastic caps in all its facilities, helping to reduce its environmental footprint, while supporting people with mobility problems.

The purpose of the Company is to combine its corporate goals with its wider contribution to sustainable development, responding at the same time to the needs of consumers. With respect and responsibility for the environment, it paves the way for a sustainable future for the child and the family.

The profile of employees for the Group is mixed as it employees are split - men (48,7%) and women (51,3%). The Company provides an additional health and life insurance program.

The Group's relations with its staff are excellent and there are no work related issues. This is verified by the lack of litigations pending concerning Labor matters.

I. OTHER ISSUES-OWN SHARES

The Company has a specialized team who conducts market researches on the trends of the toy industry for Greece and abroad and suggest to the Group's Management the development of toys that suit the preferences of consumers in the markets in which the Group operates. Participation in various national and international Exhibitions abroad assist significantly in the development of these new toy products and categories.

In the fiscal year 2019, the Ordinary General Meeting of the shareholders as of 21.06.2019 decided on the purchase of own shares from the Stock Exchange.

Following a decision of the Board of Directors, in the fiscal year 2020 and until 31.3.2021, 37.906 own shares had been purchased, with a total nominal value of € 25.018, representing 0.289% of the share capital, with an average acquisition price of 1,84 euro.

K. DIVIDEND POLICY – SHARE CAPITAL RETURN

The Company does not intend to distribute a dividend but will proceed to a share capital return. Specifically, the Board of Directors decided to propose to the Annual Ordinary General Meeting of the Shareholders the return of share capital by reduction of the nominal value of the share by € 0.07, i.e. a total amount of reduction of the share capital of € 918.821,40.

The proposed return is subject to the approval of the Ordinary General Meeting of Shareholders.

IA. EXPLANATORY REPORT OF THE BOARD OF DIRECTORS TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS (article 4 par. 7 of L. 3556/2007)

This explanatory report of the Board of Directors to the Ordinary General Meeting of the Shareholders of the Company contains detailed information regarding the issues of paragraph 7 of Article 4 of L. 3556/2007 and is incorporated in the Board of Directors' report.

a. Share capital structure

The share capital of the Company amounts to eight million six hundred sixty-three thousand one hundred seventy-three € and twenty cents (€ 8,663,173.20), divided into thirteen million one hundred twenty-six thousand and twenty (13,126,020) common shares. with a nominal value of sixty-six cents (€ 0.66) each.

The Company's shares are listed for trading as a whole on the Athens Stock Exchange.

The rights of the Company's shareholders stemming from its share are based on the percentage of the capital, which corresponds to the paid value of the share. All shares have the same rights and obligations and each share incorporates all the rights and obligations provided by the Law and the Articles of Association of the Company.

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

The transfer of the Company's shares is effected in accordance with the Law and there are no restrictions on the transfer on the Company's Articles of Association, especially as they are intangible shares listed on the Athens Stock Exchange. There was no change during the year 2020 until the date of drafting this report.

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

The shareholders (natural persons or legal entities) that held at 31 December 2020 directly or indirectly more than 5% of the total number of shares and the relevant voting rights of the Company are listed in the table below.

Shareholder name	Participation*
1. Andreadis Efstratios	33,63%
2. Andreadou Anastasia	31,84%

*Concerning the share capital and the voting rights

There were no changes from 31.12.2020 up to the date of preparation of this report regarding the shareholders (natural person or legal entity) holding directly or indirectly more than 5% of the total number of shares and the relevant voting rights of the Company.

d. Shares providing special control rights and description of these

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

There was no change during the year 2020 and up until the date of drafting this report.

e. Restrictions on voting rights

The Company's Articles of Association do not provide for any restrictions on the voting rights deriving from its shares.

There was no change during the year 2020 and the date of drafting this report.

f. Shareholder agreements known to the Company that involve restrictions on the transfer of shares or the exercise of voting rights

It is not known to the Company the existence of agreements between its shareholders, which impose restrictions on the transfer of its shares or on the exercise of the voting rights deriving from its shares.

There was no change during the year 2020 and the date of drafting this report.

g. Rules for the appointment and replacement of Board members and an amendment of the Articles of Association

The rules laid down in the Articles of Association of the Company for the appointment and replacement of the members of the Board of Directors and the amendment of its provisions do not differ from the provisions of the Law.

h. Responsibility of the Board of Directors or some of its members for the issue of new or the purchase own shares

The General Meeting of the Company decides, solely (according to article 23 L. 4548/2018 – with the quorum of article 130 para 3 & 4 and the majority of article 132 para 2 of the same law) on the increase of share capital with the issuance of new shares. The purchase and administration of treasury shares on behalf of the Company takes place in the context of the provisions of article 49 L. 4548/2018. The Articles of Association does not differ adjustments from what the law provides for these issues.

The total number of shares of the Company traded on the Athens Stock Exchange amounts to 13.126.020 shares.

IB. Significant agreements that enter into force, amended or terminated in the event of a change in control following a public offer and the results of such agreements

There are no agreements that come into force, are amended or expired in case of change in the control of the Company following a public proposal.

There was no change during the year 2020 and the date of writing this report.

IC. Agreements with members of the Board of Directors or senior executives of the Company for compensation in the event of termination of cooperation or termination of service for any reason

There are no agreements of the Company with members of its Board of Directors or its personnel, which provide for the payment of compensation especially in case of resignation or dismissal without a valid reason or termination of their term or employment due to a public offer.

There was no change during the year 2020 and the date of writing this report.

ID. SIGNIFICANT EVENTS AFTER THE END OF 2020

A. Continuation of the consequences of the restrictive measures of the pandemic.

The measures taken by the Greek Government to reduce the negative effects of COVID-19 continued throughout the first quarter of 2021 and limited the smooth operation of trade, including the mandatory suspension of operations of many companies that occupy a large part of our customers. . However, despite the difficulties that arose in the business sector and in retail in general, the Company continued its operation smoothly.

B. Decision on appeal

The Company proceeded, based on Law 4495/2017 (settlement of property), to settle square meters and declared the change of use in the building of the facilities in Oreokastro, Thessaloniki and then amending declarations E9 of the years 2015-2020 were submitted. Based on the amended declarations, the Single Property Tax (ENFIA) should be recalculated due to the modification of the measures and especially the separation of them from professional space in warehouses, shops and offices.

Due to the rejection decisions of the Tax Office for Societe Anonymes of Thessaloniki on the amending declarations of the years 2015-2019, the Company, on 22/9/2020, filed an Appeal to the Dispute Resolution Division (DED) of the Independent Public Revenue Authority, with request the annulment of these rejection decisions.

A decision (No. 59 / 20-1-2021) of D.E.D. was issued on this appeal, by which the request of the Company was accepted and a tax refund (ENFIA) of a total amount of 205,843 euros was obtained.

C. Purchase of Own Shares

Pursuant to the decisions of the Ordinary General Meeting of Shareholders of 21.06.2019 and the decision of the Board of Directors of 06/03/2020, in the framework of the Own Share Acquisition Program, the Company announced on 9/3/2020 the start of implementation of the Program of own shares, according to which the purchase of up to the number of 656,301 shares of the Company until 21.06.2021 is foreseen, with a range of purchase prices from € 0.50 / share (minimum) to € 4.00 / share (maximum). From 9/3/2020 to 31/03/2021 37,906 treasury shares have been purchased with a total nominal value of € 25,018, with an average purchase price of € 1.84 representing 0.289% of the capital.

D. Investments in new technologies.

In the context of Digital Transformation, the Group invests in new technologies, for this reason it chose SAP Business One and the transition to the new, "intelligent" era. In order to optimize its internal operation, this option offers continuous use of real-time information from the SAP Analytics Cloud (recognized as the industry leader by BARC), for better decision making and profitable growth, combined with the greatest possible convenience of the user. With the use of the new ERP, all the basic functions of the Group will be integrated in a complete system that will cover the entire turnover. The total budget of the project will amount to € 300,000 and its production operation will begin on January 1, 2022.

There are no other events after the Financial Statements, which relate, either to the Group or to the Company, to which reference is required by the International Financial Reporting Standards.

IE. ALTERNATIVE PERFORMANCE MEASUREMENT INDICATORS ("APMI")

For the analysis of the Company's and the Group's performance, "comparable" figures are used which are calculated by adding-deducting captions presented in the Financial Statements prepared in accordance with the International Financial Reporting Standards.

EBITDA ratio

This ratio results from the deduction of administrative, distribution and research expenses from the gross profit plus other income. Operating expenses do not include depreciation that are presented in separate caption in the Financial Statements. This ratio provides with useful information for the analysis of the Company's and the Group's operating performance.

The evolution of the ratio for the corresponding years of 2018, 2019 & 2020 was as follows:

	31.12.2020	31.12.2019	31.12.2018
EBIDTA	3.103.290	4.060.292	5.177.961
% in sales	15,83%	17,42%	19,17%

Leverage Factor Ratio and Net Debt

This ratio results from the addition of the short-term borrowings plus the long-term borrowings from which the cash and cash equivalents and short-term investments are deducted. The outcome of these captions is divided by the Equity to calculate the leverage ratio. The Group uses this ratio to measure its liquidity.

After the implementation of IFRS 16 lease-related financial liabilities are included in the calculation of the net debt from 2019 onwards.

The evolution of the ratio for the corresponding years of 2018, 2019 & 2020 was as follows:

	31.12.2020	31.12.2019	31.12.2018

% net debt/equity	-48,70%	-51,77%	-47,91%
Net Debt	-15.274.543	-15.871.447	-13.631.543

Net Working Capital ratio

This ratio results from the addition of the Inventories, Receivables from Customers and Other Assets with the deduction of the Trade Payables and Other Short-Term Liabilities. The Group uses this ratio to assess its liquidity without taking into account cash and cash equivalents and investments in fair value.

The evolution of the index in the respective twelve months of 2019 & 2020 were as follows:

	31.12.2020	31.12.2019
Net working capital	11,334,381	9,831,649

AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A.

Thessaloniki, 16 April 2021

THE CHAIRMAN OF BOARD OF DIRECTORS & MANAGING DIRECTOR	B.O.D MEMBER
EFSTRATIOS K. ANDREADIS	**THEODORA D. KOUFOU**
ID No: AB 691316	ID No: AN 233404

Independent Auditor's Report
(Translated from the original in Greek)

To the Shareholders of
AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS 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 AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. (the "Company") which comprise the Separate and Consolidated Statement of Financial Position as at 31 December 2020, the Separate and Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising 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 AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. and its subsidiaries (the "Group") as at 31 December 2020 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. 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 are independent of the Company and its consolidated subsidiaries in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, as it has been incorporated into Greek legislation, and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. 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 relevant significant assessed 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.

1. Inventories Valuation

See Notes 4.6 and 7.5 to the Separate and Consolidated Financial Statements.

The key audit matter	How the matter was addressed in our audit
The Company's and the Group's inventories amount approximately to EUR 4 609 thousand and to EUR 4 618 thousand respectively, as valued after the impairment provision of approximately EUR 581 thousand. Inventories are valued at the lower of cost and net realizable value. The net realizable value is determined based on the selling prices after the year end of the year of reference. Management's estimation concerning the provision for impairment of inventories is based on the estimations for slow moving and obsolete inventories, the seasonality of inventories and selling prices of the above. Inventories valuation is an important key audit matter due to the significant balance of inventories and the subjective judgment required from management in the assessment of the provision for impairment of inventories. Disclosures of the Company and the Group concerning inventories and the accounting principle and method applied for their valuation are included in notes 4.6 and 7.5 of the Financial Statements.	Our audit procedures in relation to this matter included, among others, the following: We evaluated the design and and implementation of the internal controls of the Company regarding the warehouse monitoring process. We performed substantive audit procedures regarding the movement of inventories to identify slow-moving inventories, so as to evaluate the appropriateness of the assumptions made by Management for the inventories valuation process and the calculation of impairment provision, considering the effects of COVID-19. In order to evaluate the inventory valuation in comparison with the net realizable value, we compared on a sample basis the accounting value of inventories with their sale prices after the year end, considering the effects of COVID-19. We examined, on a sample basis, the correct calculation of the inventories acquisition cost. We attended year-end inventory count in order to count on a sample basis the

	inventories and to examine the physical condition of inventories, as well as their probable impairment. We evaluated the appropriateness and adequacy of the disclosures, which are included in the notes to the Financial Statements.
2. Impairment of Trade Receivables	
See Notes 4.5 and 7.6 to the Separate and Consolidated Financial Statements.	
The key audit matter	**How the matter was addressed in our audit**
The Company's and the Group's Trade Receivables amount approximately to EUR 10 189 thousand and EUR 10 513 thousand respectively, against which an impairment provision of EUR 133 thousand was made. Management evaluates the recoverability of the Company's and the Group's trade receivables and proceeds to the assessment of the appropriate provision for impairment for the expected credit losses. In determining the expected credit losses of trade receivables, the Company and the Group use a table of provisions for credit losses based on ageing analysis of the balances, and historical data of the Company and the Group for credit losses, adjusted to future factors in relation to debtors and the economic environment. Impairment of trade receivables is an important key audit matter due to the significant balance of trade receivables and the subjective judgment required from Management in the assessment of the recoverability of trade receivables.	Our audit procedures in relation to this matter included, among others, the following: We evaluated the design and the implementation of the internal controls of the Company and the Group regarding the credit control process, the monitoring and collection of trade receivables and the formation of provision for impairment. For a representative sample of trade receivables we received letters to confirm year end balances. We also reviewed collections took place subsequent the date of the Financial Statements for a sample of trade receivables. We evaluated the ageing analysis of trade receivables and examined significant balances of customers as regards to the time analysis of their maturity, if they became overdue as well as the financial position of these customers. We examined the adequacy of the provision for doubtful debts of the Company and the Group by evaluating the method followed by Management based on IFRS, the relevant Management's assumptions and the

	data used, taking into account our knowledge of the industry, the impact of COVID-19 to the assumptions of the Management and the assessment of the external legal advisors of the Company and the Group for the outcome of the cases they handle regarding the recoverability of trade receivables. We evaluated the appropriateness and adequacy of the disclosures which are included in the notes to the Financial Statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, for which reference is made in the "Report on Other Legal and Regulatory Requirements" and the Declarations 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 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 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 adopted 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 the 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 (article 44 of L. 4449/2017) of the Company 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 which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to 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, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism 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 these Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. 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 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 the Corporate Governance Statement that is included in this report, pursuant to the provisions of paragraph 5 of Article 2 of Law 4336/2015 (part B), we note that:

(a) The Board of Directors' Report includes a Corporate Governance Statement which provides the information set by Article 152 of L. 4548/2018.

(b) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 150 and 153 and of paragraph 1 (cases c and d) of article 152 of L. 4548/2018 and its contents correspond with the accompanying Separate and Consolidated Financial Statements for the year ended 31 December 2020.

(c) Based on the knowledge acquired during our audit, relating to AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2. Additional Report to the audit Committee

Our audit opinion on the Separate and Consolidated Financial Statements is consistent with the Additional Report to the Audit Committee of the Company dated 16 April 2021, pursuant to the requirements of article 11 of the Regulation 537/2014 of the European Union (EU).

3. Provision of non Audit Services

We have not provided to the Company and its subsidiaries any prohibited non-audit services referred to in article 5 par. 1 of Regulation (EU) 537/2014.

The permissible non-audit services that we have provided to the Company and its subsdiaries during the year ended 31 December 2020 are disclosed in Note 13 of the accompanying Separate and Consolidated Financial Statements.

4. Appointment of Auditors

We were appointed for the first time as Certified Auditors of the Company based on the decision of the Annual General Shareholders' Meeting dated 21June 2018. From then onwards our appointment has been renewed uninterruptedly for a total period of 3 years based on the annual decisions of the General Shareholders' Meeting.

Athens, 16 April 2021

KPMG Certified Auditors S.A.
AM SOEL 114

Dimitrios Tanos, Certified Auditor
AM SOEL 42241

AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A.

ANNUAL FINANCIAL STATEMENTS
(SEPARATE AND CONSOLIDATED) AS OF
31 DECEMBER 2020

According to the International Financial Reporting Standards as adopted by the European Union

It is ascertained that the attached Annual Separate and Consolidated Financial Statements of 31 December 2020 are those approved by the Board of Directors of **"AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTER AND TOYS S.A."** on 9 April 2020 and have been made public by posting on the Internet at **www.ascompany.gr** where they will remain available to the public for a period of at least ten (10) years.

Efstratios K. Andreadis
Chairman of BoD & Managing Director
AS COMPANY S.A.

IV. ANNUAL FINANCIAL STATEMENTS
A. ANNUAL STATEMENT OF FINANCIAL POSITION

(Amounts in Euro)

		GROUP		COMPANY	
	Note	31.12.2020	31.12.2019	31.12.2020	31.12.2019
ASSETS					
Non-current assets					
Property, plant and equipment	7.1	4.793.258	5.058.562	4.786.261	5.049.801
Intangible assets	7.2	168.463	125.659	166.075	119.012
Right-of-use assets	7.1	332.152	418.887	301.061	386.083
Participation in subsidiaries	7.3	0	0	550.000	550.000
Other non-current assets	7.4	16.006	15.395	13.968	14.359
		5.309.878	**5.618.503**	**5.817.364**	**6.119.255**
Current assets					
Inventories	7.5	4.617.751	4.955.343	4.609.080	4.955.343
Accounts receivables	7.6	10.512.885	9.740.465	10.188.650	9.303.253
Investments at fair value through P&L	7.7	8.684.505	7.456.849	8.275.465	7.456.849
Other current assets	7.8	363.760	826.578	333.358	914.266
Cash and cash equivalents	7.9	6.935.091	8.843.176	5.345.657	7.312.542
		31.113.993	**31.822.411**	**28.752.210**	**29.942.253**
TOTAL ASSETS		**36.423.872**	**37.440.914**	**34.569.575**	**36.061.508**
EQUITY AND LIABILITIES					
Equity					
Share capital	7.10	8.663.173	6.431.750	8.663.173	6.431.750
Share premium		0	74.509	0	74.509
Other reserves		1.835.139	1.853.916	1.846.874	1.861.193
Retained Earnings		20.864.878	22.298.024	19.458.246	21.387.438
Equity attributable to shareholders of the Company		**31.363.190**	**30.658.199**	**29.968.293**	**29.754.891**
Total equity	7.10	**31.363.190**	**30.658.199**	**29.968.293**	**29.754.891**
Long-Term Liabilities					
Long-term lease liabilities	7.11	230.717	322.787	217.087	302.031
Deferred tax liabilities	7.12	122.261	245.370	122.261	245.370
Staff leaving payments	7.13	383.031	321.634	383.031	321.634
Other long-term liabilities	7.14	50.320	96.397	50.320	96.397
		786.329	**986.188**	**772.699**	**965.432**
Current Liabilities					
Account payables	7.15	1.776.855	3.525.488	1.776.855	3.253.218
Short-term borrowings	7.16	0	644	0	0
Short-term lease liabilities	7.11	114.336	105.148	94.787	91.263
Other short-term liabilities	7.17	2.383.161	2.165.249	1.956.940	1.996.704
		4.274.352	**5.796.529**	**3.828.582**	**5.341.185**
Total Liabilities		**5.060.681**	**6.782.716**	**4.601.282**	**6.306.617**
Total Equity and Liabilities		**36.423.872**	**37.440.914**	**34.569.575**	**36.061.508**

The accompanying notes set out on pages 49 to 83 form an integral part of these Separate and Consolidated Financial Statements for the year ended 31 December 2019.

The Company and the Group have implemented IFRS 16 on 1 January 2019 by applying the simplified approach. According to this approach, there is no need to restate previous comparative figures.

B. ANNUAL STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euro)

		GROUP		COMPANY	
	Note	1.1. έως 31.12.2020	1.1. έως 31.12.2019	1.1. έως 31.12.2020	1.1. έως 31.12.2019
Turnover	7.18	19.607.363	23.308.010	18.233.819	22.149.704
Cost of sales	7.19	-10.159.078	-12.101.100	-10.081.416	-11.963.828
Gross Profit		**9.448.286**	**11.206.911**	**8.152.403**	**10.185.876**
Other operating income	7.20	19.099	33.160	169.395	144.323
Administrative expenses	7.21	-2.331.878	-2.466.801	-2.153.248	-2.295.246
Distribution costs	7.22	-4.366.664	-5.092.543	-3.928.357	-4.701.772
Research and development expenses	7.23	-218.205	-161.491	-218.205	-161.491
Profits before interest, taxes, depreciation and amortization		**2.550.637**	**3.519.234**	**2.021.987**	**3.171.691**
Income/ (expenses) from financing activity – net	7.25	-157.193	665.664	-185.129	667.299
Profits before tax		**2.393.444**	**4.184.899**	**1.836.858**	**3.838.990**
Less: Taxes	7.26	-521.222	-1.086.648	-460.684	-1.030.815
Profits after taxes (A)		**1.872.221**	**3.098.251**	**1.376.174**	**2.808.175**
Other comprehensive income					
Actuarial gains / (losses) from defined benefits plan	7.13	-35.886	40.625	-35.886	40.625
Deferred tax		8.613	-9.253	8.613	-9.253
Comprehensive income		**-27.274**	**31.372**	**-27.274**	**31.372**
Total Comprehensive income		**1.844.947**	**3.129.623**	**1.348.900**	**2.839.547**
Net profit attributable to:					
- Shareholders of the Company		**1.844.947**	**3.129.623**	**1.348.900**	**2.839.547**
Earnings per share - basic (in €)	12	0,1408	0,2384	0,1029	0,2163
Earnings before interest, taxes, depreciation and amortization		**3.103.290**	**4.060.292**	**2.547.976**	**3.685.396**

Reclassifications were made to certain items in the Annual Statement of Comprehensive Income in order to improve presentation (see note 4.17).

The accompanying notes on pages 49 to 83 are an integral part of these Company and Consolidated Financial Statements.

C. ANNUAL STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro)

Company	Share capital	Share premium	Other Reserves	Retained earnings	Total Equity
Equity as of 01.01.2019	**7.350.571**	**74.509**	**1.726.623**	**18.682.462**	**27.834.165**
Profit for the year after taxes	0	0		2.808.175	2.808.175
Legal Reserves	0	0	134.570	-134.570	0
Actuarial gains / (losses) from defined benefits plan	0	0	0,00	40.626	40.626
Deferred tax	0	0	0,00	-9.750	-9.750
Deferred tax change or rate	0	0	0	497	497
Total comprehensive income	**0**	**0**	**0**	**31.373**	**31.373**
Reduction and return of share capital	-918.821,4	0	0	0	**-918.821**
Transactions with shareholders	**-918.821**	**0**	**0**	**0**	**-918.821**
Equity as of 31.12.2019	**6.431.750**	**74.509**	**1.861.194**	**21.387.439**	**29.754.891**
Equity as of 01.01.2020	**6.431.750**	**74.509**	**1.861.194**	**21.387.439**	**29.754.891**
Profit for the year after tax	0	0	0	1.376.174	1.376.174
Legal Reserves	0	0	140.400	-140.400	0
Actuarial gains / (losses) from defined benefits plan	0	0	0	-35.886	-35.886
Deferred tax	0	0	0	8.613	8.613
Total comprehensive income	0	0	**140.400**	**1.208.500**	**1.348.900**
Increase of share capital	3.152.157	-74.509	-94.928	**-2.982.720**	**0**
Share capital increase costs	-1.912	0	0	**-154.972**	**-156.885**
Reduction and return of share capital	-918.821	0	0	0	-918.821
Own shares acquisition	0	0	-59.792	0	-59.792
Transactions with shareholders	**2.231.423**	**-74.509**	**-154.720**	**-3.137.693**	**-1.135.498**
Equity as of 31.12.2020	**8.663.173**	**0**	**1.846.874**	**19.458.246**	**29.968.293**

Group	Share capital	Share premium	Other Reserves	Retained earnings	Total Equity
Equity as of 01.01.2019	**7.350.571**	**74.509**	**1.726.214**	**19.302.971**	**28.454.265**
Profit for the year after tax	0	0	0	3.098.251	3.098.251
Exchange differences & other reserves	0	0	134.571	-134.571	0
Actuarial gains / (losses) from defined benefits plan	0	0	-6.869	0	-6.869
Deferred tax	0	0	0	40.625	40.625
Deferred tax	0	0	0	-9.750	-9.750
Deferred tax – change of rate	0	0	0	497	497
Total comprehensive income	0	0	0	**31.372**	**31.372**
Reduction and return of share capital	-918.821	0	0	0	-918.821
Transactions with shareholders	**-918.821**	**0**	**0**	**0**	**-918.821**
Equity as of 31.12.2019	**6.431.750**	**74.509**	**1.853.916**	**22.298.023**	**30.658.198**

Equity as of 1.01.2020	**6.431.750**	**74.509**	**1.853.916**	**22.298.023**	**30.658.198**
Profit for the year after tax	0	0	0	1.872.221	1.872.221
Legal Reserves	0	0	140.400	-140.400	0
Exchange differences & other reserves	0	0	-4.457	0	-4.457
Actuarial gains / (losses) from defined benefits plan	0	0	0	-35.886	-35.886
Deferred tax	0	0	0	8.613	8.613
Total comprehensive income	0	0	**135.943**	**1.704.547**	**1.840.490**
Share capital increase	3.152.157	-74.509	-94.928	-2.982.720	0
Share capital increase costs	-1.912	0	0	-154.972	-156.885
Reduction and return of share capital	-918.821	0	0	0	-918.821
Own shares acquisition	0	0	-59.792	0	-59.792
Transactions with shareholders	**2.231.423**	**-74.509**	**-154.720**	**-3.137.693**	**-1.135.498**
Equity as of 31.12.2020	**8.663.173**	**0**	**1.835.139**	**20.864.878**	**31.363.190**

The accompanying notes set out on pages 49 to 83 form an integral part of these Separate and Consolidated Financial Statements.

D. ANNUAL CASH FLOW STATEMENT

(Amounts in Euro)

	Note	GROUP 1.1. to 31.12.2020	GROUP 1.1. to 31.12.2019	COMPANY 1.1. to 31.12.2020	COMPANY 1.1. to 31.12.2019
Operating activities					
Profit before tax		2.393.444	4.184.899	1.836.858	3.838.990
Adjustments for:					
Depreciation	7.24	552.653	541.057	525.988	513.706
Provisions		34.124	-248.515	34.124	-249.407
Foreign Exchange differences		-137.171	-31.126	-133.332	-24.242
Results (Gain/loss) from investing activities		-125.854	-377.587	-79.836	0
Interest and related expenses		199.736	-1.649	185.129	-421.042
Plus/Minus Working Capital Adjustments:					
(Increase)/ decrease in inventories		337.592	170.771	346.263	-24.742
Decrease/ (increase) in receivables		-391.350	-251.367	-294.811	763.986
(Increase)/in payables (except loans)		-1.604.451	1.001.912	-1.687.225	-441.315
Minus :					
Interest and related expenses paid		-101.462	-171.287	-84.922	-164.414
Income tax paid		-693.006	-1.735.670	-624.944	-1.681.543
Net cash flows from operating activities (a)		**464.255**	**3.081.439**	**23.293**	**2.107.854**
Investing Activities					
Purchase of tangible and intangible assets	7.1-7.2	-237.656	-225.631	-218.611	-225.209
Receivables from disposal of tangible and intangible assets		6.190	15.179	6.190	15.179
Disposal/ (Purchases) of financial assets		-1.486.178	-1.613.731	-1.123.233	-1.613.731
Interest received		347.650	312.305	345.717	303.748
Dividends received		**-1.369.994**	**-1.511.878**	**-989.937**	**-1.520.013**
Net cash flows from operating activities (β)		-237.656	-225.631	-218.611	-225.209
Financing Activities					
Reduction and return of share capital	7.10	-918.821	-918.821	-918.821	-918.821
Repayment of loans	7.16	-644	-96.725	0	-14.516
Repayment of finance lease		-82.881	-103.315	-81.240	-85.833
Net cash flows from financing activities (c)		**-1.002.346**	**-1.118.412**	**-1.000.242**	**-1.019.171**

Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		**-1.908.085**	**451.149**	**-1.966.885**	**-431.330**
Cash and cash equivalents at the beginning of the year	7.9	**8.843.176**	**8.392.027**	**7.312.542**	**7.743.872**
Cash and cash equivalents at the end of the year	7.9	**6.935.091**	**8.843.176**	**5.345.657**	**7.312.542**

The accompanying notes set out on pages 49 to 83 form an integral part of these Separate and Consolidated Financial Statements.

E. NOTES TO THE SEPARATE AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1. General Information

THE COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. is a Hellenic Societe Anonyme Trading Company founded on 8 November 1990 (Official Government Gazette 4222 / 03.12.1990). The Company is registered with the Registry of Societes Anonymes of the Ministry of Economy, Development and Tourism, with GEMI number 057546304000 and Registry Number 22949/06/B/90/107. Its web site is www.ascompany.gr and is listed on the Athens Stock Exchange. The Financial Statements as at 31 December 2020 were approved by the Board of Directors on 16 April 2021 and are subject to the final approval of the AS Annual General Assembly of Shareholders.

The Company's number of employees as of 31 December 2020 was 68 persons and for the Group 73 persons.

The main activity of the Company concerns the wholesale trade of toys.

The subsidiary in Cyprus under the name "AS COMPANY CYPRUS LTD" is governed by and operates under Cyprus Law, in the form of a Limited Liability Company. The subsidiary was established in May 2016 with an initial capital of € 150.000, which was 100% covered by the parent company, which is its sole shareholder.

The Romanian subsidiary AS KIDS TOYS S.R.L. is governed by and operates under Romanian law in the form of Limited Liability Company. The subsidiary was established in February 2018. Its share capital amounts to € 400.000 and has been 100% covered by the parent company, which is its sole shareholder.

2. Basis of preparation of the Financial Statements

The Financial Statements have been prepared with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the application of which is mandatory for the years ending 31 December 2020.

The financial statements have been prepared in accordance with the historical cost principle, except for the financial assets at fair value through profit or loss, which, based on IFRSs, are measured at fair value. Additionally, the Financial Statements have been prepared on a going concern basis.

In 2020, the main financial figures of the Group show a decrease compared to the corresponding last year, however maintaining high levels of liquidity, despite the adverse conditions that prevailed for most of the year.

The Greek Government, in its effort to reduce the negative consequences of the COVID-19 pandemic, took measures that limited the smooth operation of trade, including the mandatory suspension of operations of many companies. Due to the above regulations in the retail trade, from March 18, 2020 the products of our Company were available in limited distribution channels. The Company did not interrupt its operation and continued to invoice customers who did not suspend their operation, responding to demand significantly lower than normal levels.

The Government took new emergency measures to protect public health from the risk of further spread of COVID-19 throughout the country for the period from Saturday, November 7, 2020, which remains in force until today and was banned in food stores (supermarkets) and specialized retail stores the availability of toys. This restriction had a significant effect on sales at the most critical time of demand for our products.

The negative effects of the pandemic had a particularly negative effect on the financial figures of the first half of the year, while they were limited in the 3rd and 4th quarters of the year.

The decrease of the Group's sales amounted to -15.9% despite the initial estimates of the Management for a decrease of sales lower -25.0% compared to last year. In addition, the main objectives of the Management to achieve profitable results and enhance liquidity were achieved.

Despite the prevailing uncertainty, the Management believes that - even in adverse scenarios - the Company is able to meet the challenges of the crisis for the following reasons:

• The Group and the Company have strong liquidity.

• The Group and the Company are able to fully cover the liabilities since on 31.12.2020 the current assets exceed the short-term liabilities by € 26.84 million for the Group and € 24.92 million for the Company.

The amounts of the Financial Statements (Corporate and Consolidated) are presented in Euro, unless otherwise expressly stated. Comparative data did not need to be graded to match any changes in the presentation of data for the current period.

The preparation of the Financial Statements requires the Management of the Company and the Group to make significant assumptions and accounting estimates that affect the values of assets, liabilities, disclosure of any receivables and liabilities at the date of preparation of the Financial Statements and Financial Statements. income and expenses during the period considered. Despite the fact that these calculations are based on the best possible knowledge of the Management in relation to the circumstances and the current conditions, the actual results may ultimately differ from these estimates.

Estimates and judgments are continually evaluated and are based on empirical data and other factors, including expectations of future events that are considered to be expected under reasonable circumstances.

Significant accounting estimates and assumptions are as follows:

Income tax provision – Note 4.12: The income tax provision based on IAS 12 is calculated by estimating the taxes to be paid to the tax authorities and includes the current income tax for each fiscal year and provision for the additional taxes that may arise in future tax audits. The final settlement of income tax is likely to deviate from the relevant amounts recorded in the Financial Statements.

Estimated useful life of assets – Note 4.2: The Company makes accounting estimates for the useful life of its tangible assets. These estimates are reviewed at least on each Financial Position date taking into account new data and market conditions.

Employee retirement benefit obligations – Note 4.10: Employee benefits obligations are calculated using actuarial methods that require management to assess specific assumptions such as future employee salary increases, discount rates, employee dismissal rates, etc. Management seeks, at every Financial Position date when this provision is reviewed, to assess these assumptions in the best possible way.

Provision for impairment of inventories – Note 4.6: The Company proceeds with impairment of its inventories when there are indications that either the cash flows from their sale will be lower than their current value or that due to their situation it is not possible to be sold or to be used in production. Management periodically reassesses the adequacy of the provision for obsolete inventories and any impairments that arise are recognized in the Profit and Loss Account.

Provisions for bad and doubtful debts – Note 4.5 (iii): The Company proceeds with an impairment of its trade receivables on the basis of expected credit losses for trade receivables when there is evidence indications that it is unlikely that a debt is collected in whole or in part. The Company's Management periodically reassesses the adequacy of the provision for doubtful receivables based on factors such as its credit policy, reports from the lawyers on recent developments in cases handled by them and their assessment / judgment of the effect of other factors on the recoverability of the receivables.

3. Important Accounting Principles and Methods

3a. General

The accounting principles and methods used in the preparation of these Financial Statements are explained below.

3b. New and amended standards

The following new standards, amendments to standards and new interpretations, as issued by the International Accounting Standards Board (IASB) and the Interpretation Committee of IFRS and adopted by the European Union (EU), is in force from 1 January 2020:

Revision of the conceptual framework for financial information (valid for annual periods beginning on or after 01/01/2020)

In March 2018, the IASB issued the revised Conceptual Framework for Financial Information (Conceptual Framework), which aimed to incorporate some important issues that were not covered, as well as to update and clarify some guidelines that were unclear or unclear. The revised conceptual framework includes a new chapter on measurement, which analyzes the concept of measurement, including the factors to be considered when choosing a measurement basis, the concepts for presentation and disclosure, and guidance on write-off of assets and liabilities from the financial statements. In addition, the revised conceptual framework includes improved definitions of an asset and a liability, guidance supporting these definitions, updating of the criteria for recognizing assets and liabilities, and clarifications on important areas such as management roles, prudence. and measurement uncertainty in financial information. The adoption of the conceptual framework did not have an impact on the Financial Statements of the Company and the Group.

Amendments to IAS 1 and IAS 8: Definition of the concept of Material Size (in force from 1 January 2020, not adopted by the EU)

The amendments to IAS 1 "Presentation of the Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" are intended to align all standards with the definition of Material Size and to clarify specific aspects of it. The new definition states that "information is considered material if its omission, inaccuracy or concealment is expected to influence the decisions made by the principal users of general purpose financial statements that provide financial information to a particular entity. The amendments clarify that the materiality will depend on the nature and size of the information. The adoption of the amendments did not affect the Financial Statements of the Company and the Group.

Reference Rate Reform: Amendments to IFRS 9, IAS 39 and IFRS. 7 (effective from 1 January 2020)

In September 2019, the International Accounting Standards Board (IASB) issued amendments to IFRS standards. 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS. 7 "Financial Instruments: Disclosures" to address the implications for specific hedge accounting requirements arising from the uncertainty created by the reference of market-wide interest rate reform (referred to as "IBOR reform")). As a result of the IBOR reform, there may be uncertainties regarding: a) the reference rate set as hedged risk and / or b) the time or amount of cash flows based on reference rates of the hedged items or the hedging instrument, by the period until the replacement of one type of reference rate with an alternative reference rate of almost zero risk ("Risk Free Rate - RFR"). The amendments provide a temporary relief from the potential effects of uncertainty during the period in question by amending specific accounting hedging criteria under IAS 39 or IFRS. 9. These provisional exemptions are mainly related to the requirement of high probability of being met in respect of cash flows being hedged, compliance with the criterion of the distinct nature of the risk component and the application of future and retrospective evaluation of the effectiveness of an accounting relationship. .

The IASB addresses IBOR reform and the potential impact on financial information in two phases. These amendments complete the first phase, which focused on issues affecting financial reporting in the period before the reference rate reform. The second phase focuses on the potential issues that may arise when existing interest rates are replaced by RFRs.

The adoption of the above had no impact on the Financial Statements of the Company and the Group.

Amendments to IFRS 3 "Business combinations" (effective from 1 January 2020, not adopted by the EU)

The International Accounting Standards Board issued amendments to the IFRS definition of a business. IFRS 3 in order to help oeconomic entities to determine whether all of the acquired activities and assets are a business or not. They clarify the minimum requirements for the definition of the company, abolish the assessment of whether market participants can replace the missing items, add instructions to help the entities assess whether the acquired procedures are considered significant, limit the definitions of the company and its outputs and introduce an optional fair value concentration test. The adoption of the amendments did not affect the Financial Statements of the Company and the Group.

The adoption of the above amendments did not have an impact on the Company's and Group's Financial Statements.

3c. New Standards and Interpretations effective for annual periods beginning on or after 01.01.2020

Specific new standards, amendments to standards and interpretations apply to annual accounting periods beginning after 1 January 2020, have been implemented and have not been applied in the preparation of these financial statements. None of these are expected to have a significant impact on the financial statements of the Company and the Group.

• IFRS 16 (Amendment) "COVID-19 Related Rental Concessions" (effective for annual periods beginning on or after 1 June 2020)

The amendment provides tenants (but not landlords) with an optional exemption from assessing whether the COVID-19-related lease is a lease amendment. Tenants can choose to account for rental concessions in the same way they would for non-lease changes.

• IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) "Reference rate adjustment - Phase 2" (effective for annual periods beginning on or after 1 January 2021)

The amendments complement those issued in 2019 and focus on the impact on the financial statements when a company replaces the old reference rate with an alternative reference rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the cash flows of its financial instruments, how it will account for changes in its hedging relationships and the information it needs to disclose.

In addition, there are other standards or interpretations that have not yet been implemented and which are not expected to have a significant impact on the Company and the Group.

4. Significant Accounting Principles and Methods

Below are the most important accounting principles and methods used for the preparation of the Financial Statements:

4.1 Consolidation and Participations in subsidiaries

Subsidiaries are the companies in which the Group directly or indirectly controls their financial and operating policies. Subsidiary companies are fully consolidated (full consolidation) from the date on which the control is transferred and cease to be consolidated from the date when the control does not exist. The Group's subsidiaries are 100% owned by the Company and have arisen from direct establishment.

Transactions, intercompany balances and unrealized gains arising between Group companies are eliminated on consolidation. Unrealized losses are excluded except when the cost of the transferred asset is not recoverable. The financial statements of the subsidiaries are prepared on the same date and with the same accounting policies as the financial statements of the Company.

4.2 Property, plant and equipment

Land and buildings, other property items, machinery, vehicles, and other equipment are stated at historical cost less accumulated depreciation and any impairment in losses.

Acquisition cost and accumulated depreciation of tangible fixed assets disposed of or sold are transferred from the relative accounts at the time of sale or disposal and any gain or loss arises is included in the Profit and Loss Account.

Expenditure incurred to replace part of the tangible fixed assets is incorporated in the cost of assets, if it can be reliably estimated, that the Company will benefit from the asset in the future. Repairs and maintenance costs are recognized in the Statement of Profit or Loss when incurred.

Land is not depreciated. Depreciation for other items of property, plant and equipment is calculated on a straight-line basis over the estimated useful life of tangible assets.

The estimated useful life (or annual depreciation rates) of property, plant and equipment is as follows:

	Useful life	Rate
Buildings, constructions, installations	25 years	4%
Machinery, equipment, Other fixed assets	10 years	10%
Transportation	6,25 years	16%
Computer Equipment	5 years	20%

4.3 Intangible Assets

Intangible assets acquired separately are recognized at less accumulated amortization and impairment losses.

Subsequent expenditure on capitalized intangible assets are capitalized only when it increases the future economic benefits incorporated in the specific asset to which they relate. All other expenditure is expensed when incurred.

Amortization is recognized in the Statement of Profit or Loss using the straight line amortization method over the estimated useful life of the intangible asset.

Intangible assets include software programs with an estimated useful life of five (5) years.

4.4 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets of the Group or the Company are tested for impairment when there are indications that their carrying amounts are not recoverable. In this case, the recoverable amount of the assets is determined and if the carrying amount exceeds the estimated recoverable value, an impairment loss is recognized directly in the Profit and Loss Account. The recoverable value of assets is define as the higher of fair value less costs to sell and value in use. For 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 associated with these assets. For an asset that does not generate independent cash inflows, the recoverable value is determined by the cash-generating unit to which the asset belongs. At each reporting date, the Group and the Company assesses whether there is an indication that the previous recognized impairment loss do not continue to exist. In this case, the recoverable amount of the asset is reassessed and the impairment loss is reversed by returning the carrying amount of the asset to its recoverable amount to the extent that it does not exceed the carrying amount of the asset that would have been determined (net of depreciation or amortization) if the impairment loss was not recognized in prior years.

4.5 Financial Instruments

A financial instrument is any contract that creates simultaneously a financial asset for the Company and a financial liability or equity instrument for another company.

(i) Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the financial instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not measured at fair value through profit or loss, transaction costs that may be directly attributable to the acquisition or issue. Trade receivables without a significant financial component are initially measured at the transaction price.

Financial assets are classified at the initial recognition as subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. The classification of financial assets at initial recognition is based on the contractual cash flows of the financial assets and the business model in which the financial asset is held.

(ii) Classification and subsequent measurement

After initial recognition, financial assets are classified into three categories

- At amortized cost
- Fair value through other comprehensive income directly to equity (FVOCI);
- Fair value through profit or loss (FVTPL)

The Group and the Company do not have assets that are measured at fair value through other comprehensive income at 31 December 2020.

Financial assets classified as at fair value through profit or loss are initially recognized at fair value with gains or losses from the measurement being recognized in the Profit and Loss Account.

The measurement of the financial assets of the Company and the Group is as follows:

— Financial assets measured at amortized cost
These financial assets are held within the business model and their purpose is to hold them and collect contractual cash flows that meet the "SPPI" criterion. Included in this category are all financial assets of the Group, except for investments in shares listed in Stock Exchange Markets, as well as funds that are measured at fair value through profit or loss.

— Financial assets measured at fair value through profit or loss
This includes investments in shares listed in Stock Exchange Markets, as well as in mutual funds and bonds.

Financial assets are not reclassified after their initial recognition unless the Company changes the business model concerning the management of the financial assets. As a result all affected financial assets are reclassified on the first day of the first reporting period after the change of the business model.

(iii) Impairment of financial assets

The Group and the Company recognize impairment for expected credit losses for all of the aforementioned financial assets other than those measured at fair value through profit or loss.

In order to determine the expected credit losses in relation to the receivables from customers, the Group and the Company apply the simplified approach of the standard based on the age of the balance. Moreover, to determine the expected losses the Group and the Company is based on the historical data for losses, tailored for future events in relation to debtors and the economic environment.

The losses are recognized in profit or loss and are reflected as a provision. When the Company considers that there are no realistic prospects for recovering the asset, the relevant amounts are written off. If the amount of the impairment loss subsequently decreased and the decrease is related to an event occurring after the impairment has been recognized, then the previously recognized impairment loss is reversed through profit or loss.

The trade and other receivables of both the Company and the Group, other than those for which a provision has been formed, are assessed as collectable.

Cash and cash equivalents, including cash, cash banks and time deposits of up to 3 months, are also subject for impairment. The impairment loss on them was insignificant. Cash and cash equivalents are highly liquid and low risk.

(iv) De-recognition

Financial Assets

The Company and the Group derecognizes a financial asset when the rights to the cash inflow of the financial asset expire or the Company has transferred the rights to receive cash flows from that asset while either has transferred substantially all the risks and benefit from the ownership of the financial asset, or has not transferred substantially all the risks and rewards of ownership but has transfer the control of the financial asset. Also, when the Company retains the right to receive cash flows from that asset, it also has the obligation to pay them to third parties in full without undue delay in the form of a transfer agreement.

When the Company or the Group engages in Transactions in which it transfers assets recognized in its Financial Position, it retains the risks and rewards of ownership of the transferred assets. In such cases, the transferred assets are not derecognized.

Financial liabilities

The Company or the Group writes off a financial liability when its contractual obligations are canceled or expire. Also, the Company or the Group ceases to recognize a financial liability when the financial liability is replaced by another from the same lender but with substantially different terms or the terms of the existing liability are significantly changed, so that such exchange or amendment is treated as a derecognition of the original obligation and recognition of a new one.

The difference between the book value that has been eliminated and the amount paid (including any non-transferred assets or liabilities assumed) is recognized in the Profit and Loss Account, when a financial liability is written off.

(iv) Offset

Financial assets and financial liabilities are offset and the net amount is reflected in the statement of financial position when and only when the Company or the Group legally has this right and intends to offset on a net basis between them or to demand the asset and settle the obligation at the Same time.

4.6 Inventories

The Company's inventories, which consist mainly of merchandises valued at the lower of cost or net realizable value. The acquisition cost is determined using the weighted average method, which is consistently followed. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to proceed with the sale. Obsolete inventories are those that do not have full commercial value and which will be sold below cost.

4.7 Cash and Cash Equivalents

Cash and cash equivalents include cash, cash at banks and time deposits of up to 3 months are of high liquidity and low risk. For Cash Flow statement, purposes cash and cash equivalents consist of cash at hand and at banks less bank overdrafts.

4.8 Share Capital

Common shares are classified in Equity.
Each share of the Company incorporates all the rights and obligations set out in L.4548/2018 and the Company's Articles of Association. The distribution of dividends to the Company's shareholders is recognized as a liability in the Financial Statements when the distribution is approved by the General Meeting of Shareholders. The cost of acquiring own shares is deducted from Equity, until own shares are sold or canceled.

4.9 Government grants

Government grants are recognized at their fair value when there is reasonable assurance that the grant will be received and the Company and the Group will comply with all the applicable terms. Government grants relating to expenses are postponed and recorded in the Statement of Profit or Loss within a period such that they are matched with the expenses they are intended to compensate. Government grants related to the purchase of tangible fixed assets are included in long-term liabilities as deferred government grants and are carried as income in the Statement of Profit or Loss using the straight-line method over the estimated useful life of the related assets.

4.10 Employee Benefits

a) Short-term benefits

Short-term benefits to staff in cash and in kind are recognized as an expense when accrued.

b) Defined contribution plans

Defined contribution plans are post-employment programs for an employee in which the Company and the Group pays a fixed amount to a third party without any other obligation. The accrued cost of defined contribution plans is recognized as an expense when incurred.

c) Defined benefit plans

Defined benefit plans are retirement plans. The liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation less the changes arising from unrecognized actuarial gains and losses and past service cost at the end of the period for the preparation of financial statements. These liabilities are calculated annually by independent actuaries using the Projected Unit Credit Method.

Actuarial gains and losses arising from adjustments based on historical data are recorded in Other Comprehensive Income. When the benefits of a program are modified or when the plan is curtailed, the resulting change in the service obligation associated with the prior service or the profit or loss from the cut is recognized directly in Other Comprehensive Income.

d) Termination benefits

Termination benefits are paid when employees leave before the retirement date. The Company recognizes these benefits when committed or terminates the employment of existing employees according to a detailed plan for which there is no probability of withdrawal, or when it offers these benefits as an incentive for voluntary retirement. Termination benefits due 12 months after the balance sheet date are discounted.

4.11 Provisions

Provisions are recognized when the Company and the Group have a present legal or constructive obligation as a result of past events and if it is a probable that an outflow of resources which embeds economic benefits in order to settle the obligation and the amount of the settlement can be reliably estimated. Provisions are reviewed at each date of Financial

Position and if it is no longer probable that an outflow of resources which creates financial benefits to settle the obligation exists, provisions are reversed. Provisions are used only for the purpose for which they were originally created. Provision are not recognized for future operating losses. Contingent liabilities are not recognized in the financial statements but are disclosed. Contingent assets are not recognized in the financial statements but are disclosed when the inflow of economic benefits is probable.

4.12 Deferred tax

The Company's income tax relates to tax on taxable profits as they were adjusted in accordance with the requirements of the tax law based on the applicable tax rates at the date of the Financial Position.

The income tax of the year consists of current tax and deferred taxes. The charge of income tax is recognized in the Profit and Loss Account.

The expected tax effects of the temporary tax differences are determined and presented either as future (deferred) tax liabilities or as deferred tax assets.

Deferred income taxes are calculated using the method of the statement of Financial Position on temporary differences between tax assets and liabilities and the carrying amount of assets and liabilities for Financial Statements purposes.

Deferred taxes are measured using tax rates that are expected to apply at the time the asset is recognized and the liability is settled and is based on the tax rates (and tax laws) that are in force or are enacted at the date of preparation of the Financial Statements. Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that there will be sufficient future taxable Profits.

Deferred tax assets are offset against deferred tax liabilities when there is legally enforceable right to set off and both are subject to the same tax authority.

The value of deferred tax assets is reviewed at each date of statement of Financial Position and reduced to the extent that expected taxable income will not be sufficient to cover the deferred tax asset.

The tax rates used in the countries in which the Group operates are presented as follows:

Country	Income Tax Rate
Greece	24,0%
Cyprus	12,5%
Romania	16,0%

4.13 Recognition of Revenue

Revenues consist of the invoicing value of the trading and the provision of services rendered by the Company and the Group, net of VAT, discounts and returns.

Sales of goods (wholesale and retail)

The Group operates in the kids toys industry and contracts with costumers consist of one performance obligation or provision of services and the prices are fixed and result from price lists. The Group recognizes revenue when it delivers the goods to customers and the goods are accepted by them.

Financial Income

Interest income is recognized using the effective interest method. When calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not impaired by the credit rating) or its recoverable amount.

Income from Royalties

Income from royalties is recognized in accordance with the accrued revenue principle according to the substance of the royalty agreements.

Dividend income

Dividend income is recognized at the time when the Company's right to receive is ratified.

4.14 Dividends

Dividends distributed to shareholders are recognized in the Financial Statements as a liability and at the time at which they are ratified by the Annual General Meeting of the Shareholders.

4.15 Leases

The Company and the Group as lessee

At the commencement of a lease, the Group and the Company assess whether the contract constitutes, or involves, a lease. A contract constitutes, or involves, a lease if the contract transfers the right to control the use of an underlying asset for a specified period of time in exchange for consideration.
The Group and the Company recognize lease liabilities for lease payments and right-of-use of assets that represent the right to use the underlying assets.

i. Right-of-use assets

The Group and the Company recognize the right-of-use assets on the date of the lease term commencement (ie the date on which the underlying asset is available for use). Regarding the subsequent measurement, the Group and the Company apply the cost method to measure the right-of-use assets. Therefore, the right-of-use assets will be measured in cost after deducting accumulated depreciation and accumulated impairment losses and will be adjusted due to revaluation of the lease liability. The right-of-use assets are depreciated on a straight-line depreciation basis in the shortest period of time between the lease term and their useful life.

ii. Lease liabilities

At the date of the lease commencement, the Group and the Company measure the lease liability at the present value of the lease payments which will be paid during the lease. Subsequently, a finance cost will be calculated on the lease liabilities, while their accounting balance will be reduced in order to reflect the lease payments. In case of re-evaluations or modifications, the accounting balance of lease liabilities is recalculated to capture the revised lease payments.

4.16 Foreign Currency Translation

The assets and liabilities of the companies participating in the consolidation, which are initially presented in a currency other than the presentation currency of the Group, have been translated into euros at the closing rate of the balance sheet. Income and expenses have been translated into the presentation currency of the Group at the average exchange rates during the reporting period. Any differences arising from this process are recorded in the Annual Statement of Comprehensive Income and in the net position except for the part of these differences that is allocated to non-controlling interests, when they exist. In the event that a foreign business is sold in whole or in part so as to lose control of the Group in that activity, the accumulated foreign exchange differences recognized in equity are carried to profit or loss as part of the profit or loss from the sale.

The "AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A." and the subsidiary "AS COMPANY CYPRUS LTD" keep their books in Euros. The AS KIDS TOYS S.R.L subsidiary keeps its books in RON. Transactions in foreign currencies are converted into Euros based on the official exchange rate prevailing on the day of the transaction. At the date of the Financial Position, assets and liabilities in foreign currencies are translated into Euro based on the official exchange rate of the foreign currency applicable on the respective date of the Financial Position. Gains or losses from exchange differences are recognized in the Statement Profit or Loss.

4.17 Reclassifications of Balances

The amounts listed in Depreciation-Impairment, Administrative Expenses, Disposal Operating Expenses, Research and Development Expenses have been reclassified.

Specifically, in the Annual Statement of Comprehensive Income, the item "Depreciation-Impairment" has been divided into the above operations of the Group and the Company in order to improve the presentation of funds.

5. Other Information

5.1 Consolidated Financial Statements

In 2020 the Separate and Consolidated Financial Statements were prepared, including the subsidiaries AS COMPANY CYPRUS LTD and AS KIDS TOYS S.R.L., using the full consolidation method.
The corresponding financial information for the year 2020 referred to as the Group refer to these companies.

5.2 Seasonality of activities

The demand from our customers for the Company's products and its subsidiaries in Cyprus and Romania is subject to seasonal fluctuations that are historically increased during Easter and Christmas time. Most of the customers are selling the products provided by the Company and its subsidiaries during the Christmas time, for this reason collections in the second half of the year are significantly higher than in the first half.

6. Operating Segments

The following information refers to the Company's Operating Segments, which are reported separately in the Financial Statements.
The Operating Segments are defined in accordance with the Company's and Group's structure and refer mainly to the separation of the Group's activity in Greece and abroad. Based on this separation those responsible for the financial decision making, monitor the financial information separately as disclosed by the Company and each of its subsidiaries included in the consolidation.
The responsible bodies for taking and monitoring the relevant decisions are the Managing Director and the General Manager.

The turnover from the toy and computer trade operations for kids and the turnover for imported kids clothing is analyzed by geographical area as follows:

	Group		Company	
	1.01 to 31.12.2020	1.01 to 31.12.2019	1.01 to 31.12.2020	1.01 to 31.12.2019
Sales of goods local	16.282.828	20.119.392	16.282.828	20.119.392
Sales of goods abroad	3.324.535	3.188.618	1.950.992	2.030.312
Total	**19.607.363**	**23.308.010**	**18.233.819**	**22.149.704**

Sales abroad represent 16,96% of total consolidated sales for the current year, compared to 13,68% of the previous year.

7. Other Explanatory Information

7.1 Property, plant and equipment

Property, plant and equipment are analysed as follows:

	Group		Company	
Account Description	**2020**	**2019**	**2020**	**2019**
Land	1.947.228	1.947.228	1.947.228	1.947.228
Buildings and building installations	2.589.835	2.896.308	2.589.835	2.896.308
Transportation	134.093	101.559	134.093	101.559
Furniture and Fixtures	122.101	113.467	115.104	104.706
	4.793.258	**5.058.562**	**4.786.261**	**5.049.801**

The investments of the Group and Company in fixed assets during the year amounted to € 135.124 and € 133.561 euro respectively.

There are no encumbrances on the Company's property.

The Company owns building, located in Oreokastro, Thessaloniki in its own land plot of 45.787,60 m2. The building facilities include spaces that cover all the Company's activities, for storage and assembling of toys, offices and show rooms amounting to an area of 16,110 m2.

The acquisition values, depreciation expenses and net book values of the fixed assets are analysed as follows:

Fixed assets table for the period 31 December 2020 and 31 December 2019:

GROUP

Acquisition Values	**Land**	**Buildings and building installations**	**Machinery, and Technical installations**	**Transportation**	**Furniture and fixtures**	**TOTAL**
Balance at 31.12.2018	**1.947.228**	**8.064.510**	**61.774**	**181.745**	**1.317.147**	**11.572.404**
Additions of the period 1.01 - 31.12.2019	0	22.290	0	87.116	87.829	197.235
Disposals of the period 1.01 - 31.12.2019	0	-412.571	0	-16.938	-128.171	-557.680
Other changes in acquisition value	0	0	0	0	-253	-253
Balance at 31.12.2019	**1.947.228**	**7.674.229**	**61.774**	**251.923**	**1.276.550**	**11.211.704**
Additions of the period 1.01 - 31.12.2020	0	8.003	0	52.375	74.747	135.125
Disposals of the period 1.01 - 31.12.2020	0	0	0	-1.008	17.393	-18.401
Other changes in acquisition value	0	0	0	0	-1.733	-1.733
Balance at 31.12.2020	**1.947.228**	**7.682.231**	**61.774**	**303.290**	**1.332.171**	**11.326.694**

Accumulated Depreciation	**Land**	**Buildings and building installations**	**Machinery, and Technical installations**	**Transportation**	**Furniture and fixtures**	**TOTAL**
Balance at 31.12.2018	**0**	**4.877.791**	**61.512**	**148.742**	**1.222.809**	**6.310.853**
Depreciation for the period 1.01 - 31.12.2019	0	313.127	262	11.516	68.894	393.799
Disposals of the period	0	-192.517	0	-9.894	-103.181	-305.592
Reversal of impairment		-220.480	0	0	-25.439	-245.919
Balance at 31.12.2019	**0**	**4.777.921**	**61.774**	**150.364**	**1.163.083**	**6.153.142**

Depreciation for the period 1.01 - 31.12.2020	0	314.475	0	19.841	63.781	398.096
Disposals of the period 1.01 - 31.12.2020	0	0	0	0	-87	-87
Reversal of impairment	0	0	0	-1.008	-16.706	-17.714
Balance at 31.12.2020	**0**	**5.092.396**	**61.774**	**169.196**	**1.210.070**	**6.533.436**
Net book value at 31.12.2018	1.947.228	3.186.719	262	33.004	94.338	5.261.551
Net book value at 31.12.2019	1.947.228	2.896.308	0	101.559	113.467	5.058.562
Net book value at 31.12.2020	**1.947.228**	**2.589.835**	**0**	**134.094**	**122.101**	**4.793.258**

Company

Acquisition Values	**Land**	**Buildings and building installations.**	**Machinery, and Technical installations**	**Transportation**	**Furniture and fixtures**	**TOTAL**
Balance at 31.12.2018	**1.947.228**	**8.064.510**	**61.774**	**181.745**	**1.301.229**	**11.556.486**
Additions of the period 1.01 - 31.12.2019	0	22.290	0	87.116	87.829	197.235
Disposals of the period 1.01 - 31.12.2019	0	412.571	0	16.938	128.171	-557.680
Balance at 31.12.2019	**1.947.228**	**7.674.229**	**61.774**	**251.923**	**1.260.887**	**11.196.041**
Additions of the period 1.01 - 31.12.2020	0	8.003	0	52.375	73.184	133.561
Disposals of the period 1.01 - 31.12.2020	0	0	0	1.008	17.393	-18.401
Balance at 31.12.2020	**1.947.228**	**7.682.232**	**61.774**	**303.290**	**1.316.678**	**11.311.202**

Accumulated Depreciation	**Land**	**Buildings and building installations**	**Machinery, and Technical installations**	**Transportation**	**Furniture and fixtures**	**TOTAL**
Balance at 31.12.2018	**0**	**4.877.791**	**61.512**	**148.742**	**1.219.609**	**6.307.654**
Depreciation for the period 1.01 - 31.12.2019	0	313.127	262	11.516	65.192	390.097
Disposals of the period 1.01 - 31.12.2019	0	-192.517	0	-9.894	-103.181	-305.592
Reversal of impairment	0	-220.480	0	0	-25.439	-245.919
Balance at 31.12.2019	**0**	**4.777.921**	**61.774**	**150.364**	**1.156.181**	**6.146.240**
Depreciation for the period 1.01 - 31.12.2020	0	314.475	0	19.841	60.585	394.901
Disposals of the period 1.01 - 31.12.2020	0	0	0	-1.008	-15.192	-16.200

Balance at 31.12.2020	**0**	**5.092.396**	**61.774**	**169.196**	**1.201.574**	**6.524.941**
Net book value at 31.12.2018	1.947.228	3.186.719	262	33.003	81.620	5.248.832
Net book value at 31.12.2019	1.947.228	2.896.308	0	101.559	104.706	5.049.801
Net book value at 31.12.2020	**1.947.228**	**2.589.835**	**0**	**134.094**	**115.104**	**4.786.261**

Right-of-use assets

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Buildings	200.119	245.927	169.028	213.123
Transportation means	132.033	172.960	132.033	172.960
	332.152	**418.887**	**301.061**	**386.083**

Group

Acquisition Values	**Buildings**	**Transportation**	**TOTAL**
Balance at 1.1.2020	**245.927**	**221.911**	**467.838**
Additions of the period 1.01 - 31.12.2020	0	29.127	29.127
Disposals of the period 1.01 - 31.12.2020	0	-27.170	-27.170
Balance at 31.12.2020	**245.927**	**223.868**	**469.795**
Accumulated Depreciation			
Balance at 1.1.2020	**63.323**	**48.951**	**112.274**
Depreciation for the period 1.01 - 31.12.2020	45.808	42.885	88.693
Balance at 31.12.2020	**109.131**	**91.835**	**200.966**
Net book value at 1.1.2020	245.927	172.960	418.887
Net book value at 31.12.2020	**200.119**	**132.033**	**332.152**

Company

Acquisition Values	**Buildings**	**Transportation**	**TOTAL**
Balance at 1.1.2020	**257.217**	**221.911**	**479.128**
Additions of the period 1.01 - 31.12.2020	0	29.127	29.127
Disposals of the period 1.01 - 31.12.2020	0	-27.170	-22.170
Balance at 31.12.2020	**257.217**	**223.868**	**481.085**
Accumulated Depreciation			
Balance at 1.1.2020	**44.094**	**48.951**	**93.045**
Depreciation for the period 1.01 - 31.12.2020	44.094	42.885	86.979
Balance at 31.12.2020	**88.188**	**91.835**	**180.023**
Net book value at 1.1.2020	213.123	172.960	386.083
Net book value at 31.12.2020	**169.028**	**132.033**	**301.061**

7.2 Intangible assets

Intangible assets are analysed as follows:

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Acquisition value of software programs	724.221	641.129	711.491	628.399
Accumulated amortization of software programs	-555.635	-515.470	-545.416	-509.387
	168.586	**125.659**	**166.075**	**119.012**

Intangible assets include the acquisition value and accumulated depreciation of computer software programs. Additions to the year amounted to € 83,092 for the Group and the Company, while the corresponding amount in the previous year amounted to € 27,974. Depreciation for the year amounted to € 40,166 and € 36,029 for the Group and the Company, while the respective amounts in the previous year amounted to € 34,894 and € 30,564.

7.3 Participations in subsidiaries

Participations in subsidiaries are analysed as follows:

	Group		Company	
Account Description	**2020**	**2019**	**2020**	**2019**
AS COMPANY CYPRUS LTD.	0	0	150.000	150.000
AS KIDS TOYS S.R.L	0	0	400.000	400.000
	0	**0**	**550.000**	**550.000**

"AS COMPANY CYPRUS LTD" is governed by and operates under Cypriot Law in the form of a Limited Liability Company. The subsidiary was established in May 2016 with an initial capital of € 150.000, which was 100% covered by the parent company.

"AS KIDS TOYS SRL" is governed by and operates under Romanian Law in the form of a Limited Liability Company. The subsidiary was established in February 2018 with an initial capital of € 400.000, which was 100% covered by the parent company.

7.4 Other non-current assets

Other non-current assets are analysed as follows:

	Group		Company	
Account Description	**2020**	**2019**	**2020**	**2019**
Guarantees given	16.006	15.395	13.968	14.359
	16.006	**15.395**	**13.968**	**14.359**

7.5 Inventories

Inventories are analysed as follows:

	Group		Company	
Account Description	**2020**	**2019**	**2020**	**2019**
Merchandises	3.942.196	3.461.491	3.933.525	3.461.491
Less: Provisions for inventory obsolescence	-581.403	-665.697	-581.403	-665.697
Raw and auxiliary materials – Packing materials	0	12.055	0	12.055
Stock in transit	1.256.959	2.147.494	1.256.959	2.147.494
	4.617.751	**4.955.343**	**4.609.080**	**4.955.343**

The provision of inventory obsolescence of € 581.403 cover the slow moving and low sales level inventory of the Company. The advances for inventory purchases refer to orders of imported goods from abroad.

The way the warehouse operates for 2019 has changed. The products are distributed directly by the Company to the customers of its subsidiaries. The subsidiaries have no longer warehouses.

7.6 Accounts receivables

Accounts receivables are analysed as follows:

	Group		Company	
Account Description	**2020**	**2019**	**2020**	**2019**
Trade debtors	4.891.346	3.359.017	4.567.111	3.278.696
Cheques Receivable	5.560.616	6.320.321	5.560.616	5.963.430
Notes Receivable	194.257	155.511	194.257	155.511
	10.646.219	**9.834.849**	**10.321.984**	**9.397.637**
Less: Provisions for impairment	-133.334	-94.384	-133.334	-94.384
	10.512.885	**9.740.465**	**10.188.650**	**9.303.253**

The total Accounts receivables for 2020 is analysed as follows:

	Group	Company
Not Outstanding balances	10.335.899	10.173.550
Outstanding balances	310.320	148.434
Total accounts receivables	**10.646.219**	**10.321.984**

The maturity of trade receivables that were outstanding is analysed as follows:

	Group	Company
Up to 90 days	158.993	67.847
91 – 180 days	39.552	5.941
> 180 days	111.775	74.646
Total	**310.320**	**148.434**

As of 2018, the Group applies the simplified approach of IFRS 9 and calculates the lifetime expected credit losses over its receivables.

At each balance sheet date, the Group performs an impairment test with the use of a table based on which the expected credit losses are calculated. The maximum exposure to credit risk on the Balance Sheet date is the carrying value of each class of receivables as stated above.

The information about the exposure of the Group and the Company to the credit risk is analyzed as follows:

Group 2020	**Up to 90 days**	**91 – 180 days**	**>180 days**	**Total**
Total receivables	10.335.899	158.993	39.552	111.775
Expected credit losses	9.302	143	36	101

Company 2020	**Up to 90 days**	**91 – 180 days**	**>180 days**	**Total**
Total receivables	10.173.550	67.847	5.941	74.646

Expected credit losses	9.157	61	5	67

The provisions for impairment of accounts receivables of € 133.334 cover all potential losses of the Company from non-collection of doubtful debts.

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

	Group		Company	
	2020	2019	2020	2019
Opening balance	94.384	94.384	94.384	94.384
Additional provisions for the year (reversal)	38.950	0	38.950	0
Closing Balance	**133.334**	**94.384**	**133.334**	**94.384**

7.7 Investments at fair value through P&L

Investments at fair value through P&L are analysed as follows:

	Group		Company	
	2020	2019	2020	2019
Shares listed on the Athens Stock Exchange	0	1.249	0	1.249
Mutual Funds	0	0	0	0
Other local securities	1.328.766	1.298.740	1.328.766	1.298.740
Foreign Mutual Funds	848.780	556.961	848.780	556.961
Other foreign securities	6.599.264	5.365.698	6.190.224	5.365.698
Provisions from valuation of investments	-92.304	234.201	-92.304	234.201
	8.684.505	**7.456.849**	**8.275.465**	**7.456.849**

	Group		Company	
Account description	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Short-term investments in EUR	5.596.824	2.958.534	5.187.784	2.958.534
Short-term investments in USD	3.087.681	4.498.315	3.087.681	4.498.315
	8.684.505	**7.456.849**	**8.275.465**	**7.456.849**

The valuation of bonds and securities as at 31.12.2020 amounted to € 268.854 which was charged at the Statement of Profit or Loss and the accrued interest income amounted to € 63.798.

7.8 Other current assets

Other current assets are analysed as follows:

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Other debtors	57.084	744.818	28.161	721.054
Advances	39.718	122	38.238	122
Prepaid expenses	88.421	63.340	88.421	63.340
Accrued income	178.538	18.298	178.538	129.750
	363.761	**826.578**	**333.358**	**914.266**

7.9 Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

	Group		Company	
Account description	2020	2019	2020	2019
Cash in hand	4.837	4.589	4.837	4.551
Deposits and time deposits	6.930.254	8.838.587	5.340.820	7.307.991
	6.935.091	**8.843.176**	**5.345.657**	**7.312.542**

The analysis of cash and cash equivalents by currency is as follows:

	Group		Company	
Account description	2020	2019	2020	2019
EUR	4.354.973	7.654.392	3.043.156	6.313.636
Other currencies	2.580.118	1.188.785	2.302.500	998.906
	6.935.091	**8.843.176**	**5.345.657**	**7.312.542**

7.10 Share capital

With the decision of 14.07.2020 of the Ordinary General Meeting of the Company's shareholders, it was decided:

A) the reduction of the share capital of the Company by the amount of € 918,821.40 and the relevant amendment of article 5 of the Company's articles of association on capital. The reduction of the capital was carried out by reducing the nominal value of each common registered share of the Company by € 0.07 per share, and thus was its final nominal value was concluded, from € 0.49 to € 0.42, with the return of capital by cash payment to the shareholders, amounting to € 0.07 per share. After the above reduction, the share capital of the Company now amounts to € 5,512,928.40, divided into 13,126,020 common registered shares, with a nominal value of € 0.42 each. The Committee on Corporate Transactions of the Athens Stock Exchange was informed at its meeting of 30.07.2020 about the reduction of the share capital in order to return capital by paying cash to shareholders, amounting to € 0.07 per share, as well as the relevant amendment of Article 5 of the Articles of Association. of the company. The reduction of the Company's share capital by the amount of € 918,821.40 was completed within September 2020.

B) the increase of the share capital of the Company by 1 minute per share, from € 0.42 to € 0.43 each with capitalization of tax-free reserve and balance of profits in new, at the total amount of € 131,260.21 according to article 27 of L.4649 / 2019 as well as the relevant amendment of article 5 of the Company's articles of association on capital. After the above increase, the share capital of the Company now amounts to € 5,644,188.60, divided into 13,126,020 common registered shares, with a nominal value of € 0.43 each. The Corporate Transactions Committee of the Athens Stock Exchange was informed at its meeting of 30.07.2020 on the increase of the share capital by capitalization of tax-free reserve and profit balance in new according to article 27 of Law 4649/2019.

With the decision of 22.12.2020 of the Extraordinary General Meeting of the Company's shareholders, it was decided:

A) the increase of the share capital of the Company in the amount of € 74,509.17 with capitalization of the reserve in excess of the share with an increase of the nominal value of the share by € 0.00568 as well as the relevant amendment of article 5 of the Company's articles of association on capital. Following the above increase, the share capital of the Company now amounts to € 5,718,697.77 divided into 13,126,020 common registered shares, with a nominal value of € 0.43568 each. The Corporate Operations Committee of the Athens Stock Exchange was informed at its meeting of 04.02.2021 about the increase of the share capital with a share premium reserve.

B) the increase of the share capital of the Company by the amount of € 2,944,475.43 with capitalization of profits of previous years, in accordance with the provisions of article 24 of N.4646 / 2019 as the relevant amendment of article 5 of the Company's articles of association capital. After the above increase, the share capital of the Company now amounts to € 8,663,173.20 divided into 13,126,020 common registered shares, with a nominal value of € 0.66 each. The Corporate Operations Committee of the Athens Stock Exchange was informed at its meeting of 04.02.2021 on the increase of the share capital by capitalization of profits of previous years, in accordance with the provisions of article 24 of Law 4646 / 2019.

Due to the capitalization of profits of previous years based on the provisions of article 24 of Law 4646/2019 being equated with the distribution of a net dividend, the Company proceeded with the return of withholding tax of 5%. The payment of the withheld tax in the amount of € 11,317.66 was completed within February 2021.

The accounts of share capital and reserves are analysed as follows:

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Share capital – paid-in (13.126.020 shares 0,66€ each)	8.663.173	6.431.750	8.663.173	6.431.750
Share premium reserve	0	74.509	0	74.509
Legal reserve	1.880.543	1.740.143	1.880.543	1.740.143
Reserve for the translation of share capital to EUR	21.329	33.064	33.064	33.064
Tax-free reserves	278.200	365.850	278.200	373.128
Subsidiary absorption losses	-285.141	-285.141	-285.141	-285.141
Own shares	-59.792		-59.792	0
Retained earnings carried forward	20.864.878	22.298.023	19.458.246	21.387.438
	31.363.190	**30.658.198**	**29.968.293**	**29.754.891**

7.11 Lease liabilities

The analysis of long-term and short-term lease liabilities is as follows:

	Group		Company	
Long-term lease liabilities	**2020**	**2019**	**2020**	**2019**
Building leases	144.180	194.799	130.550	174.044
Transportation means leases	86.537	127.988	86.537	127.988
Total	**230.717**	**322.787**	**217.087**	**302.031**

	Group		Company	
Short-term lease liabilities	**2020**	**2019**	**2020**	**2019**
Building leases	63.042	56.094	43.493	42.210
Transportation means leases	51.294	49.054	51.294	49.054
Total	**114.336**	**105.148**	**94.787**	**91.263**

7.12 Deferred Tax liabilities

According to the current tax regime in Greece, companies are subject to a tax rate of 24% on their total profits, as amended by Article 22 of Law 4646/2019.

The deferred tax assets and liabilities were calculated by applying the tax rates that correspond to the fiscal year in which the recovery of every category of the temporary difference between carrying value and tax base is expected.

The deferred tax assets and liabilities offset if there is an enforceable legal right to offset the current tax assets with the current tax liabilities and if the deferred tax refers to the same tax jurisdiction.

The Deferred Tax Liabilities for the Group and the Company are analyzed as follows:

	2019	Amounts recognised in P&L	Amounts recognised in OCI	2020
Deferred tax (liabilities)				
Land	217.661	0	0	217.661
Buildings	215.403	-10.115	0	205.288
Total Deferred tax (liabilities)	**433.064**	**-10.115**	**0**	**422.949**
Deferred tax (assets)				
Valuation of receivables – liabilities in foreign currency	1.233	31.620	0	32.853
Write off of establishment and initial installation expenses	239	-48	0	191
Provision for inventory obsolescence	153.768	-20.231	0	133.537
Provision for impairment of doubtful debts	8.083	9.348	0	17.431
Provision for impairment of securities	-54.552	76.705	0	22.153
Provision for staff leaving benefits	77.192	6.123	8.613	91.927
Differences from implementation of IFRS 16	1.731	865	0	2.595
Total Deferred tax (assets)	**187.694**	**-104.831**	**8.613**	**300.688**
Total Deferred Tax	**245.370**	**114.496**	**-8.613**	**122.261**

	2018	Amounts recognised in P&L	Amounts recognised in OCI	2019
Deferred tax (liabilities)				
Land	226.730	-9.069	0	217.661
Buildings	234.914	-19.511	0	215.403
Total Deferred tax (liabilities)	**461.644**	**-28.580**	**0**	**433.064**
Deferred tax (assets)				
Valuation of receivables – liabilities in foreign currency	3.283	-2.050	0	1.233
Write off of establishment and initial installation expenses	299	-60	0	239
Termination of retail stores operation – impairment	69.557	-69.557	0	0

Provision for inventory obsolescence	161.521	-7.753	0	153.768
Provision for impairment of doubtful debts	8.420	-337	0	8.083
Provision for impairment of securities	39.291	-93.843	0	-54.552
Provision for staff leaving benefits	89.192	-2.746	-9.253	77.192
Other	0	1.731	0	1.731
Total Deferred tax (assets)	**371.562**	**-174.615**	**-9.253**	**187.694**
Total Deferred Tax	**90.082**	**146.035**	**9.253**	**245.370**

7.13 Staff leaving benefits

Under Greek labour law, employees are entitled to a lump-sum compensation in the event of their dismissal or retirement, the amount of which depends on the length of service and on the employee's remuneration at the day of their dismissal or retirement. Employees who resign or are justifiably dismissed are not entitled to compensation. If the employee remains in the Company until retirement, is entitled to a lump sum equal to 40% of the compensation he/she would receive had he/she been dismissed that day, according to Law 2112/1920.

The movement of the net obligation in the Financial Statements as at 31.12.2020 is as follows:

The provision for retirement compensation is shown in the Financial Statements in accordance with IAS 19 "Employee Benefits" and is based on an independent actuarial valuation.

The details and the main assumptions of the actuarial valuation as at 31 December 2020 and 31 December 2019 are analysed as follows:

	Group		**Company**	
	2020	**2019**	**2020**	**2019**
Changes in Net Obligation				
Net Obligation at the beginning of the year	321.634	356.766	321.634	356.766
Benefits paid by the employer	-21.019	-33.495	-21.019	-33.495
Expense recognized in the statement of Profit or Loss	46.530	38.989	46.530	38.989
Result recognized in Other Comprehensive Income	35.886	-40.625	35.886	-40.626
Net Obligation at the Statement of Financial Position	**383.031**	**321.634**	**383.031**	**321.634**

	Group		**Company**	
Reconciliation of total obligation	**2020**	**2019**	**2020**	**2019**
Net Obligation at the beginning of the year	321.634	356.766	321.634	356.766
Current service costs	34.483	33.528	34.483	33.528
Cost of previous services due to amendments	2.513	0	2.513	0
Interest cost	2.895	6.423	2.895	6.422
Termination Benefits / curtailments	6.639	-962	6.639	-962
Less Benefits Paid	-21.019	-33.495	-21.019	-33.495
Actuarial (gains)/ losses for the year	35.886	-40.625	35.886	-40.626
Total obligation at year end	**383.031**	**321.634**	**383.031**	**321.634**

The actuarial assumptions used in the actuarial valuation are as follows:

1. Discount Rate : 0,4% on 31.12.2020
2. Average Annual rate of long-term growth of inflation : 1,7%
3. Average annual long-term increase of salaries : 1,7%
4. Valuation date : 31.12.2020

5. Estimated Retirement Benefit the application of L. 2112/1920 as amended by L. 4093/2012 was estimated upon retirement

Sensitivity analysis	2020	2019
Present value of Defined Benefit Obligations	383.031	321.634
Calculation with Discount rate +0,5%	349.702	292.744
Calculation with Discount rate -0,5%	420.047	353.785

Sensitivity analysis of current service cost	2020	2019
Current service cost	34.483	33.528
Calculation with Discount rate +0,5%	32.171	29.706
Calculation with Discount rate -0,5%	37.080	35.482

7.14 Other long-term liabilities

Long-term liabilities refer to grants and are analyzed as follows:

	Group		Company	
Account description	2020	2019	2020	2019
Fixed asset investments grants	50.320	96.397	50.320	96.397
	50.320	**96.397**	**50.320**	**96.397**

7.15 Accounts payables

Accounts payables are analysed as follows:

	Group		Company	
Account description	2020	2019	2020	2019
Suppliers	1.776.855	3.382.977	1.776.855	3.110.707
Cheques Payable	0	142.511	0	142.511
	1.776.855	**3.525.488**	**1.776.855**	**3.253.218**

7.16 Short-term borrowings

Short-term borrowings are analysed as follows:

	Group		Company	
Account description	2020	2019	2020	2019
Loans - short-term liabilities	0	644	0	0
Short-term portion of long term loans payable in the next financial year	0	0	0	0
	0	**644**	**0**	**0**

7.17 Other short-term liabilities

Other short-term liabilities are analysed as follows:

	Group		Company	
Account descriptiom	**2020**	**2019**	**2020**	**2019**
Customer advances	241.833	692.345	241.833	692.345
Liabilities from taxes - duties	572.336	269.267	428.014	109.825
Social security	129.328	149.641	119.291	145.735
Accrued expenses	230.978	314.273	210.898	310.314
Sundry creditors	996.002	739.723	744.220	738.485
Cheques payable	212.684	0	212.684	0
	2.383.161	**2.165.249**	**1.956.940**	**1.996.704**

7.18 Turnover

Turnover is analysed as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
Domestic wholesales of merchandises	16.169.015	19.429.690	16.169.015	19.429.690
Wholesales of merchandises in EU	3.152.528	2.629.946	1.778.984	1.471.640
Wholesales of merchandises in Third Countries	172.007	558.672	172.007	558.672
Retail sales of merchandises	110.930	689.702	110.930	689.702
Sales of other stock and scrap	2.883	0	2.883	0
Total	**19.607.363**	**23.308.010**	**18.233.819**	**22.149.704**

7.19 Cost of Sales

Cost of sales is analysed as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
Cost of goods sold	10.150.519	12.005.608	10.072.857	11.868.337
Cost of consumed materials	45.677	63.151	45.677	63.151
Cost of Self-Consumed goods	-55.281	-29.380	-55.281	-29.380
Provisions - Impairment of inventory – Foreign Exchange Differences	18.163	61.721	18.163	61.720
Total	**10.159.078**	**12.101.100**	**10.081.416**	**11.963.828**

7.20 Other income

Other income is analysed as follows:

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Income from transportation of goods sold	2.972	6.160	2.972	6.160
Other income	16.127	27.000	166.423	138.163
	19.099	**33.160**	**169.395**	**144.323**

Other income relates to other services provided to third parties.

7.21 Administrative expenses

Administrative expenses are analysed as follows:

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Personnel expenses	1.098.102	1.055.379	991.237	979.942
Third party fees and expenses	582.143	515.294	466.648	485.808
Third party utilities	143.312	129.694	143.137	129.694
Taxes and duties	51.917	86.595	51.917	86.595
Miscellaneous expenses	107.176	276.282	162.073	224.893
Utilization provisions	9.035	9.651	9.035	9.651
Depreciation-Impairment	398.085	394.706	387.418	379.463
Other (income)/ expenses	-57.893	-800	-58.218	-800
	2.331.878	**2.466.801**	**2.153.248**	**2.295.246**

7.22 Distribution expenses

Distribution expenses are analysed as follows:

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Personnel expenses	1.794.318	1.949.127	1.681.683	1.852.263
Third party fees	667.302	769.179	475.213	700.522
Utilities	129.287	201.987	118.600	201.841
Taxes and duties	66.449	69.635	55.028	69.635
Miscellaneous expenses	1.545.063	1.931.570	1.449.586	1.718.573
Other operating provisions	15.019	27.099	15.019	27.099
Depreciation-Impairment	149.226	141.475	133.328	129.367
Other –expenses/ (income)	0	2.471	0	2.471
	4.366.664	**5.092.543**	**3.928.457**	**4.572.404**

Miscellaneous expenses contains advertising and promotional expenses.

7.23 Research and development expenses

Research and development expenses are analysed as follows:

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Personnel expenses	157.661	141.224	157.661	141.224
Utilities	5.819	4.769	5.819	4.769

Taxes and duties	0	10	0	10
Miscellaneous expenses	8.977	8.373	8.977	8.373
Depreciation-Impairment	5.342	4.876	5.342	4.876
Other operating provisions	40.406	2.239	40.406	2.239
	218.205	**161.491**	**218.205**	**161.491**

The research and development expenses are related with costs incurred by a specialized department of the Company which aims to develop new products.

Payroll costs

The payroll costs included in the Financial Statements of the Company and the Group as at 31 December 2020 and 31 December 2019 are analysed as follows:

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Salaries and wages	2.482.861	2.538.300	2.276.617	2.376.538
Employer contributions	531.577	560.487	518.321	549.948
Other staff costs	35.644	46.943	35.644	46.943
	3.050.082	**3.145.730**	**2.830.582**	**2.973.429**

The above payroll costs are allocated to the various operations of the Company and the Group as follows:

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Administrative Expenses	1.098.102	1.055.379	991.237	979.942
Distribution Expenses	1.794.318	1.949.127	1.681.683	1.852.263
Research and Development Expenses	157.662	141.224	157.661	141.224
	3.050.082	**3.145.730**	**2.830.582**	**2.973.429**

7.24 Depreciation – Impairment

Depreciation – impairment expenses are analysed as follows:

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Depreciation of Buildings	314.475	313.127	314.475	313.127
Depreciation of leased Buildings	63.426	63.413	44.094	44.094
Depreciation of Mechanical equipment	0	262		262
Depreciation of Vehicles	19.841	11.516	19.841	11.516
Depreciation of leased Vehicles	50.964	48.951	50.964	48.951
Depreciation of furniture and other equipment	63.781	68.894	60.585	65.192
Depreciation if intangible assets	40.166	34.894	36.029	30.564
	552.653	**541.057**	**525.988**	**513.706**

The above depreciation expenses are allocated to the Company's operations as below, but subsequently, they are presented separately in the statement of Profit or Loss.

	Group		Company	
Account description	**2020**	**2019**	**2020**	**2019**
Administration Expenses	398.085	394.706	387.418	379.463
Distribution Expenses	149.226	141.475	133.228	129.367
Research and Development costs	5.342	4.876	5.342	4.876
	552.653	**541.057**	**525.988**	**513.706**

Based on the above, the agreement of Profit before taxes, financial, investment results and amortization with Net Profit after taxes is as follows:

		Όμιλος		Εταιρία	
		2020	2019	2020	2019
Net profit after taxes		1.872.221	3.098.251	1.376.174	2.808.175
Adjustments					
Income taxes	7.26	521.222	1.086.648	460.684	1.030.815
(Revenue) / Financial operating expenses - net	7.25	157.193	-665.664	185.129	-667.299
Depreciation Impairment	7.24	552.653	541.057	525.988	513.706
Earnings before taxes, financial, investment results and depreciation		**3.103.290**	**4.060.292**	**2.547.976**	**3.685.396**

7.25 Financial expenses

The net financial expenses/income are analysed as follows:

	Group		Company	
Account description	2020	2019	2020	2019
Short-term liabilities' interests and expenses	6.545	31.161	1.824	31.109
Other related expenses	80.249	136.640	64.878	133.306
Interest income and Income from securities	-360.066	-363.370	-358.133	-361.620
(Profits)/Losses from the disposal of securities	-18.032	-238.231	18.221	-238.231
Gains from the valuation of financial instruments	448.497	-231.864	458.339	-231.863
	157.193	**-665.664**	**185.129**	**-667.299**

7.26 Taxes

The taxes for the year of the Company and Group are analyzed as follows:

	Group		Company	
Account description	2020	2019	2020	2019
Income tax for the year	630.970	919.878	570.432	864.046
Deferred taxes recognized in the statement of Profit or Loss	-114.496	146.035	-114.496	146.035
Income tax of previous years	4.748	20.735	4.748	20.735
Total taxes recognized in the Income Statement (a)	**521.222**	**1.086.648**	**460.684**	**1.030.815**
Deferred taxes recognized in Other Comprehensive Income (b)	-8.613	9.253	-8.613	9.253
Total (a)+(b)	**512.610**	**1.095.901**	**452.072**	**1.040.069**

The table below shows the reconciliation of Income Tax:

Account description	2020	2019	2020	2019
Profits before taxes	2.393.444	4.184.899	1.836.858	3.838.990
Tax rate of parent company	24%	24%	24%	24%
Income tax	574.426	1.004.376	440.846	921.358
Effect of tax rates in foreign jurisdictions	-60.848	-40.916	0	0
Tax on permanent differences	17.343	69.419	15.092	68.462
Effect of changes in tax rates	0	22.487	0	22.487
Tax difference of previous years	0	20.735	0	20.735

Tax of other differences	-9.699	10.548	4.746	-2.226
Deferred taxes recognized in Other Comprehensive Income	-8.613	9.253	-8.613	9.253
Total	**512.610**	**1.095.901**	**452.072**	**1.040.069**
Effective tax rate	**21,4%**	**26,2%**	**24,6%**	**27,1%**

The corporate income tax rate for legal entities in Greece is 24%.

The tax rates in the countries where the Group operates range from 12.5% to 16.0%.

The Company has received unqualified tax compliance reports from its statutory auditor for each year from 2011 to 2019 in accordance with the Greek tax legislation (2011-2013 in accordance with the provisions of article 82 of Law 2238/1994 and 2014-2018 according to the provisions of article 65A of Law 4174/2013). The Company does not expect any additional taxes to be incurred in the context of the tax audit from Greek tax authorities for the years from 2014 to 2020. In addition, on the basis of risk analysis criteria, Greek tax authorities may select the Company for a tax audit in the context of audits carried out on companies that have received unqualified tax compliance certificate from its Statutory Auditor. In this case, the Greek tax authorities have the right to carry out tax audits for the years that they will select, taking into account the work for the issuance of the tax compliance certificate. The Company has not received any audit mandate from the Greek tax authorities for the years 2014 to 2019.

It should be noted that as at 31.12.2020 the years up to 31.12.2014 were statutorily barred according to the provisions of paragraph 1 of article 36 of Law 4174/2013.

For the year 2020, tax audit is still in progress and the Management does not expect a material change in the tax liabilities of the respective year. The audit is expected to be completed after the publication of the Financial Statements for the period. Upon completion of this tax audit, the Management of the Company does not expect that tax liabilities will arise other than those recorded and reflected in the Financial Statements.

The Group forms provisions for any additional taxes that will arise from future tax audits to the extent that this obligation is probable and can be assessed reliably.

The unaudited tax years of the Group are analyzed as follows:

Company	Headquarters	Unaudited tax years
AS COMPANY A.E.	Greece	2015-2020
AS COMPANY CYPRUS LTD.	Cyprus	2016 – 2020
AS KIDS TOYS SRL	Romania	2018 - 2020

We estimate that in case of a tax audit of the subsidiaries in Cyprus and Romania, any additional tax liabilities that may arise, will not have any material effect on the Financial Statements.

8. Related Parties Transactions

As related parties within the definitions of IAS 24 are in addition to subsidiaries and affiliates, also management and members of the Board of Directors.

Transactions with related parties during the year 2020, i.e. intercompany sales / purchases and intercompany balances, were all Transactions within the scope of the Company's business operations.

The Company's activities and its affiliated companies concerns AS COMPANY CYPRUS LTD and AS KIDS TOYS S.R.L. No intercompany transaction was conducted beyond those described above.

Sales	**2020**	**2019**
AS COMPANY CYPRUS LTD	868.054	803.775
AS KIDS TOYS S.R.L	546.715	324.599
Total	**1.414.769**	**1.128.374**

Purchases	2020	2019
AS COMPANY CYPRUS LTD	0	157.520
AS KIDS TOYS S.R.L	63.186	40.437
Total	63.186	197.957

Other Transactions	2020	2019
AS COMPANY CYPRUS LTD	82.911	76.490
AS KIDS TOYS S.R.L	73.492	34.962
Total	156.403	111.452

Balances from trading Transactions

Receivables	2020	2019
AS COMPANY CYPRUS LTD	584.494	575.897
AS KIDS TOYS S.R.L	376.929	224.580
Total	961.423	800.477

Payables	2020	2019
AS COMPANY CYPRUS LTD	0	0
AS KIDS TOYS S.R.L	0	0
Total	0	0

The benefits to the directors and the Company's management are analyzed as follows:

Remuneration and Transactions of Management	Group		Company	
Short – term employee benefits	2020	2019	2020	2019
Salaries	647.360	768.704	573.349	695.590
Social Security cost	116.949	139.916	108.383	132.036
Total	764.309	908.620	681.733	827.626

Remunerations and Transactions of Board of Directors Members	Group		Company	
Short – term benefits	2020	2019	2020	2019
Salaries	278.800	282.800	260.800	264.800
Social Security cost	41.584	41.516	41.584	41.516
Stamp duty	3.130	3.130	3.130	3.130
Other benefits	33.365	26.910	33.365	26.910
Total	356.879	354.356	338.879	336.356

No loans have been granted to the Board of Director members, or to Management (and their families). There were no changes in the transactions between the Company and its related persons which could have a material impact on the Company's financial position and performance.

The fees paid during the year 2020 to the Chairman of the Board. Mr. Efstratios Andreadis, the Vice President of the Board. Mr. Anastasia Andreadou and the non-executive members Mr. Ioannis Apostolakos, Petros Iakovou, Theofilos Mehteridis and Apostolos Petalas, relate to remuneration in their capacity as members of the Board. Theofilos Mehteridis was also paid fees due to the provision of customs services, in the context of his professional cooperation with the Company, based on a relevant evaluation of the Board. The fees paid to the executive member of the Board. Mr. Theodora Koufou, concern the provision of dependent work services to the

Company throughout the year. The non-executive member Mr. Konstantinos Andreadis did not receive fees from the Company, but from the subsidiary of Cyprus, to which he provides his services. The executives who are not members of the Board of Directors, received remuneration based on the contracts of employment they have with the Company.

No loans have been granted to members of the Board. or to Executives (and their families). There were no changes in the transactions between the Company and its affiliates which could have a material impact on the Company's financial position and performance.

Management and executive Board Members remuneration paid during the current period is related to the provision of service provided to the Company while the non-executive members remuneration related to their position as members of the Board of Directors.

9. Main Risks and Uncertainties

The activities of the Company and the Group are exposed to a number of risks. The risks and uncertainties are described in detail in this Annual Financial Report for the year 2020.

The main risks that the Company and the Group are exposed to are:

- Exchange rate risk
- Interest rate risk
- Risk from commodity prices fluctuations and dependence for the supply of the goods.
- Credit risk and liquidity risk

Group Management aims to limit the potential negative impact of these risks on its financial results and is constantly adapting to the new circumstances so as to maintain its activities unaffected. Particularly:

(a) Foreign Exchange risk

This specific risk relates to the foreign exchange rate between euro and other currencies that related to the sales and purchases of the Company and the Subsidiaries.

The Group carries out a significant part of its imports from China - Hong Kong which are invoiced in US dollars (USD). In 2020, purchases in dollars comprised 71,7 % of total purchases, compared to 69,9 % of the previous year's purchases. The value of imports in dollars (USD) is 1,79% lower than the same period last year.

The Group maintains cash and investment products in dollars (USD), which cover 72,5% of the imports value in dollars made within 2019.

The average foreign exchange rate between euro/dollar the last 4 years is as follows:

	2017	2018	2019	2020
Average foreign exchange rate	1,1297	1,1810	1,1195	1,1419
Annual change %	2,07%	4,54%	-5,21%	2,00%

The Group in 2020 did not use financial instruments to reduce its exposure from foreign exchange risk arising from the markets.

(b) Interest rate risk

The Group's companies have credit limits in banks, but due to their significant liquidity, they have not proceeded to bank borrowing in 2020 and all their working capital needs are financed by own available cash.

The Group does not use derivative financial instruments to reduce its exposure to the interest rate risk at the date of preparation of the Statement of Financial Position.

Management estimates that the aforementioned risk is not expected to substantially affect the financial position of the Company and the Group. The interest-bearing financial instruments of the Group and the Company relate to Cash and Cash Equivalents and Investments at fair value through profit or loss.

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Investments in fair value through profit or loss	8.684.505	7.456.849	8.275.465	7.456.849
Cash and cash equivalents	6.935.091	8.843.176	5.345.657	7.312.542
Total	**15.619.596**	**16.300.025**	**13.621.122**	**14.769.391**

(c) Risk from commodity prices fluctuations and dependence for the supply of the goods.

Given that most of the toys traded by the Company and its Subsidiaries are imported from China, any change in trade relations between China and the European Union, or any change in the exchange rate between CNY/USD given that most of the of the Group's purchases are made in USD, may affect positively or negatively, on the one hand, the supply of customers and sales of the Group and on the other the Cost of sales and Profitability.

The Company continuously monitors the financial data of the Chinese market by maintaining long lasting relationships with its suppliers. The Company also participate in exhibitions in China with the purpose of setting up preferred suppliers list, with whom it could enter into a business relationship.

With regards to kids clothing under the trade name Idexe, the Company ceased cooperation with this particular supplier and proceed to the closure of retail stores on 31.07.2019. It now maintains a retail store at its premises in Oreokastro, Thessaloniki, which continues to operate, with other suppliers' products.

(d) Credit risk and liquidity risk

It concerns the risk that the Company or the Group may face if a customer fails to fulfil its contractual obligations. The Group and the Company, in order to reduce their credit risk, apply a rational credit policy, taking into account any market information collected from data banks for the credibility of their customers. The receivables of the Group and the Company derive mainly from wholesale, while a significant part of the receivables derive from large customers. The financial position of its customers is continuously monitored by the Group and the Company by controlling the volume of credits as well as the credit limits provided. If deemed necessary additional collaterals and guarantees are obtained.

Due to the size of the Company's trading circuit, the potential credit risk for the Group currently concerns mainly the Company.

(e) Liquidity risk

Liquidity risk exists in the event where the Group cannot fulfil its financial obligations. As appears in the financial statements, both at Company and at Group level, the liquidity risk is fully controlled (see working capital ratio) and the working capital ratio is improved compared to the same period last year.

GROUP	**31.12.2020**	**31.12.2019**
Current Assets/ Current Liabilities	727,9%	549,0%

COMPANY	**31.12.2020**	**31.12.2019**
Current Assets/ Current Liabilities	751,0%	560,6%

As far as the cash flow risk is concerned, it is noted that the Company and the Subsidiary in Cyprus are adequately protected, due to: a) their positive cash flows as mentioned above, b) the high credit rating from the banking institutions, c) the financial assets of the Company, whose carrying amount in the financial statements does not deviate from their fair value, d) maintaining cash at credible banks e) placing cash to trading investments.

The subsidiary in Romania as of 31.12.2020 had € 277.618 in cash and has secured a funding line of € 700.000 which has not been used as of to date.

Due to the seasonality in the Group's products, a rational management of working capital is required because in any other case additional financial costs may burden its results. The Group has sufficient funding lines from Banking Institutions.

The tables below summarize the maturities of the Company's and the Group's financial liabilities at the date of preparation of the financial statements based on the payments terms resulting from the relevant loan agreements or the agreements with the counterparties.

Group	Total		Up to 1 year		From 1 to 5 years	
	2020	2019	2020	2019	2020	2019
Short Term Bank Loans	0	644	0	644	0	0
Accounts payables	1.776.855	3.525.488	1.776.855	3.525.488	0	0
Lease liabilities	345.053	427.934	114.336	105.148	230.717	322.786
Other short-term liabilities	2.383.161	2.165.249	2.383.161	2.165.249	0	0
Total	**4.505.069**	**6.119.315**	**4.274.352**	**5.796.529**	**230.717**	**322.786**

Company	Total		Up to 1 year		From 1 to 5 years	
	2020	2019	2020	2019	2020	2019
Short Term Bank Loans	0	0	0	0	0	0
Lease liabilities	311.874	393.294	94.787	91.263	217.087	302.031
Accounts payables	1.776.855	3.253.218	1.776.855	3.253.218	0	0
Other short-term liabilities	1.956.940	1.996.704	1.956.940	1.996.704	0	0
Total	**4.045.669**	**5.643.216**	**3.789.224**	**5.341.185**	**217.087**	**302.031**

Based on the above facts, the Group's Management estimates that Cash and Short Term Investments, in addition to the abovementioned liquidity capabilities, adequately offset the aforementioned risks.

Other risks

The demand for the Company's products is affected by external factors such as economic uncertainty, reduced consumption and consumer preference for products with affordable sale price. In this context, the Company's Management has selected quality products that are attractive to consumers throughout the year.

The Company makes short-term investments (mainly bonds) after first assessing the relevant evaluations by international credit rating companies.

Insurance Risk

Given that most of the Company's merchandises are carried over from its warehouse to customers, the Company should be covered by its exposure to counterparty risk by insuring its products.

For this purpose, the Company carries out insurance of its facilities by a consortium of insurance companies, something that gives adequate insurance cover for all the main risks.

The subsidiaries in Cyprus and Romania do not have their own warehouse and the trading of merchandise takes place through the warehouse facilities of the parent Company. The products are insured during their transport, both to the Company's warehouses, and until their delivery to the subsidiaries.

10. Fair value and hierarchy of fair values

The Group and the Company apply the below hierarchy for the measurement and disclosure of the fair value of the assets and liabilities:

- Level 1: Quoted prices (unadjusted) for financial assets that are negotiated in active markets.
- Level 2: Observable data for the asset and liabilities valuated, other than quoted prices included within Level 1, such as quoted prices for similar assets, quoted prices in non-active markets or other assets that are either observable or can be supported by observable assets (for example prices that result from observable data), for almost all of the total duration of the financial instrument.
- Level 3: Inputs for the asset and liabilities valuated that are not based in observable market data (unobservable data). If for the measurement of fair value, observable data are used which require significant adjustments that are based on unobservable data, the fair value is categorized in Level 3. Level 3 contains financial instruments, whose value is measured by using valuation models, discounted cash flows and similar techniques and products for which the measurement of fair value requires significant judgment or estimation by the Management.

The Group's and the Company's financial instruments are categorized in Level 1.

As of 1 January 2009 the Company and the Group applies the amendment of IFRS 7 which requires the disclosure of the financial instruments that are measured in fair value through the above level-hierarchy.

The fair value of the below financial assets and liabilities of the Group and the Company is close to their book value:

— Other non-current assets
— Accounts receivables
— Other current assets
— Cash and cash equivalents
— Long-term lease liabilities
— Other long-term liabilities
— Accounts payables- Short-term borrowings
— Short-term lease liabilities
— Other short-term liabilities

It is noted that the Other current assets include future expenses and operating income receivable for the Company (2020: € 266,959, 2019: € 193,090) and Group (2020: 96,803 2019: € 81,639) respectively which are not financial assets. Respectively in the year 2019 is included in the item "Miscellaneous Debtors" for Company and Group amount of € 50,597 which concerns debit VAT. and an amount of € 537,771 for tax advance which are also not financial data.

"Other short-term liabilities" include liabilities from taxes, fees, insurance companies and accrued expenses of the Company for 2020 and 2019 totaling € 1,017,593 and € 565,873 respectively and for the Group for 2020 and 2019 totaling € 1,120,373 and € 733,181 respectively which are not financial data.

11. Commitments and contingent liabilities – Guarantees granted

a) The Company's commitments refer to letter of guarantees issued by Banks.
The subsidiary AS KIDS TOYS S.R.L. concluded a credit line agreement with ALPHA BANK ROMANIA S.A., under the terms of the Romanian Bank System. The Company provided guarantee to the subsidiary by the form of a letter of guarantee issued by ALPHA BANK

AE, amounted to € 700.000 to ALPHA BANK ROMANIA S.A. Until the date of the Financial Statements publication, the credit line has not been used by the subsidiary.

b) As at 31 December 2020 the Company and the Group had active operating lease agreements for the rental of transportation means and buildings. Before the adoption of the IFRS 16, these leases were classified as operating leases according to IAS 17.

c) The Company provides guarantee amount to € 500.000 to its subsidiary in Cyprus for the funding of its working capital if needed. The subsidiary in Cyprus did not make use of this borrowed funds during 2020.

d) There are no court or under arbitration disputes of the Company as well as court or arbitrary bodies decisions that have or may have significant impact in the financial position or operation of the Company.

In addition to the above, there are no other significant contingent liabilities.

Legal cases

(1) The Company hold against her former customer "KOUKOU CHILDREN TOYS SOCIETE ANONYME", claim in capital amount of €1.352.782,45. The debtor went bankrupt. Given the debtor's small amount of assets of bankruptcy compared with the verified third party claims among which are the Greek State and social security funds, it is assumed that the Company's claim – even a part of it – will not be satisfied and it was written off on 31 December 2014 according to the law. The Company continues to follow up on the bankruptcy process which is still in progress.

(2) The Company holds claims in court against third parties for sales of goods, in the context of its usual operations. Given the small disputed amount compared with the Company's financial figures, it can be safely assumed that a potential non collection, will not affect substantially the Company's Net Equity and the Group's operation in general.

(3) With the lawsuit of a Swedish company on 23.12.19 to the Athens Multi-Member Court of First Instance, the ban of a specific product is sought. The lawsuit that is pending, does not have a claim for payment of any amount as compensation. Even the most unfavorable for the Company development of the pending lawsuit, given the strong financial and capital position of the company, it is estimated that it cannot have a significant and substantial impact on the size of the company.

12. Earnings per share

The earnings per share of the Company are calculated after dividing the total comprehensive income of the period by the weighted average number of shares that were outstanding during the period as follows:

	Group		Company	
	2020	2019	2020	2019
Total Comprehensive Income after taxes attributable to the shareholders of the Parent Company	1.844.947	3.129.623	1.348.900	2.839.547
Weighted average number of shares	13.104.089	13.126.020	13.104.089	13.126.020
Earnings per share	**0,1408**	**0,2384**	**0,1029**	**0,2163**

13. Audit Fees

The audit of the Financial Statements of the Company for the current year was assigned by the Ordinary Annual General Meeting of the Shareholders to the audit firm KPMG Certified Auditors S.A. with the fees amounted to € 25.500 for the statutory audit and € 15.000 for the tax compliance assurance services. The auditors' fees regarding the audit of the Financial Statements of 2020 for the two subsidiaries amount to a total of € 16.500. The permitted non-audit services provided to the Company during the year amount to a total of € 8.000.

14. Subsequent events after the date of the Financial Position

A. Pursuant to the decisions of the Ordinary General Meeting of shareholders of 21.06.2019 and the decision of the Board of Directors of 06/03/2020, in the framework of the Program for Acquisition of Own Shares, the Company until 31.3.2021 has made a purchase of 37,906 shares with a total value of 69,675.30 euros and an average price of 1.84 euros.

B. The Company proceeded, based on Law 4495/2017 (settlement of property), to settle the square meters and the change of use was declared in the building of the facilities in Oreokastro, Thessaloniki and then amending declarations E9 of the years 2015-2020 were submitted. Based on the amended declarations, the Single Property Tax (ENFIA) should be recalculated due to the modification of the measures and especially the separation of them from professional space in warehouses, shops and offices.

Due to the rejection decisions of Tax Office of Societe Anonymes of Thessaloniki on the amending declarations of the years 2015-2019, the Company, on 22/9/2020, filed an Appeal to the Dispute Resolution Division (DED) of the Independent Public Revenue Authority, with request their cancellation.

A decision (No. 59 / 20-1-2021) of D.E.D. was issued on this appeal, by which the request of the Company was accepted and a tax refund (ENFIA) of a total amount of 205,843 euros was obtained.

C. In the context of Digital Transformation, the Group invests in new technologies, for this reason it chose SAP Business One and the transition to the new, "intelligent" era. In order to optimize its internal operation, this option offers continuous use of real-time information from the SAP Analytics Cloud (recognized as the industry leader by BARC), for better decision making and profitable growth, combined with the greatest possible convenience of the user. With the use of the new ERP, all the basic functions of the Group will be integrated in a complete system that will cover the entire turnover. The total budget of the project will amount to € 300,000 and its production operation will start on January 1, 2022.

There are no other events after the Financial Statements, which relate, either to the Group or to the Company, to which reference is required by the International Financial Reporting Standards.

Thessaloniki, 16 April 2021

CHAIRMAN OF B.O.D. & MANAGING DIRECTOR	VICE-CHAIRMAN OF B.O.D
EFSTRATIOS K. ANDREADIS	**ANASTASIA E. ANDREADOU**
ID No AB 691316	**ID No AH 181790**

CHIEF FINANCIAL OFFICER

PANAGIOTIS V. PAPASPYROU
ID No AE 032224
License: 0019079 A' Class