AS COMPANY S.A.
GROUP OF COMPANIES

ANNUAL FINANCIAL REPORT

of the financial year from
1 January 2021 to 31 December 2021

According to article 4 of Law 3556/2007

AS COMMERCIAL INDUSTRIAL COMPUTER AND TOY COMPANY S.A.

General Trading Record Number 57546304000 - Company's Number in the Register of Societes Anonymes 22949/06/B/90/107

Ionia str., Oreokastro, 57013, Thessaloniki, Greece

Contents

I. DECLARATIONS 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 COMPUTER AND TOY COMPANY S.A."**:

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

under our above-mentioned capacities specifically designated by the Board of Directors of "**AS COMMERCIAL INDUSTRIAL COMPUTER AND TOY COMPANY 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 from 1 January 2021 to 31 December 2021, of the Company "AS COMMERCIAL INDUSTRIAL COMPUTER AND TOY COMPANY 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 on 31 December 2021.

b) The Board of Directors Report upon these Financial Statements 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, 14 April 2022

PRESIDENT of the BoD & C.E.O. MANAGING DIRECTOR	EXECUTIVE VICE-PRESIDENT of the BoD
EFSTRATIOS K. ANDREADIS ID No AP 235479	**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 2021 TO 31 DECEMBER 2021 (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 2021 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 refers to the Annual Separate and Consolidated Financial Statements (hereinafter referred to as "Financial Statements") as at 31 December 2021 and in the twelve-month period ended on that date.

This Report includes the actual depiction for the period from 1 January 2021 to 31 December 2021, the major events that took place in 2021, the description of the main risks and uncertainties, the major events that took place after the end of 2021, 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 COMPUTER AND TOY COMPANY S.A. may 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 2021

In 2021 the Group's key financial figures show a significant improvement in comparison to those of the prior year 2020, which can be attributed to the increase of sales in the second semester; compared to the relevant period both in the national market (+30,2%) and in the total sales of the Group (+26,8%), maintaining high levels of liquidity.

The negative effects of Covid-19 impacted the sales of the first semester, as our Company's products were available only in a limited number of distribution chains, while our Company, without suspending its activities, continued invoicing its customers that did not suspend their activities, in response to a demand significantly lower than usual. This picture was completely reversed in the 2nd semester, as the annual sales of the Group totaled to 22,69 billion euros, with an increase of + 15,8% in comparison to the previous financial year, while the profits before taxes totaled to 3,98 billion of euros, with an increase of +30,1%

The net financial income of the asset's management totaled to 0,66 billion euros in comparison to -0,16 billion of euros of the relevant period and contributed to the improvement of the overall profitability.

In 2021, the main objectives of the Administration for the achievement of improved results in comparison to the previous financial year and for the further enhancement of liquidity were reached.

The most significant figures of the Company and the Group in relation to 2020 were as follows:

	Group			Company		
	1.1 until 31.12.2021	**1.1 until 31.12.2020**	**V %**	**1.1 until 31.12.2021**	**1.1 until 31.12.2020**	**V%**
Turnover	22.695.672	19.607.363	15,75%	20.742.788	18.233.819	13,76%
% Gross profit margin	46,67%	48,19%		42,82%	44,71%	
EBIDTA	3.882.380	3.114.930	24,64%	3.066.429	2.559.615	19,80%
% of sales	17,11%	15,89%		14,78%	14,04%	

Profit before tax	3.976.932	2.405.083	65,36%	3.202.791	1.848.498	73,26%
Profit after tax	3.184.247	1.881.067	69,28%	2.507.080	1.385.020	81,01%
Total inflows from operating activities	4.370.271	464.255	841,35%	3.453.540	23.293	14726, 41%
Cash and investments	19.408.259	15.619.597	24,26%	16.534.863	13.621.12 2	21,39%

The Group's turnover increased by 15,75% compared to the prior year of 2020 and amounted to € 22,7 million. The increased sales stem mainly from the Company (national market) as well as from the significant increase in the sales of its two subsidiaries in Cyprus and Romania.

The turnover of the Group abroad through its two subsidiaries in Cyprus and Romania marked a significant increase which totals to 40,76%.

For the Group, the gross profit margin decreased by 1,5 percentage points at 46.67% from 48.19% last year due to the decrease in the Company's Gross margin profit figure. For the Company, the gross profit margin in 2021 decreased to 42.82% from 44.71% mainly due to increased transport costs.

The operating expenses increased by 5,95% and, despite the decrease in the Gross margin profit figure, the increase in the number of sales resulted in EBITDA to increase by 17,11% as a percentage to sales against 15.89% in the previous year. In absolute figures, EBITA came up to 3,88 millions of euros compared to 3,11 millions of euros in 2020, presenting an increase of +24,64%.

As a result of the increase in sales, the profit before tax of the Group and the profit after tax of the Group of the fiscal year 2021 are increased in relation to the previous year in absolute figures, by €1.571 thousand and €1.303 thousand respectively.

The total inflows of the Group from operating activities shows a significant increase by € 3,906 thousand compared to the previous year, i.e. €4.370 thousand in the current year compared to € 464 thousand in the fiscal year 2020, which is mainly due to the extension of the time of the suppliers' payment and to a more effective management of stock.

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

Parent (A)	
A. Increase in sales volume	1.074.334
B. Decrease in gross profit margin %	-344.731
C. Increase in operating costs	-483.395
D. Increase of financial income	859.647
E. Decrease in other operating income	260.606
F. Increase in depreciation	-12.167
Total change in Profits before taxes	**1.354.293**
Subsidiaries Activities (B)	217.555
Total Change (A + B)	**1.571.848**

Gearing rate: The situation of the gearing rate on 31.12.2021 excluding IFRS 16 in € is as follows:

	Group			Company		
	31.12.2021	31.12.2020	V %	31.12.2021	31.12.2020	V %
Bank loans	0	0		0	0	
minus: cash and investments	-19.408.259	-15.619.597		-16.534.863	-13.621.122	
Net Debt	**-19.408.259**	**-15.619.597**	24,3%	**-16.534.863**	**-13.621.122**	21,4%
Equity	33.631.847	31.605.537	6,4%	31.566.517	30.210.640	4,5%
Gearing ratio	-57,71%	-49,42%		-52,38%	-45,09%	

The gearing ratio appears to be increased compared to 2020 and is still negative. Cash plus short-term investments, is higher than bank debt by € 16,5 million and € 19,4 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 is as follows:

	Group			Company		
	31.12.2021	31.12.2020	V %	31.12.2021	31.12.2020	V %
Bank loans	227.761	345.053		213.609	311.874	
less: cash and investments	-19.408.259	-15.619.597		-16.534.863	-13.621.122	
Net Debt	**-19.180.498**	**-15.274.543**	25,6%	**-16.321.255**	**-13.309.248**	22,6%
Equity	33.631.847	31.605.537	6,4%	31.566.517	30.210.640	4,5%
Gearing ratio	-57,03%	-48,33%		-51,70%	-44,05%	

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

	Group			Company		
	31.12.2021	31.12.2020	V %	31.12.2021	31.12.2020	V %
Current assets	35.135.014	31.113.993		32.016.435	28.752.210	
Current liabilities	-5.821.009	-4.274.352		-5.295.384	-3.828.582	
Working capital	**29.314.005**	**26.839.641**	9,2%	**26.721.051**	**24.923.628**	7,2%

The Group's inventories amounted to € 4,531 thousand compared to €4,618 thousand in the previous year and represent 11,4% of the total assets, compared to 12,7% in the corresponding period last year. The inventories of 2021 include stock in transit of €1,245 thousand compared to €1,264 thousand of the previous year.

Respectively, the receivables from the customers of the Group increased compared to the previous year by €403 thousand, meaning 3,8% while the turnover increased by 15,8% compared to the previous year.

	Group			Company		
	31.12.2021	31.12.2020	V %	31.12.2021	31.12.2020	V %
Inventory and Receivables from Customers & Other receivables	15.726.755	15.494.396		15.481.571	15.131.088	
Minus: Trade payable and other short term liabilities	-5.716.492	-4.160.016		-5.198.814	-3.733.795	
Net Working Capital	**10.010.264**	**11.334.381**	-11,7%	**10.282.758**	**11.397.293**	-9,8%
% of sales	44,1%	57,8%		49,6%	62,5%	

Earnings per share: Earnings per share of the Company based on the weighted number of shares amounted to €0,2433 compared to € 0,1435 of the previous year, showing an increase of 69,50%. The nominal number of shares on 31.12.2021 was 13.087.119.

Capital expenditure: The Company's investments amounted to € 55.792 in the period from 1.1.2021 to 31.12.2021, compared to € 216.654 of the respective comparative period.

Research and development costs: Within 2020, the Company incurred decreased costs by 18,02% compared to the previous year, meaning €179 thousand compared to €218 thousand.

Key Financial Ratios: The main financial ratios as of 31.12.2021 and 31.12.2020 were as follows taking into account the effect of IFRS 16 :

Group	**31.12.2021**	**31.12.2020**
a. Financial Structure ratios		
Current Assets / Total Assets	88,0%	85,4%
Equity / Total Liabilities	535,2%	655,9%
Equity / Fixed Assets	739,3%	637,0%
Current Assets / Current Liabilities	603,6%	727,9%
b. Performance and Efficiency ratios	**31.12.2021**	**31.12.2020**
EBITDA / Turnover	17,1%	15,8%
Gross Profit / Turnover	46,7%	48,2%
Turnover / Equity	67,5%	62,0%

Company	**31.12.2021**	**31.12.2020**
a. Financial Structure ratios		
Current Assets / Total Assets	85,8%	83,2%
Equity / Total Liabilities	548,8%	693,1%
Equity / Fixed Assets	696,1%	610,0%
Current Assets / Current Liabilities	604,6%	751,0%
b. Performance and Efficiency ratios	**31.12.2021**	**31.12.2020**
EBITDA / Turnover	14,8%	14,0%
Gross Profit / Turnover	42,8%	44,7%
Turnover / Equity	65,7%	60,4%

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 2021 amounted to 72 employees in the Group, specifically 66 in the parent company and 6 in the subsidiaries in Cyprus and Romania. At the end of the previous year, the number of employees in the Group was 73 employees, specifically 68 in the parent company and 5 in the subsidiaries in Cyprus and Romania.

Investments: The Group structure as at 31.12.2021 is as follows:

Name	Consolidation Method	% of parent
AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. Ionia str., Oreokastro, 57013, Thessaloniki, Greece		Parent
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 31.12.2021, the Consolidated Financial Statements drafted, 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 2021

1. General Meeting of Shareholders decisions

The General Meeting of the Company's Shareholders held on June 25th 2021 took the following decisions:

a) approved the Separate and Consolidated Annual Financial Statements for the fiscal year 1.1.2020 – 31.12.2020 (the Board of Directors' Annual Report of management in a consolidated form for the Company and its/ Group and the Annual Financial Report for the Company and its Group, according to Law 4548/2018 and the International Financial Reporting Standards); accompanied with the relevant reports of the Auditor.

b) approved the distribution of dividends for the fiscal year 2020, of a gross amount of 8,372537 per share. The gross amount was increased by the dividend corresponding to the 37.906 treasury shares held by the Company, which were not entitled to a dividend.

c) approved the overall management of the Board of Directors for the fiscal year 1.1.2020 - 31.12.2020 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 Report for the members of the Board of Directors during the year 1.1.2020–31.12.2020, according to article 112 of Law 4548/2018,

e) approved the remuneration and benefits to the members of the Board of Directors for the fiscal year 1.1.2020 – 31.12.2020

f) With the Remuneration Committee's assent, approved all remunerations already paid and pre-approved all remunerations that will have been paid until the end of the financial year 2021 to the Members of the Board of Directors, up to the total amount of 500.000 €. It also approved the advance remunerations to the Members of the BoD, in the same framework of that of 2021, for the time period until the Ordinary General Meeting of the year 2022, under the condition of the latter's final approval. Furtherly, the BoD was authorized to determine the exact amount of remuneration of each Member and the time of its payment, both for the approved remunerations for the financial year of 2021 and for the pre-approves ones for the financial year 2022.

g) The Shareholders were informed on the Audit Committee's Annual Report, according to article 44, par. 1 of Law 4449/2017, in which the description of the Company's sustainable development policy is included. The Annual Report of the Audit Committee aims to inform the Shareholders on the Committee's activity during the financial year 1/1/2020 -031/12/2020 and, as a result, there was no vote upon this specific item.

h) elected the Firm of Certified Auditors under the name "KPMG Certified Auditors SA" (AM SOEL: 114), based in Athens, Stratigou Tompra 3, postcode: 15342, Agia Paraskevi), to carry out the mandatory audit of the Financial Statements and the granting of the annual tax certificate for the fiscal year 2021 (1.1.2021 – 31.12.2021),

i) approved unanimously the election of Mr. Michalis Zarkadis as an independent, non-executive Member of the BoD, as a replacement of the resigning Member Mr. Petros Iakovou, till the end of the current's BoD mandate, after establishing the all the criteria concerning his independency were satisfied.

j) approved the designation of the Audit Committee's form, composition and term, according to Law 4449/2017, as amended by Law 4706/2020 and the Capital Market's Directives, according to the propositions of the BoD

k) approved the amendment of articles 4 of the Company's articles of association, on its purpose, for the addition of new corporate objects.

l) approved the amendment of articles 10 and 12 of the Company's articles of association, regarding the composition and the constitution of the BoD, with the increase of its already planned Members and the addition of a provision for a non -executive Vice – President as well as an executive Vice – President.

m) approved the Suitability Policy of the Members of the Board of Directors, according to article 3, para 3 of Law 4706/2020, as submitted by the Board of Directors.

m) approved the purchase of the Company of its own shares, up to a percentage of 5% on the issued share's capital, with a minimum acquisition price of 0.50 per share and a maximum acquisition price 4,00€ per share, according to article 49 of Law 4548/2018.

2. Participation in exhibitions

Since March 2020, the completely different reality and the new circumstances developed on an international level imposed drastic changes and adaptability, both to personal and Company level. Because of COVID-19, the Annual Corporate ‛Exhibition did not take place in Greece. Our communication with our clients, national and international and with our suppliers is made, when necessary, remotely, by means of new technologies as well as state-of-the-art technical equipment. In February 2021 the Company had a presence in the digital exhibition "The kid and its toys – «Το παιδί και το παιχνίδι»", organized by the Association of Greek Industries and Cars.

3. Approval of Dividend Distribution for the fiscal year 2020

The Company's Shareholders' Ordinary Generally Meeting held on 25.06.2021 decided the distribution of the dividend of the fiscal year 2020, of a gross amount of 0,08372537 euros per share, increased by the dividend corresponding to the 37.906 own shares held by the Company. According to the applicable tax law provisions (article 64 of Law 4172/2013, in its latest applicable form), a tax of 5% was retained for the dividend's gross value (with the exception or modulation of this percentage of retainment for the Shareholders subject to specific provisions). As a result, the net amount received by the Shareholders came up to the amount of 0,0795391015 euros per share. Beneficiaries of this dividend were the Company's Shareholders registered to the files of the Intangible Securities System (S.A.T), managed by the "Greek Central Securities Depository S.A.", on Thursday 29th July 2021 (Record Date), while the distribution of the Dividend took place on Tuesday 3rd August 2021, through the paying Bank "Eurobank Ergasias A.E.".

4. End of the own shares' purchase program

On 21.06.2021 ended the program for the purchase of the own shares, approved by the Ordinary General Meeting of the Shareholders of the 21st June 2019, according to article 49 pf Law 4548/2018. The General Meeting had decided for the Company the acquisition, through the Athens Stock Market and within a time period of twenty-four (24) months of the date on which the aforementioned decision was taken, of a maximum of 656.301 shares, with a purchase price range between 0.50€ per share (minimum limit) to 4.00€ per share (maximum limit) and the authorization to the Company's Board of Directors for the implementation of the aforementioned decision.

In the context of the implementation of the aforementioned decision of the Shareholders' General Meeting, over the whole period of the program's duration, the Company has purchased a total of 37.906 common own nominal shares, with an average acquisition price of 1,8381 euros per share, that correspond to a percentage of 0.28879 % of the share capital.

5. ENFIA –(Unified Property Tax) reimbursement

During the financial year 2020, in accordance with Law 4495 /2017 (settlement of illegal buildings), the Company made a settlement of its square meters and declared the change of use in the building of the premises in Oreokastro, Thessaloniki and subsequently submitted amended E9 declarations for the years 2015-2020. Based on the amended declarations, the Unified Property Tax (ENFIA) should be recalculated due to the modification of the square measures and especially the separation of these from the old commercial space into warehouses, shop and offices.

Because of the rejection decisions of the Thessaloniki Tax Office on the amendment declarations of the years 2015-2019, the Company, on 22.09.2020, filed an Appeal to the Dispute Resolution Direction (D.E.D.) of the Independent Public Revenue Authority, requesting their annulment.

On this appeal, a decision (No 59/20-1-2021) was issued by the Direction, in which the Company's request was accepted and a tax refund (ENFIA) of a total amount of 205,843 euros was issued, which was collected by the company on 7.04.2021.

6. Group’s Digital Transformation

As part of its Digital Transformation, the Group is investing in new technologies, which is why it chose SAP Business One as its new ERP. By the implementation of the new ERP, the Company aims at increasing the efficiency and efficacy of its internal procedures, to serve clients in a more optimized way, to make decisions quickly and efficiently, to support profitable development. Its operational status is expected to commence in the 1st of January 2023. At the same time, the Group, in 2022, continues to invest in digitalization by creating a B2B platform which will commence operations in 2022.

7. Adoption of the Greek Code of Corporate Governance (June 2021)

In the context of the implementation of the current legislative framework and in accordance with the specific provisions of Article 17 of Law No. 4706/2020 and Article 4 of the Decision of the Hellenic Capital Market Commission (Decision 2/905/3.3.2021 of the Board of Directors of the Hellenic Capital Market Commission), the Company has adopted, by the 16.7.2021 decision of its Board of Directors, replacing the SEV Corporate Governance Code (2013), the Greek Corporate Governance Code (June 2021) of the Hellenic Corporate Governance Council, with deviations that are in line with its specific characteristics and make its management more flexible and functional. These deviations, as defined in the Greek Corporate Governance Code, are reported and justified in the annual report of the Company's Board of Directors and specifically in the section concerning the Corporate Governance Statement.

8. Approval of the Company’s Amended Rules of Operation

In the context of the application of the provisions of article 14 of Law no. 4706/2020, the Company approved, by the decision of its Board of Directors dated 16.7.2021, the amended Rules of Operation of the Company, a summary of which has been published on the Company's investment relations website https://ir.ascompany.gr/el

9. Continued effects of the restraining measures due to the pandemic

The measures taken by the Greek Government to mitigate the negative effects of COVID-19 continued throughout the first half of 2021, especially during the Easter period, which is the second-best retail sales period in the industry, and restricted the normal operation of trade, including the mandatory suspension of many enterprises that constitute a large part of our customers. As for the second half of 2021, despite the impact of the energy crisis and pandemic, the Company continued to operate smoothly.

10. Issuance of tax certificate for the year 2020

The tax audit of the Company for the year 2020, carried out by the Certified Public Accountant in accordance with article 65A of Law 4174/2013, was completed on November 11, 2021, and the corresponding Tax Compliance Report was issued with a conclusion "without reservation".

11. Decisions of the Extraordinary General Meeting

The Extraordinary General Meeting of the Company's shareholders, held on November 26, 2021, decided the following:

1) approved the amendment of the article 16 of the Company’s Articles of Association, concerning the remuneration of the BoD’s Members and especially the addition of the paragraph 5 of article 16, according to which it is permitted to grant a remuneration, consisting of a participation in the

profits of the financial year or accumulated profits of previous financial years, to the members of the Board of Directors.

2) Approved the Company's Remuneration Policy, which was drafted according to the Directive of the EU regarding Shareholder rights (Directive EU 2017/828 of the European Parliament and the Council of 17 May 2017) as has been transposed to the Greek legislation with the Law 4548/2018, amended with Law 4587/2018 and is in force, as well as the provisions of Law 4706/2020 on corporate governance.

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 2021.

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:

(a) Foreign Exchange risk

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 2021, purchases in dollars comprised 60,4% of the total purchases, compared to 71,7% of the previous year's purchases. The value of imports in dollars (USD) is -3,3% lower than the same period last year.

The Group maintains cash and investment products in dollars (USD), which cover 49,6% of the imports value in dollars made within 2021.

The average foreign exchange rate between euro/dollar the last 3 years is as follows:

	2019	**2020**	**2021**
Average exchange rate	1,1195	1,1419	1,1827
Annual change %	-5,21%	2,0%	3,6%

The Group in 2021 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 2021 and all their needs in working capital are financed by their 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.

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, depending on the situation, the supply of customers and sales of the Group, on the one hand, 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 a 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 single or multiple customers fail to fulfil his 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 claims of above 83%.

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).

GROUP	**31.12.2021**	**31.12.2020**
Current Assets / Current Liabilities	603,6%	727,9%

Company	**31.12.2021**	**31.12.2020**
Current Assets / Current Liabilities	604,6%	751,0%

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 liquid assets in banks with a good rating by international firms and e) placing the Company's assets for investment in marketable securities.

The subsidiary in Romania as of 31-12-2021 had € 370.514 in cash and has secured a bank’s funding line of € 200.000 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	
	2021	2020	2021	2020	2021	2020
Accounts payable	3.063.528	1.858.475	3.063.528	1.858.475	0	0
Lease liabilities	227.760	345.053	104.518	114.336	123.242	230.717
Other short-term liabilities	2.652.964	2.301.541	2.652.964	2.301.541	0	0
Total	**5.944.252**	**4.505.069**	**5.821.009**	**4.274.352**	**123.242**	**230.717**

Company	Total		Up to 1 year		From 1 to 5 years	
	2021	2020	2021	2020	2021	2020
Accounts payables	2.793.998	1.858.475	2.793.998	1.858.475	0	0
Lease liabilities	213.608	311.874	96.570	94.787	117.038	217.087
Other short-term liabilities	2.404.816	1.875.320	2.404.816	1.875.320	0	0
Total	**5.412.422**	**4.045.669**	**5.295.384**	**3.828.582**	**117.038**	**217.087**

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.

(e) Insurance Risk (non financial 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 transportation of goods takes place through the Company's warehouse facilities. The products are insured during their transport, both to the warehouses of the Company, and until their delivery to the subsidiaries' customers.

Other risks

The demand of Company's products is influenced by external factors such as the economic uncertainty, the reduced consumption and the consumers preference for low-priced products. In this context, the Company's Management has made a selection of quality products, 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.
The geopolitical developments in the countries of Europe, in particular, create a climate of uncertainty, resulting in a contraction of demand in the product category in which the Group operates.

D. STRATEGY OF THE COMPANY AND PERSPECTIVES FOR THE YEAR 2022

In 2021 the Group was affected by the health crisis of COVID-19, which had a negative impact on its financial results and especially in the first half. With the gradual return of the market to normalcy, and with the assumption that the general geopolitical situation will not be further aggravated, the Group expects a satisfactory growth rate compared to 2021.

The emphasis on the digital footprint, with a high focus on the dynamic development of its products and customers is a key strategy of the Group. This strategy combines the e-commerce along with the traditional model of development of our customers, utilizing digital media and new technologies, in order to offer the consumer an omnichannel experience both offline and online.

The financial figures of the subsidiaries in the total financial figures of the Group, are estimated to have a positive contribution to the improvement of profitability for 2022. In 2021 the subsidiaries achieved the highest profitability since their establishment and the Management has estimated that similar prospects can be achieved in 2022.

The events in Ukraine, although they do not have a direct impact on sales, as the Group does not make sales in these countries, have created temporary problems in the market in which we operate.

Liquidity shielding and achieving profitable results are the main goal of Management for the year 2022. Given the high liquidity of the Group, the evaluation of investment opportunities and expansion into new markets is still a key goal of Management.

The Management of the Group will continue to move guided by the long-term interest of its shareholders which will ensure satisfactory returns and at the same time will maximize its value.

POSSIBLE IMPACT OF THE COVID-19 PANDEMIC

The COVID-19 pandemic affected economic activities around the world including Greece - Cyprus and Romania. 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. That resulted to a distribution of our Company's products only to a limited number of distribution chains. Despite that, our Company did not stop its operations and continued invoicing clients that did not suspended their operations, responding to a demand well below normal levels.

Despite the fact that both revenue and profitability of the Group were significantly impacted and especially in the first semester of 2021, after the opening of retail following the lifting of the lockdown, our activities gradually returned to normal.

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 Group's Management closely monitors the developments around coronavirus (Covid-19) and continuously assesses the implications for the smooth continuation of its activities. The Management believes that its high cash reserves will not affect working capital requirements and the going concern principle will not be affected.

E. RELATED PARTIES TRANSACTIONS

The definition of related parties includes, 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 2021, i.e. intercompany sales / purchases and intercompany balances, were all transactions within the scope of the Company's business operations, and in market terms.

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	**2021**	**2020**
AS COMPANY CYPRUS LTD	1.235.473	868.054
AS KIDS TOYS S.R.L	817.641	546.715
Total	**2.053.114**	**1.414.769**

Purchases	**2021**	**2020**
AS COMPANY CYPRUS LTD	0	0
AS KIDS TOYS S.R.L	0	63.186
Total	**0**	**63.186**

Other Transactions	**2021**	**2020**
AS COMPANY CYPRUS LTD	100.739	82.911
AS KIDS TOYS S.R.L	84.769	73.492
Total	**185.507**	**156.403**

Balances from trading transactions

Receivables	**2021**	**2020**
AS COMPANY CYPRUS LTD	795.798	584.494
AS KIDS TOYS S.R.L	454.897	376.929
Total	**1.250.694**	**961.423**

Payables	**2021**	**2020**
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	**2021**	**2020**	**2021**	**2020**
Salaries	580.181	647.360	504.931	573.349
Social Security cost	94.472	116.949	85.341	108.383
Total	**674.653**	**764.309**	**590.272**	**681.733**

Remunerations and Transactions of Board of Directors Members	**Group**		**Company**	
Short – term benefits	**2021**	**2020**	**2021**	**2020**
Salaries	332.160	278.800	307.160	260.800
Social Security cost	50.843	41.584	50.640	41.584
BoD Remuneration Stamp	3.686	3.130	3.686	3.130
Other fees	31.140	33.365	34.140	33.365
Total	**420.829**	**356.879**	**395.626**	**338.879**

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 2021 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, Theofilos Mehteridis and Apostolos Petalas, concern remuneration of their position as members of the Board of Directors. The Company does not pay remuneration to the Members of the BoD for their capacities as members of the Audit Committee and the Remuneration and Nomination Committee. Furthermore, the remunerations of the resigned non-executive member of the BoD Mr. Petros Iakovou on the 25.06.2021 and the new member of the BoD, Mr. Michael Zarkadis, are paid in relation to their capacity as members of the BoD. To the non-executive member of the Board of Directors Theofilos Mehteridis fees were 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, with the Law 4706/2020 and the relative decisions and directives of Hellenic Capital Market Commission. It is included in the Annual Board of Directors Report for the fiscal year 2021, as a special part of it; and is available through the Company's website. The contents below reflect the current legal and factual situation.

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

In the context of the implementation of the current legislative framework and in accordance with the specific provisions of Article 17 of Law No. 4706/2020 and the Decision 2/905/3.3.2021 of the Board of Directors of the Hellenic Capital Market Committee, the Company has voluntarily adopted, pursuant to the decision of 15.7.2021 of its Board of Directors, replacing the Corporate Governance Code of SEV (2013), the Greek Corporate Governance Code (June 2021) of the Hellenic Corporate Governance Council, with deviations consistent with its specific characteristics and making its management more flexible and functional (see below, under IV).

The adopted Code in its initial format (without deviations) is uploaded on the electronic address: http://www.esed.org.gr/web/guest/code-listed

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

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 Governance Code and the applicable legislation.

IV. Deviations from the Corporate Governance Code – Justification

1. Clause of 1.20. of the Code of Governance stipulates that:

«The Members of the Board of Directors shall receive the agenda of the next meeting and supporting documents in good time, i.e. before the expiry of the statutory deadlines, so that they can study them, taking into account each time the complexity of the issues to be discussed".

In the Board of Directors' rules of operation, which the Company composes in compliance with clause 1.15. of the Code, it will be provided that the Members of the BoD may take decisions without observing the formalities of the Law, provided that all the members of the Board of Directors are present or participate and no member objects, even without a prior meeting, under the conditions provided for in article 94 of Law 4548/18 and articles 14 and 15 para 4 of the Company's Articles of Association. In practice, it has been proven that in many cases and if the nature and scope of the matter to be discussed does not require prior information and study on the matter, the Board of Directors may take decisions as described above, for reasons of speed and flexibility.

2. Clause 2.2.12 of the Code of Governance stipulates that:

«The independent non-executive members shall not be less than one second (½) of the total number of the members of the Board of Directors».

According to the current structure of the Board of Directors, it consists of eight (8) members, out of which four (4) are executive members and four (4) are non-executive members. Of the non-executive members, three (3) are independent non-executives. It is considered that at this stage, with the structure and needs of the Company, the administration and management of the affairs of the Company is served in the best possible way, without requiring the Board members to be at least half independent non-executive Members.

3. According to clauses 2.2.21, 2.2.22 and 2.2.23 of the Code of Governance:

«2.2.21. The President is elected by the independent non-executive members. In the event that the President is elected by the non-executive Members, one of the independent non-executive Members is appointed either as Vice President or as Senior Independent Director».

«2.2.22. The independent non-executive Vice President or the Senior Independent Director, as the case may be, has the following responsibilities: to support the President, to act as a liaison between the President and the Members of the Board of Directors, to coordinate the independent non-executive Members and to lead the evaluation of the President».

«2.2.23. When the President is an executive Member, the independent non-executive vice-President or the Senior Independent Director shall not replace the President in his executive duties."

The current Articles of Association of the Company (article 12) stipulate that the BoD elects a President who is an executive Member, a non-executive Vice-President and an executive Vice-President. In the event that the President is absent or unable to perform his duties, he shall be replaced as President of the BoD, in his non-executive duties by the non-executive Vice-President and in his executive duties by the executive Vice-President, and in the event that both of them are absent or unable to perform their duties, by another member of the Board of Directors in a similar capacity, to be determined specifically by the Board of Directors. The adopted structure of the Board of Directors meets the requirements and definitions of the Law and is deemed functional and adequate, both in terms of regulatory compliance and in terms of flexibility and efficiency in the exercise of the respective responsibilities.

4. According to clauses 2.3.1., 2.3.2., 2.3.3. and 2.3.4 of the Code of Governance:

2.3.1 The Company has a framework for filling positions and succession of the Members of the Board of Directors, in order to identify the needs for filling positions or replacements and to ensure the smooth continuity of the management and the achievement of the Company's purpose.

2.3.2 The Company ensures the smooth succession of the Board of Directors' Members by gradually replacing them in order to avoid a lack of management.

2.3.3 The succession framework takes into account in particular the findings of the evaluation of the Board of Directors in order to achieve the required changes in its composition or skills and to maximize the effectiveness and collective suitability of the Board.

2.3.4 The Company has also a succession plan for the CEO..."

In addition, clause 3.3.2 of the Code stipulates that:

"3.3.2 "The Board of Directors ensures for the Company an appropriate succession plan to ensure the smooth continuity of the management of the Company's affairs and decision-making after the departure of its Members, in particular executive and committee Members."

The Company, in the context of its compliance with the new institutional framework of Law No. 4706/2021 and the Circular 60/18.9.2020 of the Hellenic Capital Market Commission, the General Meeting of the Company's Shareholders approved the Suitability Policy for the Members of the BoD, by the decision of the General Meeting of the Company's shareholders No. 47/25.6.2021. The Company complies in principle with clauses 2.3.1, 2.3.2 and 2.3.3 of the Code, regarding the existence of a framework for the replacement and succession of Board members, in particular concerning the independent BoD Members, but does not have a succession plan for the CEO, which will be drawn up by the Nomination Committee by June 2022, after evaluating all necessary parameters. If any issue of change, replacement of members of the Board of Directors and of the CEO arises, it will be dealt with by the Remuneration and Nominations Committee, which, having the powers of articles 11 and 12 of Law no. 4706/2020 and applying the provisions of the that article, of Circular 60 of the Hellenic Capital Market Commission and of the Suitability Policy adopted by the Company, identifies and evaluates the candidates and submits its proposal to the BoD, for the persons it deems suitable to become Members of the BoD. The Board of Directors is then competent, as part of its constitution and delegation process, to appoint a Managing Director in accordance with the Company's Articles of Association.

5. Clauses 2.4.3 and 2.4.4 of the Code of Governance stipulate that:

"2.4.3 The remunerations of the executive Members of the Board of Directors and of the Company's senior management is linked to the size of the Company, the complexity of its activities, the extent of their responsibilities, their degree of responsibility, the corporate strategy, the Company's objectives and the realization of these, with the ultimate goal of creating long-term value for the Company. The process for the developing the remuneration policy is characterized by objectivity and transparency. The additional remuneration of the Members of the Board of Directors should be linked to the achievement of certain objectives and should depend on or be justified by the financial results of the Company based on its annual financial statements.

2.4.4 Additional remunerations of Members of the Board of Directors who participate in Committees for transparency and information purposes is shown distinctively in the remuneration report and also in their approval of the general meeting".

The Company has provided in the Remuneration Policy adopted, the possibility of granting to the executive Members of the BoD additional remuneration, based on predefined measurable quantitative and qualitative criteria, both short and long-term, which will be linked to the individual performance of the beneficiary and to the positive financial performance of the Company and the Group. Based on the resolutions of the General Meetings, no such remuneration has been approved and granted to date. All members of the BoD, in such capacity and as Members of the Company's Committees, receive fixed remuneration, which is deemed by the Remuneration Committee to be in line with the Company's financial situation and market conditions, taking into account various factors, such as the specific duties of each member, the need to allocate the time required to perform them, etc.

6. Clause 2.4.10 of the Governance Code stipulates that:

"2.4.10. The Board considers and links executive directors' remuneration to indicators relating to ESG and sustainable development issues that could add long-term value to the Company. In this case, the Board shall ensure that these indicators are relevant and reliable and promote the proper and effective management of ESG and sustainable development issues."

The Company does not link the remuneration of the executive members of the Board of Directors to the above indicators. Fixed remuneration is paid, based on the prevailing general economic conditions and the financial situation of the Company itself. It is noted that the Company is not obliged - due to its size - to publish non-financial statements, in accordance with Regulation 2014/95/EU and Law 4548/2018.

7. Clauses 3.3.3, 3.3.4 and 3.3.5 of the Code stipulate that:

"3.3.3 The Board of Directors annually evaluates its effectiveness, the fulfillment of its duties, as well as those of its committees".

3.3.4 The Board of Directors collectively, as well as the President, the CEO and all other Members of the Board of Directors are evaluated annually on the effective performance of their duties. At least every three years this evaluation is facilitated by an external consultant".

3.3.5 The evaluation process is chaired by the President in cooperation with the Nominations Committee. The BoD also evaluates the performance of its President, a process which is chaired by the Nominations Committee."

Considering that the provision of clause 3.3.5. of the Code takes as a given that the President of the BoD is non-executive, while in the Company the President is executive and a non-executive Vice-President is appointed, the latter will preside over the evaluation process, which will be conducted in cooperation with the Nomination Committee.

8. Clauses 5.1. and 5.6. of the Code of Governance provide for the following, in accordance with the provisions of article 14 para 3b of Law No. 4706/2020 and of article 151 of Law 4548/2018:

"5.1 Among others, the Company's operating regulations include the Company's sustainable development policy, where applicable.[...]

5.6 The Company shall adopt and implement a policy on ESG and sustainable development issues (Sustainability Policy)".

According to the first subparagraph of para. 1 of article 151 of Law No. 4548/2018: "*1. Big Société Anonyme Companies which constitute entities of public interest, within the meaning of Annex A of Law No. 4308/2014, and which, at the date of closing their balance sheet, exceed the average number of five hundred (500) employees during the financial year, shall include in the management report a non-financial statement containing information, to the extent necessary for an understanding of the evolution, performance, position and impact of its activities, at least in relation to environmental, social and labour issues, respect for human rights, the fight against corruption and issues relating to bribery".*

The Company, due to its size, does not fall into the scope of application of the above provision, which leads to the obligation to adopt a sustainable development policy. Therefore, a deviation from clause 5.1. of the Code is introduced, as it is not required for the Company's Operating Regulations to include its sustainable development policy. The Company does not intend to directly adopt and implement a policy on ESG and sustainable development issues (Sustainability Policy), as per clause 5.6 of the Code, to the extent that it is not mandatory under the applicable regulatory framework. The BoD will consider adopting such a policy in the future.

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

An internal audit 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, between others, monitoring financial information, evaluating and improving risk management and internal audit 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.

2021 was AS Company Cyprus Ltd's sixth year of operation from its establishment in May 2016. The internal audit 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 2021 covered its fourth 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 subsidiaries cooperate with local external partners for the execution of current accounting tasks and the provision of corresponding services. For reasons related to the flexible coordination of the central management and financial control of the Group, the Company, based on relevant contracts signed between it and its subsidiaries, provides accounting support services to them with its Accounting Department.

The Company and its Subsidiaries 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 with the cooperation of the subsidiaries' managers.
- 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 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. The plan of the BoD's Financial Statement is monitored and audited by the Audit Committee, which in turn makes its recommendations to the BoD of the Company regarding its approval.
- There are security safeguards related to the security of the information systems used and classified access to data according to the hierarchical level and the user's tasks.
- There is regular communication between the Auditors, the Management and the Audit Committee, as well as between the Audit Committee and the Chief Financial Officer and the Head of the Internal Audit Unit.
- The Board of Directors confirms the fulfilment of the independence requirements of the independent Members of the Board of Directors at least annually and in any case before the publication of the annual financial report.

Security measures are in place, applied by, the Company's and the Group's Management, from the one hand, in order to perform their corporate functions and by the Audit Committee of the Company, on the other hand, concerning the Internal Audit System based on the Internal Rules of Operation.

VI. Information required under Article 10 (1) (c), (d), (f), (h) and (i) of Directive 2004/25 / EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, provided that the Company is subject to this Directive.

The Company does not fall within the scope of this Directive.

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

General Meeting Mode of Operation

The General Meeting is held under the terms of Law 4548/2018 and the Company's Articles of Association, published in its current version on the Company's website https://www.ascompany.gr/

The BoD prepares and publishes draft resolutions in due time and 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 (excluding Repeat Meetings or Meetings which are equal to Repeat Meetings) 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
- any other information necessary according to the applicable legislation.

At least the President of the Board of Directors of the Company, the Vice-President, the Chief Executive Officer, the Head of the Audit Committee, the internal auditor and the regular 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 President of the General Meeting makes sure that there will be sufficient time for accepting questions from shareholders and for responding to them in the best possible way.

Basic Responsibilities 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 L. 4548/2018 (for the amendments of the Articles of Association among others), 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.

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

Suitability Policy for the Members of the Board of Directors

The Company has adopted a policy on the suitability of the Members of the BoD, which has been approved by the Board of Directors at its meeting of 16.7.2021 and includes all the provisions of article 3 of Law 4706/2020. The policy is published on the company's website https://www.ascompany.gr/

General principles concerning the selection, replacement or renewal of the mandate of the Members of the Board of Directors, in accordance with the Suitability Policy

1. The Board has a sufficient number of members and an appropriate composition.

2. The Company seeks to staff the Board of Directors with persons of integrity and reputation.

3. BoD Members must possess the skills and experience required by the duties they undertake and their role on the BoD, while having sufficient time to perform their duties.

4. When selecting, renewing the mandate and replacing a BoD Member, consideration shall be given to the assessment of individual and collective suitability.

5. Candidate BoD Members shall, among other things, be familiar with the Company's culture, values and general strategy, prior, if possible, to taking up the position.

6. The Board of Directors and the Nomination Committee shall monitor on a continuous basis the suitability of the members of the Board of Directors, in particular to identify, in the light of any relevant new event, cases in which it is necessary to re-evaluate their suitability. In particular, a re-evaluation of suitability is carried out in the following cases: a) when doubts arise regarding the individual suitability of the Board members or the suitability of the composition of the body, b) in case of a significant impact on the reputation of a Board member, c) in any case of occurrence of an event that may significantly affect the suitability of the Board member, including cases in which the members do not comply with the Company's Conflict of Interest Policy.

7. The Board of Directors identifies as early as possible the need to fill positions or replace members of the BoD and, in cooperation with the Nomination Committee, draws up a succession plan to ensure the smooth continuation of the management and the achievement of the Company's purpose. The succession plan shall take into account the findings of the evaluation of the Nomination Committee and the BoD in order to achieve the required changes in composition or skills and to maximise the effectiveness and the collective suitability of the Board.

The Policy includes detailed reference to individual and collective assessment criteria, as well as diversity criteria.

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 foreign 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 seven (7) and up to eleven (11) members. A legal entity may be assigned as a Member of the Board of Directors, 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 General Meeting may also elect deputy members in the event of the resignation or death of the persons elected by it or for any other reason who have lost their status as members of the board of directors. If an deputy member has not been elected and the position of a Director is vacant due to death, resignation for any reason, disqualification or legal incapacity, the other Directors may, if there are at least three (3), elect a temporary replacement to fill the vacancy for the term remaining in the vacated director. The decision of the election is made public and announced by the board of directors at the next General Meeting, which can replace the elected, even if no relevant item is on the agenda. If the above additional election of a director by the Board of Directors is not approved, the General Meeting immediately elects another Director.

The current Board of Directors consists of eight (8) members, of which four (4) are executive and four (4) are non-executive members. From the non-executive members, three (3) are independent, fulfilling the requirements set by L. 4706/2020 on Corporate Governance.

The persons who make up the current BoD are:

1. Efstratios Andreadis of Konstantinou, executive member of the BoD, President of the BoD and CEO.
2. Anastasia Andreadou, nee Angelos Kozlacidis, executive member of the BoD, Vice-President of the BoD.

3. Apostolos Petalas of Dimitriou, independent non-executive member of the BoD, Non Executive Vice-President of the BoD
4. Theodora Koufou of Dimitriou, executive member of the BoD.
5. Konstantinos Andreadis of Efstratios, executive member of the BoD
6. Michail Zarkadis of Spyridon, independent, non-executive member of the BoD
7. Ioannis Apostolakos of Georgios, independent non-executive member of the BoD
8. Theofilos Mechteridis of Ioannis, non-executive member of the BoD

The mandate of the BoD, as provided for by the General Meeting of 21.6.2019, is for three years and ends in 21.06.2022, being automatically extended until the convening of the Annual Ordinary General Meeting of 2022, if it takes place after 21.06.2022.

It is noted that, by the decision of the Company's Annual General Meeting dated 25.6.2021, Mr. Michael Zarkadis was elected as an independent non-executive member of the Board of Directors, in replacement of the resigned member Mr. Petros Iakovou, who held this position and capacity until the end of the term of the current Board of Directors, after it was established that he met the criteria of independence, according to article 4 of Law 3016/2002 and article 9 of Law 4706/2020. The mandate of the above member will expire with the mandate of the other members of the Board, as stated above.

Also, by the BoD's decision of 1.2.2022, Mr Konstantinos Andreadis was appointed as an executive member of the Board, while until the above date he had the status of non-executive member.

Short Curriculum Vitae of Board Members and of the key executive Members of the BoD and of the Committees:

1) Efstratios Andreadis, President, 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 Executive Vice-President of the BoD, Mrs Anastasia Andreadou, they proceeded, in 1990, in the incorporation of AS Company, in which he holds, since then, the position of the President of the BoD and the CEO.

2) Anastasia Andreadou, executive Vice-President and executive member of the BoD

Born in 1950 in Thessaloniki and studied Accounting and Economics in Svarna School, in Thessaloniki. She has been active in commerce since 1982. Along with the President of the BoD, Mr Efstratios Andreadis, they founded "AS Company S.A." in 1990.

3) Apostolos Petalas, Non-Executive Vice-President of the BoD and Independent Non-Executive Member of the BoD, President of the Audit Committee and of the Remunerations and Nominations Committee

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 1999 he held management positions in the financial department of PepsiCo Hellas and until 2007, he was the President and CEO of PepsiCO in Greece. He is currently the Chief Executive Officer of the listed company "Fourlis A.E. Holdings". He is also Vice-President of the Association of Chief Executive Officers (ACEO) and Member of the BoD of the Association of Business and Retail sales of Greece (HRBA).

4) Theodora Koufou, Executive Member of the BoD, General Manager

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 works for the Company since September 2001. She has been appointed General Manager of AS Company S.A. on July 2015, and was also the Internal Auditor of the Company. Prior to taking up her duties at AS Company, she worked in the U.S. at John Kaldor Ltd, Angelika Films and others companies.

5) Konstantinos Andreadis, Executive Member of the BoD

Born in 1980 in Thessaloniki. He studied Business Administration at Kingston University-ICBS. He also holds a postgraduate diploma (MA) in Marketing Management from Middlesex University. From 01.12.2004 to 30.09.2016 he was worked in the Company's Sales Department. Since 25.05.2016 and until today he holds the position of Director in the subsidiary company of "AS COMPANY S.A." in Cyprus, with the name "AS Company Cyprus Ltd.

6) Michail Zarkadis, Independent, Non-Executive Member of the BoD, Member of the Audit Committee and of the Remuneration and Nominations Committee

He was born in 1960 in Athens. He studied Business Administration at the Athens University of Economics and Business Administration and holds an Executive MBA from the same University. He is registered with the Economic Chamber of Greece as a Class A accountant. He has served as a senior financial and management executive at "Mattel - S.A.V.E.E." (1989-2001) and 'Mattel - S.E.E./M.E.A.'. (2001 - 2013). From 1986 to 1988, he also worked as an auditor at the auditing firm PWC. From 2014 to 2017 he was a co-founder and partner in the business consulting firm "DEZAVOU ASSOCIATES-OIKONOMIKOI SUMVOULOI I.K.E." and from 2017 to this date in the company "SAVE2GROW - BUSINESS CONSULTANTS I.K.E.". He has served as a member of the Board of Directors of Mattel S.A. (Executive Director - CFO 1991 - 2013), Member of the Board of Directors of Mattel Italy SRL for two years; Member of the Mattel Global Council of CFOs.

7) Ioannis Apostolakos, Independent Non-Executive Member of the BoD, Member of the Audit Committee

Born in 1964 in Athens. He studied Business Administration at ASOEE and holds an MBA from the University of Cardiff, Wales. From 1991 to 2004, he held management positions in the Credit Control and Investment Banking divisions of the Bank "Trapeza Ergasias" (now EFG Eurobank Ergasias) and the Piraeus Bank Group. From 2004 to 2014, he has worked as an executive in banks, in financial services companies, commercial and industrial companies. He has served as a member of the Board of Directors of companies in the financial sector, as well as other listed and non-listed companies, and as a member of the Audit Committee of a listed company. He is Administrator in the Company ANCIENT OLYNTHEF IKE and Director of Deloitte. Up until 2018, he was President of the Company's Audit Committee, in which he is still a Member.

8) Theofilos Mechteridis, Non-Executive Member of the BoD, Member of the Audit Committee and of the Remuneration and Nomination Committee

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. He received his degree as a customs agent in 1989 and since then he has been practicing this profession until today.

The independent non-executive members, as provided for by the Board of Directors, maintain their independence at the time of drafting of the present in accordance with the independence criteria of Law 4706/2020 and have submitted to the Company relevant independence declarations.

As shown above, the members of the Board of Directors have the skills and experience required for the exercise of their duties and meet the requirements set out in the Suitability Policy, the operating model and the Company's strategy.

Chief Management Staff
Panayiotis Papaspyrou, Chief Financial Officer
He was born in 1960 in Athens. He studied at the University of Piraeus - Department of Business Administration, at the University of Manchester U.K - Accounting & Finance and holds a Master's degree from the University of Lancaster U.K - Accounting & Finance. He has worked as a Financial Director in Greece and abroad for 20 years [Internal Auditor at Banque Nationale de Paris, Nutricia (Dutch listed Company in baby food), IMI (English listed Comapny in the soft drinks dispensing machinery sector, 3E (bottler of Coca Cola products) & Misko - Barilla (Italian company in the food industry). Since 2000, he has been working as a financial consultant in support of the Finance Departments of large companies. The professional cooperation with the Company started from the year 2000.

Here is a description of the main responsibilities of the President of the BoD and Chief Executive Officer, according to the current BoD's constitution:

- 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.F.O., he 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.

Members of the BoD and key management personnel holding Company shares

As of the date of the drafting the Corporate Governance Statement, the members of the Board of Directors and key management personnel who held shares of the Company are the following:

(a) Efstratios Andreadis, President of the BoD and CEO: holds 4.413.652 shares, which represent 33,625% of the Company's share capital.
(b) Anastasia Andreadou, Executive Vice-President of the BoD: holds 4.179.804 shares, which represent 31,844% of the Company's share capital.
(c) Apostolos Petalas, Non-Executive Vice-President of the BoD: holds 5.501 shares, which represent 0,0419% of the Company's share capital
(d) Theodora Koufou, Executive Member of the BoD: holds 793 μετοχές, which represent 0,006% of the Company's share capital
(e) Konstantinos Andreadis, Executive Member of the BoD: holds 129.421 shares, which represent 0,986% of the Company's share capital
(f) Panagiotis Papaspyrou, Chief Financial Officer: holds 8.040 shares, that represent 0,0613% of the Company's share capital.

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, or else by teleconference. It is convened by the President 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 2021, the Board of Directors of the Company held twenty six (26) meetings. The table below shows the attendance of each member to the meetings of the Board:

Member	Attending Meetings
Efstratios Andreadis, President & CEO, executive member	26
Anastasia Andreadou, Vice-President, executive member	26
Theodora Koufou, executive member	26
Michail Zarkadis, independent non-executive member (since his election as a Member of the BoD)	14
Ioannis Apostolakos, independent non-executive member	26
Apostolos Petalas, independent non-executive member	26
Konstantinos Andreadis, non-executive member for the year 2021	26
Theofilos Mechteridis, non-executive member	26
Petros Iakovou, independent non-executive member (till his replacement)	12

The above table shows that all members of the Board of Directors, in its respective composition, participated in all its meetings.

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

The Company, complying with the requirements of L.4449/2017, as every other Company listed in the stock exchange ("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's bylaws are published on the Company's website https://www.ascompany.gr/.

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) Michael Zarkadis, 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

It is noted that the member of the Committee Michael Zarkadis was elected to this position in replacement of the resigned member Peter Iakovou, who also served as its Chairman, by the decision of the Board of Directors of the Company dated 25.6.2021. On the same day, the Committee was reconstituted to include its new member and Mr. Apostolos Petalas was elected as its Chairman.

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

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 conducting of the Internal Audit by the Internal Audit Department.

The Audit Committee meets on a regular basis 4 times a year after the completion of the quarterly Internal Audit Reports as well as extraordinarily, should the circumstances arise. Two meetings take place before the publication of the financial statements for the first half of the year. At the meetings, the findings of the audit work of the bodies of the supervisory authorities and the Internal Audit Department are evaluated and utilized.

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.

The Report of the Audit Committee, drawn up by the Chairman of the Committee, for the Shareholder's Ordinary General Meeting of 2022, is attached hereto:

Report of the Audit Committee of the year 2021 pursuant to article 44 of L.4449/2017

To the Ordinary General Meeting of the Company's Shareholders of the year 2022

Messrs. Shareholders,

In my capacity as Chairman of the Company's Audit Committee, I briefly present to you the Report of the Committee for the year 2021 (01.01.2021-31.12.2021), in order to demonstrate its contribution and aid to the Company's compliance with the provisions of the current legislative and regulatory framework.

1. Purpose

The primary purpose and main concern of the Audit Committee is the support and assistance of the Board of Directors in the exercise of its duties regarding financial information, internal audit, regulatory compliance and corporate risk management.

2. Composition – Rules of Operation

The Company, in accordance with the provisions of Law 4449/2017, as every Company which is listed on the stock exchange ("public interest"), has an Audit Committee, which is a Committee of the Board of Directors, comprised 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's Rules of Operation are published in the Company's website: https://ir.ascompany.gr/el/home.

The Company's Audit Committee is comprised of the following members of the Board of Directors:

a) Ioannis Apostolakos, Independent Non Executive Member of the Board of Directors

b) Michael Zarkadis, Independent Non Executive Member of the Board of Directors

c) Theofilos Mechteridis, Non Executive Member of the Board of Directors

d) Apostolos Petalas, Independent Non Executive Member of the Board of Directors

It is noted that the Committee member Mr. Michael Zarkadis was elected in this capacity in replacement of the resigned member Mr. Petros Iakovou, who served as its Chairman, pursuant to the Decision of the Company's Board of Directors dated 25.06.2021. Mr. Petros Iakovou served as a member and Chairman of the Audit Committee until 25.06.2021. On the same day, the Committee was reconstituted with its new member and Mr. Apostolos Petalas was elected as its Chairman. The Audit Committee's term coincides with the term of the present Board of Directors, which ends on the 21st of June 2022, or until the date of the Ordinary General Meeting of year 2022 is convened.

The members of the Audit Committee meet the criteria set out in article 4 of Law 3016/2002 and article 44 of Law 4449/2017, i.e.:

(a) they do not hold shares of more than 0,5% of the Company's share capital, and

(b) they do not maintain any sort of dependency relationship with the Company or related persons thereof, as it (dependency relationship) is defined in the provisions of the aforementioned article 4 of Law 3016/2002.

The members of the Audit Committee have been proven to have sufficient knowledge in the field in which the Company is engaged, as they have participated in its management for a satisfactory period of time, having acquired as a result in-depth knowledge of the organization, management and operation of the Company and its individual management. Of the above members, Messrs. Ioannis Apostolakos, Apotolos Petalas and Michael Zarkadis have sufficient knowledge in matters of auditing and accounting, a fact which ensures the smooth and efficient organization and operation of the Committee. Pursuant to the decision of the Audit Committee dated 25.06.2021, it was determined that the member of the Committee who will be obliged to attend the meetings of the Committee concerning the approval of the financial statements, will be the Chairman of the Committee Mr. Apostolos Petalas.

The Audit Committee has Rules of Operation, as they were amended and approved in 16.07.2021. The Rules are available at the Company's website https://ir.ascompany.gr/el/home.

3. Meetings – Participation frequency

During the fiscal year 2021 (01.01.2021-31.12.2021), the Audit Committee had eight (8) meetings. The participation of its members is presented at the following table:

Audit Committee member	Participation in meetings
Petros Iakovou, independent non executive member (until his replacement)	3
Ioannis Apostolakos, Independent Non Executive Member	8
Apostolos Petalas, Independent Non Executive Member	8

Michael Zarkadis, Independent Non Executive Member (from his election)	5
Theofilos Mechteridis, Non Executive Member	8

From the table above, it is derived that all members of the Committee, in respect of its composition from time to time, participated in every meeting of the Committee.

The Chairman of the Audit Committee decides upon the frequency and the timetable of its meetings. Depending on the subject of the meetings and on an ad-hoc basis, the Certified Auditors- Accountants, the Internal Auditor, as well as Managerial Staff of the Company upon which the management and handling of corporate affairs, cases and operations have been delegated, may be invited to participate, in order to provide necessary information and clarifications.

4. Committee Activities

In particular, with regard to the Committee's activities during the year which ended on the 31st of December 2021:

A. Financial information process

The Audit Committee was mainly concerned with:

• The process and schedule of compiling financial information on behalf of the Management. For this purpose, it held meetings with the competent executives of the Financial Department of the Company, which are in charge of the preparation of the Financial Reports (Annual and Bi-Annual).

• The information from the Certified Auditor/ Accountant on the annual program of mandatory audit before its implementation. The meeting took place on 22.12.2021. For this purpose, the mandatory audit program was evaluated and it was assured that it will cover the most important areas of audit, taking into account the main areas of business and financial risk of the Company. The members of the Committee, during 2021, were constantly in touch via telephone and electronic communications (e-mail) with the Auditing Company K.P.M.G. in order to receive information on the drafting of annual and bi-annual financial statements.

• The monitoring, evaluation and examination of the process of preparation of financial information, i.e. the mechanisms and systems of flow and dissemination of financial information as well as other disclosed information (stock market announcements, press releases, etc.). Specifically, it was found that the financial statements reasonably present the financial position of the company and the group, their financial performance and their cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS), as these have been adopted by the European Union. The observance of these publicity rules was also verified, as well as the possibility of direct, unhindered and uninterrupted access thereof.

• The examination of the most important issues and risks that may have an impact on the Company's financial statements. In particular, it considered:

- The effects of the pandemic on the financial results of the company and the measures taken by the company.

- The risk of exchange rates related to the sales and purchases of the Company and its Subsidiaries in foreign currency.

- The risk of fluctuations in commodity market prices and dependence on the supply of these goods from the Chinese market.

- Credit and liquidity risk in the event that customers or clients do not meet their contractual obligations mainly due to the effects of the Covid-19 pandemic.

- The monitoring and analysis of risks and management systems regarding information security systems.

B. Procedures for internal audit and risk management systems

The Audit Committee was mainly concerned with:

• Monitoring and updating the Company's Rules of Operation, which were approved by the Board of Directors of the Company in 16.07.2021. In particular, all members of the Audit Committee along with the rest of the members of the Board of Directors, the competent managerial staff and the legal department participated in the amendment of the main text and the schedules of the Company's Rules of Operation. Within the schedules the Policies, Procedures and the Rules of Operation of the individual Units and Committees are developed and recorded (Schedules 1-17):

No.	Text
1	Suitability Policy of the Members of the BoD
2	Rules of Operation of the Audit Committee
3	Rules of Operation of the Remunerations and Nominations Committee
4	Rules of Operation of the Internal Audit Department
5	Rules of Operation for Risk Management
6	Rules of Operation for Regulatory Compliance
7	Rules of Operation of the Shareholder Service Department and Corporate Announcements
8	Recruitment and Evaluation of Higher Management Staff Procedure
9	Related Parties Transaction Disclosure Procedure
10	Conflict of Interest Prevention and Response Policy
11	Conflict of Interest Prevention and Response Procedure
12	Privileged Information Management and Proper Public Briefing Procedure
13	Internal Audit System Periodic Evaluation Procedure
14	Board of Directors Members' and Staff Training Policy
15	Board of Directors Members' and Staff Training Procedure
16	Managerial Staff Compliance pursuant to article 19 of Regulation (EC) 596/2014 Procedure
17	Code of Ethics and Ethical Behavior

• Monitoring, examining and evaluating the adequacy and effectiveness of all Company policies, procedures and safeguards regarding the internal audit system, in order to ensure that the main risks (credit risk, liquidity risk, interest rate risk, risk from macroeconomic conditions, etc.), are identified, addressed and published appropriately and thoroughly.

• The monitoring and evaluation of the internal audit unit. To this end, the Committee monitored and inspected the proper functioning of the internal audit unit in accordance with professional standards and the current legislative and regulatory framework, while evaluating its work, adequacy and effectiveness, without affecting its independence in any way.

• The evaluation of the annual audit program of the internal audit unit. Within the scope of this responsibility, the Audit Committee approved the annual internal audit program on 13/02/2021 and the amended internal audit program on 23/9/2021. It also held meetings with the head of the internal audit unit in order to evaluate and discuss its suggestions and to confirm its independence after the completion of each audit.

During the fiscal year 2021, a total of eight (8) audit items were inspected at a rate of 100% of the total inspected objects, without, however, discovering a substantial finding. The eight (8) audit items concerned the parent company.

The Committee received from internal auditior Ms. Strikou the reports of the first, second, third and fourth quarters of 2021, which were discussed in its sessions and informed the Board of the Company, as recorded in relevant minutes of the Board.

C. External audit

The Audit Committee was mainly concerned with:

• The confirmation of the independence, impartiality, objectivity and integrity of the Regular Auditor, as well as the effectiveness of the audit process, based on the relevant professional standards and regulatory requirements. In this context, the Regular Auditor was summoned by the Committee, before which he confirmed his independence and the absence of any external direction or instruction or recommendation in the performance of his duties.

• The process of carrying out the statutory audit of the Company and the consolidated financial statements of the Company (annual and bi-annual), as well as the content of the main and the supplementary report submitted by the Regular Auditor. In this context, the Committee confirmed that the audit of the financial statements is carried out in accordance with the applicable legal framework, i.e. in accordance with International Standards on Auditing (IFRS) and the rules of ethics imposed by the auditor.

• The selection of the Audit Company "KPMG Certified Auditors SA" for the mandatory audit of the financial statements of the company and the Group, as well as for the issuance of a tax certificate. In this context, based on the positive experience of the previous two years and the relevant offer received, the Committee on 26.5.2021, decided to propose to the General Meeting the assignment of the audit of the year 2021 to the above audit company, a proposal which was approved.

• The provision to the Company of any additional services by the Auditing Company to which the Regular Auditor belongs. In this context, he confirmed that the additional benefits provided to the company by "KPMG Certified Auditors SA" were related to authorized auditing and non-auditing services.

To monitor the above, in 2021 and 2022 there were several telephone calls and electronic communications via email, between the Audit Committee members and the Auditors of K.P.M.G.

Apart from the abovementioned communications, the following teleconference meetings were also held:

• Within 2021, on 16.04.2021, on 23.9.2021 and on 22.12.2021.

• Within 2022, on 14.4.2022 in view of the publication of their Report and the results of 2021.

In general, the Commission's cooperation with auditors is considered to have been very positive, with direct information flow and communication flexibility, whenever deemed necessary.

D. Sustainable Development

The Company has not adopted a sustainable development policy, given that, due to its characteristics, it is not obliged by Law. However, it is dedicated to regulatory compliance and business ethics, the safeguarding of health and safety of employees, customers and visitors, the creation and distribution of immediate economic value to interested parties, the creation of jobs, the creation of safe products, the policy of responsible communication with clients and consumers of its products, the active and responsible social contribution through specific actions, the protection of human rights and avoidance of discrimination in the workplace and the investment in the education/ development of its employees and staff.

Finally, it is noted, in order for the present Report to be complete, that during the term of the closing year 2021 (01.01.2021 – 31.12.2021), the Audit Committee had full and uninterrupted access to all necessary and indispensable information regarding the exercise of its duties, while the Management of the Company provided to the Committee all necessary facilities and space needed to carry out its works constructively.

All Members of the Audit Committee believe that our Committee has fully carried out its duties, pursuant to the provisions of the legislation in force, contributing to the endorsement of the corporate governance and the works of the Board of Directors in general, securing the interests of the Company’s shareholders.

Lastly, I’d like to thank the Internal Auditor, the staff of the Company for the support provided during the entire aforementioned period, the members of the Committee Messrs. I. Apostolakos, Th. Mechteridis and M. Zarkadis as well as the exited member Mr. P. Iakovou, for the flawless cooperation.

Kind regards,

The Chairman of the Audit Committee

Apostolos Petalas

X. Information on the composition and operation of the Remuneration and Nomination 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 of 18.12.2019. With the same decision of the General Assembly, the Rules of Operation were approved. By the decision of the Board of Directors of the Company dated 16.7.2021, the Committee assumed the role of the Nomination Committee and was renamed as the Remuneration and Nomination Committee and on the same day the Board of Directors approved its Rules of Operation. It consists of three non-executive members of the Board, the majority of whom are independent. Its President is also an independent non-executive member of the Board. The Rules of the Committee are published on the Company's website https://www.ascompany.gr/

The current Remuneration Committee consists of the following members:

a) Apostolos Petalas, independent non-executive member of BoD
b) Michail Zarkadis, independent non-executive member of the BoD
c) Theofilos Mechteridis, non-executive member of BoD

The President of the Remuneration Committee is Mr. Apostolos Petalas

It is noted that the member of the Committee Michail Zarkadis was elected to this position in replacement of the resigned member Peter Iakovou, who was also its Chairman, by the decision of the Board of Directors of the Company dated 16.07.2021. On the same day, the Committee was reconstituted to include its new member.

The term of the Committee coincides with the term of the present BoD, i.e. 21.06.2022, and is automatically extended until the convening of the Annual Ordinary General Meeting of year 2022, if it is convened after 21.06.2022.

The Committee has the following responsibilities:

1. Concerning the remunerations of the Company's BoD Members and of the General Managers

(a) makes recommendations to the Board of Directors regarding the remuneration policy which is afterwards submitted for approval to the General Meeting of the Company, pursuant to articles 110 par. 2 of the Law. 4548/2018 and 11 paragraph a) of Law 4706/2020.

(b) makes recommendations to the Board of Directors regarding the remuneration of persons falling within the scope of the remuneration policy, pursuant to articles 110 of Law No. 4548/2018 and 11 paragraph b) of Law 4706/2020, as well as regarding the remuneration of the General Manager, the management personnel, including the Head of the Internal Audit Unit. Remuneration means all cash and in-kind benefits, both regular and extraordinary.

(c) examines the information included in the final draft of the annual remuneration report, providing its opinion to the Board of Directors, before submitting the report to the General Meeting, pursuant to article 112 of Law No. 4548/2018, in conjunction with article 11 para. (c) of Law 4706/2020.

(d) examines and recommends the conditions for the granting and subscription of variable (other than fixed salary) remuneration for the above (e.g. setting and achieving financial or other performance targets), if such are provided for.

(e) submits proposals to the Board of Directors regarding the terms of the contracts of the above persons, in particular regarding non-salary benefits (e.g. pension/insurance plans) and compensation in case of leaving the Company.

(f) considers and recommends the amount of all types of remuneration of the non-executive members of the Board of Directors, in a manner that is commensurate with the duties they are called upon to perform, based on the prevailing circumstances.

(g) formulates and submits proposals to the Board of Directors on any policy related to the remuneration of the members of the Board of Directors and other executives.

2. Concerning the nomination of candidates for the Board of Directors of the Company:

(a) participates in the definition of the selection criteria and the procedures for the nomination of the candidates for the Board of Directors.

(b) makes recommendations for the Diversity Policy, including gender balance.

(c) submits proposals to the BoD for the nomination of BoD Member candidates under the approved Suitability Policy.

(d) conducts the process of definition and selection of candidates for BoD members within the approved Suitability Policy.

(e) makes recommendations to the BoD regarding the succession plan for Board members and senior executives.

(f) periodically and consistently reviews the renewal needs of the Board.

(g) monitors the implementation of the Suitability Policy and submits proposals to the BoD for its revision, if necessary.

(h) periodically assesses the size and composition of the BoD and makes recommendations for consideration regarding its desired profile.

(i) assesses the existing balance of qualifications, knowledge, opinions, skills, experience relevant to the corporate objectives as well as the balance between genders and, based on this assessment, outlines the role and competencies required to fill vacancies.

(j) informs the Board of Directors on the results of the implementation of the Suitability Policy for BoD members and the action taken in case of any deviations.

(k) Adhering to best practices, establishes the evaluation parameters and presides over the following:

- evaluation of the Board of Directors body,

- individual evaluations of the CEO and the Chairman,

- succession plan for the CEO and the members of the Board of Directors,

- a targeted profile of the composition of the Board of Directors in relation to the Company's strategy and suitability policy.

(l) carries out a self-evaluation as a Committee of the BoD, with its President's initiative.

The results of the Board's evaluation shall be communicated to and discussed by the BoD and shall be taken into account in its deliberations on the composition, the integration plan of new members, the development of training programmes and other related BoD issues. Following the evaluation, the Board of Directors shall take steps to address the identified weaknesses.

The Commission meets regularly at least twice a year and extraordinarily if required. It is convened by its President and is in quorum when at least 2 of its Members are present or represented. Another Member, with its written authorization, can represent a Member of the Committee. Decisions are taken by the majority of its members.

Activities of the Remuneration and Nomination Committee

During the financial year 2021, the Committee held five (5) meetings.

Member of the Remuneration Committee	Attending Meetings
Petros Iakovou, independent non-executive member (up until his replacement)	2
Apostolos Petalas, independent non-executive member	5
Michail Zarkadis, independent non-executive member (after taking up his duties)	3
Theofilos Mechteridis, non-executive member	5

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

During the aforementioned meetings and among other things, the Committee approved a draft remuneration report for the year 2020 to the Board of Directors, in view of the Ordinary General

Meeting of 2021, made a recommendation to the Ordinary General Meeting of 2021 regarding the remuneration of the members of the Board of Directors for 2021 and their pre-approval for 2022, approved the signing of a service contract with a non-executive member of the Board of Directors, made recommendations to the Board of Directors regarding the determination of the remuneration of the members of the Board of Directors, in the context of the implementation of the resolutions of the Ordinary General Meeting of 25.6.2021, made also recommendations to the Board of Directors regarding the amendment of Article 16 of the Company's Articles of Association regarding the remuneration of the members of the Board of Directors, as well as the revision of the Company's Remuneration Policy. These proposals were accepted and subsequently approved by the Extraordinary General Meeting of 26.11.2021.

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

The Members of the Board have experience covering a relatively wide age range (ages 42-72) 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, as it is formed after the replacement of one of its Members in June 2021, consists of six (6) men and two (2) women. 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 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, and that is reflected in its Rules of Operation, as well as in the policies and regulations that accompany it as annexes. 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 any case, the relevant legal provisions are strictly observed.

In addition to the Vice President and Executive Member of the Board Mr. Anastasia Andreadou, the executive member of the BoD 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

In general

In AS Company, safety and product quality are the basic principles governing the operation of the Group. 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.

Social Responsibility

AS Company, through a Corporate Social Responsibility program, carries out actions and initiatives to support vulnerable social groups. In this context, it continued to support the campaign "Put down the screen" and the hashtag #asekatotinothoni in order to awaken parents to take a more active role, setting limits to protect children from the risk of screen addiction. At the same time, the Company donates part of the proceeds from the sale of board games to support organizations that prevent and treat the dangers of the internet. In 2021, the internet addiction prevention program of KETHEA and the work of the NGO DIADRASIS were supported. It was also strengthened with the sponsorship of board games and the Cybercrime Prosecution Directorate of the Greek Police which holds information days for children hosted in institutions in Greece and their goal is to shield this vulnerable age group who may face dangers in the cyberspace.

Also, with a sense of responsibility for children and society as a whole, it provided free toys to support the COVID-19 clinic of Papageorgiou Hospital, where children are treated, as well as the free distribution of more than 500 toys to the children of PG employees. AHEPA Hospital, as a symbolic act of support to the doctors and nurses who fight daily in the front line to deal with the COVID-19 pandemic.

Finally, it continues with a sense of responsibility for society as a whole, to make a series of product donations throughout the year, actively supporting organizations and associations, such as "Make a Wish", "Guardian Angel", "Child Asylum", the UNESCO Group for the Culture of Peace as well as many local organizations and social groceries, which through their actions mainly support children and families.

H. Environmental & Work Issues

Environmentally

The Group in its countries of operation is not active in the processing of the products it distributes. Also, the operation of the Group's facilities is low nuisance. Due to its belief that rational environmental management and the protection of the ecosystem concern us all, it makes sure that the items available are as environmentally friendly as possible.

In 2021, the products department launched a strategy to remove / reduce the use of plastic in packaging, as well as to reduce the packaging paper, while also looking for raw materials from suppliers with ecological certifications such as FSC. It also continues to include in its range the products of the Play for future series of Clementoni, from recyclable and recycled materials, showing its commitment to more responsible and sustainable products.

In addition, in 2021, the lamination method was not used in Easter toy packages. As a result, 117,500 pcs of boxes are fully recyclable.

Its purpose is to combine its corporate goals with its wider contribution to sustainable development, while meeting the needs of consumers. With respect and responsibility for the environment, it creates the path to a sustainable future for the child and the family.

MATERIAL RECYCLING (Group Total)

MATERIAL CALCULATED IN 2021
Plastic and Paper packages: **178.199.66 kg**
Electric devices (Battery-powered toys): **275.212.65 kg**
Batteries: **93.765 pcs**

Finally, within 2021, 19 tons of pulp were recycled in total via a certified recycling company.

Employment

AS Company is its people, who daily support its smooth operation and progress.

Selection, placement in specific jobs, the assignment of tasks and the corresponding remuneration are based on the principles of equal treatment and meritocracy.

In this context, the company pays particular attention to providing a positive, productive and safe working environment and applies a recruitment and staffing policy that aims at the development of its employees and the development of their skills. The key points of its policy are:

- it provides equal hiring opportunities to external candidates, based on merit-based criteria, according to the specifications of each job.

- it provides equal opportunities for career development to its employees to ensure equal opportunities and to combat discrimination.

- it applies a fair remuneration and benefits policy.

The profile of employees for the Group is mixed as it employs a 56,9% of men and a 43,1% of women.

The relations of the Group with its personnel are excellent and no work related issues have arisen. As a result, there are no court cases regarding work related issues.

Health and Safety

The creation of a safe and healthy working environment is a priority for the Company. In the context of protecting the health and safety of its employees, suppliers, customers and partners, the following are implemented:

- Intensive inspections by safety technicians in all Company's facilities (Attica and Thessaloniki)
- The Company provides the services of an occupational physician, based on the legislative requirements
- The Company is implementing a series of preventive measures to deal with the pandemic in accordance with the instructions of the EODY, the relevant Ministerial Decision put into force by the state authorities and in accordance with the instructions of the occupational physician and safety technicians (teleworking, spatial safety zones, special markings, provision of sanitary material, decontamination, temperature controls, rapid tests, travel restrictions, implementation of extensive online meetings, etc.)
- The Company regularly trains its employees to deal with safety and health emergencies for both themselves and visitors to its facilities and has created an internal Fire Safety and First Aid team.
- The Company provides its entire staff with additional medical insurance.

Personal Data Protection

The Company is committed to protecting the confidentiality and privacy of the information provided or collected and complies with applicable legislation on the protection of personal data of visitors, partners, customers, suppliers, current and former, employees and prospective employees.

The Company has established a Personal Data Breach & Leakage Response Team and the proper compliance of the system is regularly inspected by the Data Protection Officer (DPO). In the same context, a tele-training was conducted by the DPO to all employees.

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 assists significantly towards this purpose.

On 21.06.2021, the programme for the purchase of the Company's own shares, which was approved by the Annual General Meeting of the shareholders on 21 June 2019, in accordance with the provisions of article 49 of Law no. 4548/2018, ended.

Subsequently, pursuant to the resolutions of the Annual General Meeting of Shareholders of 25.06.2021 and the decision of the Board of Directors of 25.11.2021, in the context of the Plan on the Purchase of the Company's own shares, the Company announced on 25.11.2021 the launch of the new Plan on the Purchase of the Company's own shares. Following a decision of the Board of Directors, in the fiscal year 2021 and up to 31.3.2022, 60,825 shares with a total nominal value of €40,144.50, representing 0.46339% of the capital with an average purchase price of €1.957 had been purchased.

K. DIVIDEND POLICY

The Company's Management, having positively assessed the financial results of this financial year and its high liquidity, intends to distribute a net dividend (after tax deduction) of € 0.11 per share. The proposed distribution is subject to the approval of the Annual General Meeting of Shareholders. 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 2021 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 31.12.2021, 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 31.12.2021 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 2021 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 2021 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 2021 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 2021 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 2021 and the date of writing this report.

ID. SIGNIFICANT EVENTS AFTER THE END OF 2021

A. Reconstitution of BoD

In accordance with the decision of the Board of Directors of the Company dated 01.02.2022, it was decided that the non-independent and non-executive member of the Board of Directors. Mr. Konstantinos Andreadis of Efstratios , will henceforth become an executive member of the Board of Directors. The executive Member of the BoD, Mr Konstantinos Andreadis, is entrusted with the tasks of developing new markets abroad.

B. New Plan for the purchase of own shares

Pursuant to the decisions of the Ordinary General Meeting of Shareholders of 25.06.2021 and the decision of the Board of Directors of 25.11.2021, in the framework of the Own Share Acquisition Program, the Company announced on 25.11.2021 the start of implementation of the Plan for the Purchase of own shares, according to which the purchase of up to the number of 656,301 shares of the Company until 25.06.2023 is foreseen, with a range of purchase prices from € 0.50 / share (minimum) to € 4.00 / share (maximum). Up to 31/03/2022, 60.825 own shares have been purchased with a total nominal value of € 40.144,50, with an average purchase price of € 1,957 representing 0,46339% of the capital.

C. Other risks

After the opening of the retail following the lifting of the lockdown, our activities have gradually returned to normal and management believes that based on the current development of the pandemic and, having approached a critical point of immunity, there is no risk of any impact on the financial results for the financial year 2022.

The recent geopolitical events in Ukraine have caused uncertainty in global markets. The Company has no operations in Ukraine and Russia, which will not directly affect the financial results for fiscal 2022. However, there has been a moderation in consumer spending due to the general negative climate and uncertainty.

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. 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 2019, 2020 & 2021 was as follows:

	31.12.2021	31.12.2020	31.12.2019
EBIDTA	3.882.380	3.114.930	4.060.292
% in sales	17,11%	15,89%	17,42%

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 2019, 2020 & 2021 was as follows:

	31.12.2021	31.12.2020	31.12.2019
% net debt/equity	-57,03%	-48,33%	-51,77%
Net Debt	-19.180.498	-15.274.543	-15.871.477

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 2020 & 2021 were as follows:

	31.12.2021	31.12.2020
Net working capital	10.010.264	11.334.381

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

Thessaloniki, 14 April 2022

THE PRESIDENT OF BOARD OF DIRECTORS & MANAGING DIRECTOR	B.O.D MEMBER
EFSTRATIOS K. ANDREADIS ID No: AP 235479	**THEODORA D. KOUFOU** ID No: AN 233404

III. Independent Auditors' Report

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 Statemenets

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 2021, 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 separate and consolidated financial position of AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. and its subsidiaries (the "Group") as at 31 December 2021 and its separate and consolidated financial performance and its separate and consolidated 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 the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, as it has been incorporated into Greek legislation, together with 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 4 531 thousand, as valued after the impairment provision of approximately EUR 676 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 a 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.	Our audit procedures in relation to this matter included, among others, the following: We evaluated the design 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 of the year of reference, 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 disclosures, in 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 10 356 thousand and EUR 10 916 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 uses 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 a 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 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 disclosures, in 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 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 auditors’ 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 auditors’ report to the related disclosures in the Separate and Consolidated Financial Statements or, if such disclosuresare inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company or 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 auditors' 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 2021.

(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 14 April 2022, 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 of Regulation (EU) 537/2014.

The permissible non-audit services that we have provided to the Company and its subsidiaries during the year ended 31 December 2021 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 21 June 2018. From then onwards our appointment has been renewed uninterruptedly for a total period of 4 years based on the annual decisions of the General Shareholders' Meeting.

5. Operations Regulation

The Company has an Operations Regulation in accordance with the content provided by the provisions of the article 14 of Law 4706/2020.

6. Assurance Report on the European Single Electronic Reporting Format

We examined the digital files of AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. (the "Company"), which were prepared in accordance with the European Single Electronic Format (ESEF) that is determined by the Commission Delegated Regulation (EU) 2019/815, as amended by the Regulation (EU) 2020/1989 (the ESEF Regulation) that include the separate and consolidated financial statements of AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. and its subsidiaries (the "Group") for the year ended as at 31 December 2021 in XHTML format «213800NW1S2T9JRVU437-2021-12-31-el.xhtml», and also the file XBRL «213800NW1S2T9JRVU437-2021-12-31-el.zip» with the appropriate mark up of the those consolidated financial statements.

Regulatory framework

The digital files of the European Single Electronic Format are prepared in accordance with the ESEF Regulation and the 2020/C 379/01 Commission Interpretative Communication issued on 10 November 2020, as required by the L. 3556/2007 and the relevant announcements of the Hellenic Capital Markets Commission and the Athens Stock Exchange (the "ESEF Regulatory Framework").

This Framework includes in summary, among others, the following requirements:

— All the annual financial reports must be prepared in XHTML format.

— With respects to the consolidated financial statements based on International Financial Reporting Standards (IFRS), the financial information that is included in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows, must be marked up with XBRL tags, in accordance with the ESEF Taxonomy, as in force. The technical requirements for the ESEF, including the relevant taxonomy, are included in the ESEF Regulatory Technical Standards.

The requirements as defined in the ESEF Regulatory Framework as in force are appropriate criteria in order to express a reasonable assurance conclusion.

Responsibilities of management and those charged with governance

Management is responsible for the preparation and filing of the separate and consolidated financial statements of the Company and the Group, for the year ended as at 31 December 2021, in accordance with the requirements determined by the ESEF Regulatory Framework, and for such internal control as management determines is necessary to enable the preparation of digital files that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is the planning and the execution of this assurance engagement in accordance with the 214/4/11-02-2022 Decision of the Hellenic Accounting and Auditing Standards Oversight Board and the Guidelines for the assurance engagement and report of Certified Auditors on the European Single Electronic Reporting Format (ESEF) of issuers with shares listed in a regulated market in Greece", as these were issued by the Institute of Certified Public Accountants of Greece on 14 February 2022 (the "ESEF Guidelines"), in order to obtain reasonable assurance that the separate and consolidated financial statements of the Company and the Group that are prepared by the management of the Company in accordance with the ESEF comply in all material respects with the ESEF Regulatory Framework as in force.

Our work was performed 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 we have also fulfilled our independence requirements, in accordance with the L. 4449/2017 and the Regulation (EU) 537/2014.

The assurance work that we carried out refers exclusively to the ESEF Guidelines and was conducted in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information". Reasonable assurance is a high level of assurance, but is not a guarantee that such an assurance engagement will always detect a material misstatement regarding non-compliance with the requirements of the ESEF Regulation.

Conclusion

Based on the procedures performed and the evidence obtained, we express the conclusion that the Separate and Consolidated Financial Statements of the Company and the Group for the year ended as of 31 December 2021 in XHTML format «213800NW1S2T9JRVU437-2021-12-31-el.xhtml», and the XBRL file «213800NW1S2T9JRVU437-2021-12-31-el.zip» marked up with respects to the Consolidated Financial Statements, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, 14 April 2022

KPMG Certified Auditors S.A.
AM SOEL 114

Dimitrios Tanos, Certified Auditor Accountant
AM SOEL 42241

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

ANNUAL FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED) AS OF 31 DECEMBER 2021

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 2021 are those approved by the Board of Directors of "**AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTER AND TOYS S.A."** on 14 April 2022 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
Prsident of BoD & Managing Director
AS COMPANY S.A.

IV. ANNUAL FINANCIAL STATEMENTSA. ANNUAL STATEMENT OF FINANCIAL POSITION

(Amounts in Euro)

		GROUP			COMPANY		
		31.12.2021	31.12.2020	01.01.2020	31.12.2021	31.12.2020	01.01.2020
ASSETS							
	Note		**Restatement**			**Restatement**	
Non-current assets							
Property, plant and equipment	7.1	4.431.501	4.793.258	5.058.562	4.417.093	4.786.261	5.049.801
Intangible assets	7.2	117.900	168.463	125.659	117.900	166.075	119.012
Right-of-use assets	7.1	214.787	332.152	418.887	202.620	301.061	386.083
Participation in subsidiaries	7.3	0	0	0	550.000	550.000	550.000
Other non-current assets	7.4	16.197	16.006	15.395	14.191	13.968	14.359
		4.780.384	**5.309.878**	**5.618.503**	**5.301.803**	**5.817.364**	**6.119.255**
Current assets							
Inventories	7.5	4.530.930	4.617.751	4.955.343	4.530.559	4.609.080	4.955.343
Accounts receivables	7.6	10.915.575	10.512.885	9.740.465	10.356.239	10.188.650	9.303.253
Investments at fair value through P&L	7.7	11.247.174	8.684.505	7.456.849	10.948.269	8.275.465	7.456.849
Other current assets	7.8	280.251	363.760	826.578	594.774	333.358	914.266
Cash and cash equivalents	7.9	8.161.085	6.935.091	8.843.176	5.586.594	5.345.657	7.312.542
		35.135.014	**31.113.993**	**31.822.411**	**32.016.435**	**28.752.210**	**29.942.253**
TOTAL ASSETS		**39.915.398**	**36.423.872**	**37.440.914**	**37.318.238**	**34.569.575**	**36.061.508**
EQUITY AND LIABILITIES							
Equity							
Share capital	7.10	8.663.173	8.663.173	6.431.750	8.663.173	8.663.173	6.431.750
Share premium		0	0	74.509	0	0	74.509
Other reserves		1.853.620	1.835.139	1.853.916	1.859.642	1.846.874	1.861.193
Retained Earnings		23.115.053	21.107.225	22.506.627	21.043.702	19.700.593	21.596.042
Equity attributable to shareholders of the Company		**33.631.847**	**31.605.537**	**30.866.802**	**31.566.517**	**30.210.640**	**29.963.494**
Total equity		**33.631.847**	**31.605.537**	**30.866.802**	**31.566.517**	**30.210.640**	**29.963.494**
Long-Term Liabilities							
Long-term lease liabilities	7.11	123.242	230.717	322.787	117.038	217.087	302.031
Deferred tax liabilities	7.12	210.601	198.792	311.245	210.601	198.792	311.245
Staff leaving payments	7.13	82.027	64.153	47.156	82.027	64.153	47.156
Other long-term liabilities	7.14	46.671	50.320	96.397	46.671	50.320	96.397
		462.542	**543.982**	**777.585**	**456.338**	**530.352**	**756.829**
Current Liabilities							
Account payables	7.15	3.063.528	1.858.475	3.525.488	2.793.998	1.858.475	3.253.218
Short-term borrowings	7.16	0	0	644	0	0	0
Short-term lease liabilities	7.11	104.518	114.336	105.148	96.570	94.787	91.263
Other short-term liabilities	7.17	2.652.964	2.301.541	2.165.249	2.404.816	1.875.320	1.996.704
		5.821.009	**4.274.352**	**5.796.528**	**5.295.384**	**3.828.582**	**5.341.185**
Total Liabilities		**6.283.551**	**4.818.334**	**6.574.113**	**5.751.721**	**4.358.934**	**6.098.014**
Total Equity and Liabilities		**39.915.398**	**36.423.872**	**37.440.914**	**37.318.238**	**34.569.575**	**36.061.508**

Restatement: The comparative figures in the Group and Company Income Statements for the financial year 2020 have been revised due to the change in accounting policy brought about by the change in IFRS 19.
Reclassifications – repositions in certain funds of the Annual Financial Statement was made, in order to increase presentability.

The accompanying notes set out on pages 55 – 94 form an integral part of these Separate and Consolidated Financial Statements.

B. ANNUAL STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euro)

		GROUP		COMPANY	
	Note	1.1. to 31.12.2021	1.1. to 31.12.2020	1.1. to 31.12.2021	1.1. to 31.12.2019
			Restatement		restatement
Turnover	7.18	22.695.672	19.607.363	20.742.788	18.233.819
Cost of sales	7.19	-12.102.790	-10.159.078	-11.860.782	-10.081.416
Gross Profit		**10.592.881**	**9.448.286**	**8.882.006**	**8.152.403**
Other operating income	7.20	241.606	19.099	430.001	169.395
Administrative expenses	7.21	-2.501.404	-2.320.239	-2.259.428	-2.141.608
Distribution costs	7.22	-4.835.197	-4.366.664	-4.345.417	-3.928.357
Research and development expenses	7.23	-178.888	-218.205	-178.888	-218.205
Profits before taxes, financial and investment results		**3.318.998**	**2.562.277**	**2.528.274**	**2.033.627**
Income/ (expenses) from financing activity – net	7.25	657.934	-157.193	674.517	-185.129
Profits before tax		**3.976.932**	**2.405.083**	**3.202.791**	**1.848.498**
Income taxes	7.26	-792.684	-524.016	-695.711	-463.478
Profits after taxes		**3.184.247**	**1.881.067**	**2.507.080**	**1.385.020**
Other comprehensive income not subsequently reclassified in the results					
Actuarial gains / (losses) from defined benefits plan	7.13	2.003	-3.126	2.003	-3.126
Deferred tax		-365	750	-365	750
Total Comprehensive Income that will not be subsequently reclassified in the results		1.638	2.376	1.638	2.376
Other Comprehensive that could be subsequently reclassified in the results					
Effect of exchange rates from the conversion of the financial statements into a foreign currencies		-6.735	-4.458	0	0
Total of other Comprehensive income		**-5.097**	**-6.833**	**1.638**	**-2.376**
Total of compressive income		**3.179.151**	**1.874.234**	**2.508.718**	**1.382.644**
attributable to:					
- Shareholders of the Company		3.179.151	1.874.234	2.508.718	1.382.644
Earnings per share - basic (in €)	12	0,2433	0,1435	0,1916	0,1057
Earnings before taxes, financial, investment results and amortization	7.24	**3.882.380**	**3.114.930**	**3.066.429**	**2.559.615**

Restatement: The comparative figures in the Group and Company Income Statements for the financial year 2020 have been revised due to the change in accounting policy brought about by the change in IFRS 19.
Reclassifications – repositions were made in certain funds of the Annual Statement of Financial Position in order to increase presentability.

The accompanying notes on pages 55 to 94 are an integral part of these Company and Consolidated Financial Statements.

C. ANNUAL STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro)

Group	Share capital	Share premium	Other Reserves	Retained earnings	Total Equity
Equity as of the start of the period 01.01.2020	**6.431.750**	**74.509**	**1.853.916**	**22.298.023**	**30.658.198**
Accounting Policy Change of 1/1/2020 (see Note 3.A1)	0	0	0	208.603	208.603
Reclassified in 1/1/2020	**6.431.750**	**74.509**	**1.853.916**	**22.506.626**	**30.866.801**
Profit for the year after taxes	0	0	0	1.881.067	1.881.067
Legal Reserves	0	0	140.400	-140.400	0
Exchange differences & other reserves	0	0	-4.458	0	-4.458
Actuarial gains / (losses) from defined benefits plan	0	0	0	-3.126	-3.126
Deferred tax on actuarial gains/(losses)	0	0	0	750	750
Total comprehensive income	**0**	**0**	**135.943**	**1.738.292**	**1.874.234**
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 the owners	**2.231.423**	**-74.509**	**-154.720**	**-3.137.693**	**-1.135.499**
Equity as of the end of the period 31.12.2020- reclassified	**8.663.173**	**0**	**1.835.139**	**21.107.225**	**31.605.537**
Equity as of the start of the period 01.01.2021	**8.663.173**	**0**	**1.835.139**	**21.107.225**	**31.605.537**
Profits of period after taxes	0	0	0	3.184.247	3.184.247
Legal reserves and other reserves	0	0	82.250	-82.250	0
Exchange differences	0	0	-6.735	0	-6.735
Actuarial gains/ (losses) from defined benefits plan	0	0	0	2.003	2.003
Deferred tax on actuarial gains/ (losses)	0	0	0	-365	-365
Total comprehensive income	**0**	**0**	**75.515**	**3.103.635**	**3.179.151**
Own shares acquisition	0	0	-57.034	0	-57.034
Dividend distribution	0	0	0	-1.095.807	-1.095.807
Transactions with owners	0	0	-57.034	-1.095.807	-1.152.841
Equity as of the end of the period 31.12.2021	**8.663.173**	**0**	**1.853.620**	**23.115.053**	**33.631.847**

Company	Share capital	Share premium	Other Reserves	Retained earnings	Total Equity
Equity as of the start of the period 01.01.2020	**6.431.750**	**74.509**	**1.861.194**	**21.387.439**	**29.754.891**
Accounting Policy Change of 1/1/2020 (see Note 3.A1)	0	0	0	208.603	208.603
Reclassified in 1/1/2020	**6.431.750**	**74.509**	**1.861.194**	**21.596.042**	**29.963.494**
Profit for the year after taxes	0	0	0	1.385.020	1.385.020
Legal Reserves	0	0	140.400	-140.400	0
Actuarial gains / (losses) from defined benefits plan	0	0	0	-3.126	-3.126
Deferred tax on actuarial gains/(losses)	0	0	0	750	750
Total comprehensive income	**0**	**0**	**140.400**	**1.242.244**	**1.382.644**
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 the owners	**2.231.423**	**-74.509**	**-154.720**	**-3.137.692**	**-1.135.498**
Equity as of the end of the period 31.12.2020 - reclassified	**8.663.173**	**0**	**1.846.874**	**19.700.593**	**30.210.640**
Equity as of the start of the period 01.01.2021	**8.663.173**	**0**	**1.846.874**	**19.700.593**	**30.210.640**
Profit for the year after taxes	0	0	0	2.507.080	2.507.080
Legal Reserves	0	0	69.802	-69.802	0
Actuarial gains / (losses) from defined benefits plan	0	0	0	2.003	2.003
Deferred tax on actuarial gains/(losses)	0	0	0	-365	-365
Total comprehensive income	**0**	**0**	**69.802**	**2.438.916**	**2.508.718**
Own shares acquisition	0	0	-57.034	0	-57.034
Dividend distribution	0	0	0	-1.095.807	-1.095.807
Transactions with the owners	**0**	**0**	**-57.034**	**-1.095.807**	**-1.152.841**
Equity as of the end of the period (31.12.2021)	**8.663.173**	**0**	**1.859.642**	**21.043.702**	**31.566.517**

Restatement: The comparative figures in the Group and Company Income Statements for the financial year 2020 have been revised due to the change in accounting policy brought about by the change in IAS 19. Reclassifications – repositions were made in certain funds of the Annual Statement of Financial Position in order to increase presentability

The accompanying notes on pages 55 to 94 are an integral part of these Company and Consolidated Financial Statements.

D. ANNUAL CASH FLOW STATEMENT

(Amounts in Euro)

	Note	GROUP 1.1. to 31.12.2021	GROUP 1.1.to 31.12.2020 restatement	COMPANY 1.1. to 31.12.2021	COMPANY 1.1. to 31.12.2020 restatement
Operating activities					
Profit before tax (continuing activities)		3.976.932	2.405.083	3.202.791	1.848.498
Plus/minus adjustments for:					
Depreciation	7.24	563.382	552.653	538.155	525.988
Provisions		114.005	22.484	114.005	22.484
Foreign Exchange differences		114.848	-137.171	119.648	-133.332
Results (Gain/loss) from investing activities		-47.608	-125.854	-42.076	-79.836
Net financial gains (expenses)		-656.939	199.736	-674.517	185.129
Plus/Minus Working Capital Adjustments:					
(Increase)/ decrease in inventories		-7.325	337.592	-15.607	346.263
Decrease/ (increase) in receivables		-319.371	-391.350	429.228	-294.811
(Decrease)/ Increase in payables (except loans)		1.591.296	-1.604.451	1.497.267	-1.687.225
Minus :					
Interest and related expenses paid		-108.891	-101.462	-91.312	-84.922
Income tax paid		-850.058	-693.006	-765.585	-624.944
Net cash inflows/ (outflows) from operating activities (α)		**4.370.271**	**464.255**	**3.453.540**	**23.293**
Investing Activities					
Purchase of tangible and intangible assets	7.1-7.2	-55.792	-237.656	-27.477	-218.611
Receivables from the disposal of tangible and intangible assets		0	6.190	0	6.190
(Purchases)/ Sales of financial assets		-2.254.634	-1.426.386	-2.370.301	-1.063.441
Interest received		385.491	347.650	385.491	345.717
Net cash inflows/ (outflows) from operating activities (β)		**-1.924.935**	**-1.310.202**	**-2.012.287**	**-930.145**
Financing Activities					
Reduction and return of share capital	7.10	0	-918.821	0	-918.821
Repayment of loans	7.16	0	-644	0	0
Own share acquisition		-57.034	-59.792	-57.034	-59.792
Repayment of finance lease		-117.293	-82.881	-98.266	-81.420
Dividends paid (without taxes)		-1.045.016	0	-1.045.016	0
Net cash flows from financing activities (c)		**-1.219.342**	**-1.062.138**	**-1.200.315**	**-1.060.034**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		**1.225.994**	**-1.908.086**	**240.937**	**-1.966.885**
Cash and cash equivalents at the beginning of the year	7.9	**6.935.091**	**8.843.176**	**5.345.657**	**7.312.542**
Cash and cash equivalents at the end of the year	7.9	**8.161.085**	**6.935.091**	**5.586.594**	**5.345.657**

Restatement: The comparative figures in the Group and Company Income Statements for the financial year 2020 have been revised due to the change in accounting policy brought about by the change in IAS 19. Reclassifications – repositions were made in certain funds of the Annual Statement of Financial Position in order to increase presentability

The accompanying notes set out on pages 55 to 94 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. The Company's seat, which constitutes also the main venue for the execution of its business is in Ioanias Street, Oreokastro, 570 13, Thessaloniki, Greece. Its website is www.ascompany.gr and is listed on the Athens Stock Exchange. The Financial Statements as at 31 December 2021 were approved by the Board of Directors on 14 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 2021 was 66 persons and for the Group 72 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 2021.

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 2021, the main financial figures of the Group exhibited a substantial increase compared to the corresponding last year, however maintaining high levels of liquidity, and achieving satisfactory performance in the main financial indicators.

Despite the uncertainty and disruption which have been created in the market with the constant increases of basic goods' prices, due to the war in Ukraine, 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 € 29,31 million for the Group and € 26,72 million for the Company.

• The Company maintains reserves on the 31.03.2022 of more than 5 million Euros.

The Management follows closely the developments regarding the coronavirus (COVID-19), the problems arising in the market from the increase of basic goods' prices and constantly evaluates their repercussions to the Group's performance. Taking into consideration the above main financial indicators the Management expects that the Group shall be in the position to cover any needs of cash, and the status of the Company as an ongoing concern shall not be compromised.

The amounts of the Financial Statements (Corporate and Consolidated) are presented in Euro, unless otherwise expressly stated.

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 Comprehensive Income Statement.

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

Basic accounting policies

The accounting policies under which the accompanying Financial Statements are prepared are consistent with those used in the preparation of the Financial Statements for the comparative 2020 financial year except for the change referred to in note (A.1) regarding the change in accounting policy in accordance with IAS 19 and have been applied consistently for all the years presented. The Group has adopted the new standards and interpretations, the application of which became mandatory for the financial years beginning 1 January 2021. The new standards are presented below:

(A) Amendments to the published standards

In particular, new standards, amendments to standards and interpretations have been issued, which are mandatory for the accounting periods beginning on or after 01.01.2021. The Company's and the Group's assessment of the impact of the adoption of these new standards, amendments and interpretations is set out below:

- IFRS 16 (Amendment) "Concessions on leases related to COVID-19" (applicable to annual accounting periods beginning on or after 1 June 2020)

The amendment provides lessees (but not lessors) with an optional exception to the assessment of whether a COVID-19-related lease assignment is a lease modification. Lessees may elect to account for concessions to rents in the same manner as they would for changes that are not lease modifications.

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) "Reform of reference rates – Phase 2" (applicable to annual accounting 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 an entity replaces the old reference rate with an alternative reference rate as a result of the restatement. More specifically, the amendments relate to how an entity will account for changes in contractual cash flows of financial instruments, how it will account for changes in its hedging relationships and the information to be disclosed.

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

Standards and Interpretations mandatory for the following periods

Certain new standards, amendments to standards and interpretations applicable to annual accounting periods beginning after 1 January 2021 have been adopted and not applied in the preparation of these Financial Statements. None of them are expected to have a material impact on the Company's and the Group's Financial Statements.

- IAS 37 (Amendment) "Onerous Contracts – Cost of fulfilling a contract" (applicable to annual accounting periods beginning on or after 1 January 2021) The amendment clarifies that "the cost of fulfilling a contract" includes the directly related costs of fulfilling that contract and the allocation of other costs directly related to its fulfilment. The amendment also clarifies that, before recognizing a separate provision for an onerous contract, an entity recognises any impairment loss on the assets used to fulfil the contract, rather than on assets that were dedicated solely to that contract. The amendment has not yet been adopted by the European Union.

Annual ameliorations in IFRS 2018-2020 (applicable to annual accounting periods beginning on or after 1 January 2022)

The amendments listed below include changes to the following IFRSs. These amendments have not been adopted yet by the European Union.

- IFRS 16 (Amendment) "Property, plant and equipment - Revenue before its intended use" (effective for annual accounting periods beginning on or after 1 January 2022)
  The amendment prohibits an entity from deducting from the cost of property, plant and equipment any revenue received from the sale of items produced while the entity is preparing the asset for its intended use. It also requires entities to disclose separately the amounts of revenue

and costs associated with such manufactured items that are not the result of the entity's ordinary activities. The amendment has not yet been adopted by the European Union.

- IFRS 3 (Amendment) "Conceptual Framework Reference" (effective for annual periods beginning on or after 1 January 2022)
  The amendment updates the standard to refer to the Conceptual Framework for Financial Reporting issued in 2018 when determining what constitutes an asset or liability in a business combination. In addition, an exemption was added for certain types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been adopted by the European Union.

- IAS 1 (Amendment) "Classification of liabilities as current or non-current" (effective for annual accounting periods beginning on or after 1 January 2023) The amendment clarifies that liabilities are classified as current or non-current based on the rights in force at the end of the reporting period. The classification is not affected by the entity's expectations or by events after the reporting date. In addition, the amendment clarifies the meaning of the term 'settlement' of a liability in IAS 1. The amendment has not yet been adopted by the European Union.
- IAS 1 (Amendment) "Presentation of Financial Statements and Statement of Practice IFRS 2: Disclosure of Accounting Policies".
  The amendments provide guidance on the application of material judgements in accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. In addition, guidance and illustrative examples are added to the Statement of Practice to assist in applying the concept of materiality in making judgements about accounting policy disclosures.

- IAS 8 (Amendment) 'Accounting policies, changes in accounting estimates and errors: Definition of Accounting Estimates" (effective for annual accounting periods beginning on or after 1 January 2023)
  The amendments introduce a new definition of accounting estimates, defined as monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and corrections of errors. The adoption of these amendments is not expected to have a material impact on the Company's and the Group's Financial Statements.

In addition, there are other standards or interpretations which are not yet effective and are not included in the above and which are not expected to have a significant impact on the Company and the Group.

(A1) Change in the Accounting Policy regarding the allocation of provisions for termination benefits in accordance with IAS 19 "Employee Benefits"

The IFRS Interpretations Committee issued in May 2021 the final agenda decision under the title "Allocation of benefits over periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material regarding the way to allocate benefits over periods of service, on a specific defined benefit plan similar to the one defined in article 8 of Law 3198 /1955 as regards the provision of retirement benefits (the "Defined Benefit Plan under Labour Law").

Based on the above decision, the way in which the basic principles of IAS 19 were applied in Greece in the past differs in this respect, and consequently, entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies accordingly.

Until the adoption of the agenda decision, the Group applied IAS 19 by allocating the benefits defined by article 8 of Law 3198/1955, Law 2112/1920 and its amendment by Law 4093/2012 to the period from the hiring to the retirement date of the employees.

The application of this final decision in the attached Consolidated and Separate Financial Statements of the Company has resulted in the allocation of benefits for the last 16 years, until the employees' retirement date, following the scale provided for in Law 4093/2012.

Based on the above, the application of the above final decision has been treated as a change in accounting policy, applying the change retrospectively from the beginning of the first comparative period in accordance with paragraphs 19 - 22 of IAS 8.

The tables below show the effect of applying the final decision for each specific line item in the financial statements affected. Any lines that were not affected by the changes brought about by the change in accounting policy are not included in the table:

Extract of the Report of the Financial Position Statement	**Group 01/01/2020**	**Effect of the change in accounting policy**	**01/01/2020 *rephrased**
Deferred tax obligations	245.370	65.875	311.245
Balance of retained earnings	22.298.024	208.603	22.506.627
Provisions on staff leaving payments	321.634	-274.478	47.156

Extract of the Report of the Financial Position Statement	**31/12/2021**	**31/12/2020 *rephrased**	**31/12/2020**
Deferred tax obligations	210.601	198.792	122.261
Balance of retained earnings	23.115.053	21.107.225	20.864.878
Provisions on staff leaving payments	82.027	64.153	383.031

Extract of the Report of Statement of Total Income	**31/12/2021**	**31/12/2020 *rephrased**	**31/12/2020**
Actuarial gains /(losses) from defined benefits progams	2.003	-3.126	-35.886
Deferred tax on actuarial losses	-365	750	8.613
Management expenses	2.501.404	2.320.239	2.331.878

Extract of the Report of Financial Position Statement	**Comapny 01/01/2020**	**Effect of the change in accounting policy**	**01/01/2020 *rephrased**
Deferred tax obligations	245.370	65.875	311.245
Balance of retained earnings	21.387.438	208.603	21.596.042
Provisions on staff leaving payments	321.634	-274.478	47.156

Extract of the Report of the Financial Position Statement	**31/12/2021**	**31/12/2020 *rephrased**	**31/12/2020**
Deferred tax obligations	210.601	198.792	122.261
Balance of retained earnings	21.043.702	19.700.593	19.458.246
Provisions on staff leaving payments	82.027	64.153	383.031

Extract of the Report of the Statement of Total Revenue	**31/12/2021**	**31/12/2020 *rephrased**	**31/12/2020**
Actuarial gains/ (losses) from defined benefits programs	2.003	-3.126	-35.886
Deferred tax	-365	750	8.613
Management expenses	2.259.428	2.141.608	2.153.248

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 Comprehensive Income Statement 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 Comprehensive Income Statement 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 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 2021 and 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 Comprehensive Income Statement.

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 Comprehensive Income Statement, 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 Comprehensive Income Statement 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 Comprehensive Income Statement 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. Pursuant to the decision issued in May 2021 by the IFRS Interpretation Committee, the way that the basic principles of IAS 19 were applied in Greece, is differentiated.

The application of that final decision in the attached Consolidated and Separate Financial Statements provides that henceforth benefits shall be distributed in the last 16 years until the day of retirement of employees, according to the limits of Law 4093/2012.

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. Provisions 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 concern cases of temporary differences between recognition of tax assets and liabilities and their recognition, 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	22,0% (24,0%: 2020)
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 COMPUTER AND TOY COMPANY 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.

5. Other Information

5.1 Consolidated Financial Statements

In the closed financial year 2021, Corporate and Consolidated Financial Statements were prepared, including, apart from the data of the Company, the data of the subsidiaries "AS COMPANY CYPRUS LTD" and "AS KIDS TOYS S.R.L.", using the total consolidation method.

The corresponding financial information for the year 2021 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	
Description of the accounts	**2021**	**2020**	**2021**	**2020**
Sales in Greece	17.650.812	16.282.828	17.650.812	16.282.828
Sales abroad	5.044.860	3.324.535	3.091.976	1.950.992
Total	**22.695.672**	**19.607.363**	**20.742.788**	**18.233.819**

Sales abroad represent 22,33% of total consolidated sales for the current year, compared to 16,96% of the previous year.

7. Other Explanatory Information

7.1 Property, plant and equipment and assets' rights of use

Property, plant and equipment are analysed as follows:

	Group		Company	
Account Description	**2021**	**2020**	**2021**	**2020**
Land	1.947.228	1.947.228	1.947.228	1.947.228
Buildings and building installations	2.275.546	2.589.835	2.275.546	2.589.835
Transportation	105.872	134.093	105.872	134.093
Furniture and Fixtures	102.854	122.101	88.446	115.104
Total	**4.431.501**	**4.793.258**	**4.417.093**	**4.786.261**

The investments of the Group and Company in fixed assets during the year amounted to € 55.792 and € 27.477 euro respectively.

There are no encumbrances on the Company's and the Group's property.

The Company owns building, located in Oreokastro, Thessaloniki in its own land plot of 45.787,60 m^2. 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 16,169,56 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 2021 and 31 December 2020:

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**	**7.674.229**	**61.774**	**251.923**	**1.276.550**	**11.211.705**
Purchases-additions of the period 1.01 - 31.12.2020	0	8.003	0	52.375	74.747	135.124
Reductions-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**	**11.326.695**
Purchases-Additions of the period 1.01 - 31.12.2021	0	11.100	0	0	44.692	55.792
Reductions-disposals of the period 1.01 - 31.12.2021	0	0	0	0	-13.860	-13.860
Balance at 31.12.2021	**1.947.228**	**7.693.331**	**61.774**	**303.290**	**1.363.004**	**11.368.627**

Accumulated Depreciation	Land	Buildings and building installations	Machinery, and Technical installations	Transportation	Furniture and fixtures	TOTAL

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	0	0	0	0	-87	-87
Disposals of the period 1.01-31.12.2020	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**	**6.533.437**
Depreciation for the period 1.01 - 31.12.2021	0	325.389	0	28.221	61.614	415.224
Disposals of the period 1.01 - 31.12.2021	0	0	0	0	-11.535	-11.535
Balance at 31.12.2021	**0**	**5.417.786**	**61.774**	**197.417**	**1.260.149**	**6.937.126**
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	134.093	122.101	4.793.258
Net book value at 31.12.2021	**1.947.228**	**2.275.545**	**0**	**105.873**	**102.855**	**4.431.501**

Company

Acquisition Values	**Land**	**Buildings and building installations.**	**Machinery, and Technical installations**	**Transportation**	**Furniture and fixtures**	**TOTAL**
Balance at 31.12.2019	**1.947.228**	**7.674.229**	**61.773**	**251.923**	**1.260.887**	**11.196.041**
Purchases-additions of the period 1.01 - 31.12.2020	0	8.003	0	52.375	73.184	133.561
Reductions-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**	**61.773**	**303.290**	**1.316.678**	**11.311.202**
Purchases-additions of the period 1.01 - 31.12.2021	0	11.100	0	0	16.377	27.477
Reductions-disposals of the period 1.01 - 31.12.2021	0	0	0	0	-11.535	-11.535
Balance at 31.12.2021	**1.947.228**	**7.693.331**	**61.773**	**303.290**	**1.321.520**	**11.327.143**

Accumulated Depreciation	**Land**	**Buildings and building installations**	**Machinery, and Technical installations**	**Transportation**	**Furniture and fixtures**	**TOTAL**
Balance at 31.12.2019	**0**	**4.777.921**	**61.773**	**150.364**	**1.156.181**	**6.146.239**
Depreciation for the period 1.01 - 31.12.2020	0	314.475	0	19.841	60.585	394.901
Disposals of the period	0	0	0	0	0	0
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**	**61.773**	**169.197**	**1.201.574**	**6.524.940**

Depreciation for the period 1.01 - 31.12.2021	0	325.389	0	28.221	43.035	396.645
Disposals of the period 1.01 - 31.12.2021	0	0	0	0	-11.535	-11.535
Balance at 31.12.2021	**0**	**5.417.786**	**61.773**	**197.418**	**1.233.074**	**6.910.050**
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	134.093	115.104	4.786.261
Net book value at 31.12.2021	**1.947.228**	**2.275.546**	**0**	**105.872**	**88.446**	**4.417.093**

Right-of-use assets

The right-of-use assets are analysed as follows:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Buildings	137.101	200.119	124.934	169.028
Transportation means	77.686	132.033	77.686	132.033
	214.787	**332.152**	**202.620**	**301.061**

Company

Acquisition Values	**Buildings**	**Transportation**	**TOTAL**
Balance at 1.1.2021	**257.217**	**223.868**	**481.085**
Additions of the period 1.01 - 31.12.2021	0	0	0
Disposals of the period 1.01 - 31.12.2021	0	-9.361	-9.361
Balance at 31.12.2021	**257.217**	**214.508**	**471.724**
Accumulated Depreciation			
Balance at 1.1.2021	**88.189**	**91.836**	**180.024**
Depreciation for the period 1.01 - 31.12.2021	44.094	49.241	93.335
Depreciation reduction for the period 1.01-31.12.2021	0	-4.255	-4.255
Balance at 31.12.2021	**132.283**	**136.822**	**269.105**
Net book value at 1.1.2021	169.028	132.033	301.061
Net book value at 31.12.2021	**124.934**	**77.686**	**202.620**

Group

Acquisition Values	**Buildings**	**Transportation**	**TOTAL**
Balance at 1.1.2021	**301.599**	**223.868**	**525.467**
Additions of the period 1.01 - 31.12.2021	0	0	0
Disposals of the period 1.01 - 31.12.2021	-12.276	-9.361	-21.637
Balance at 31.12.2021	**289.323**	**214.508**	**503.830**
Accumulated Depreciation			
Balance at 1.1.2021	**101.480**	**91.836**	**193.315**
Depreciation for the period 1.01 - 31.12.2021	50.742	49.241	99.983

Depreciation reduction for the period 1.01-31.12.2021	0	-4.255	-4.255
Balance at 31.12.2021	**152.222**	**136.822**	**289.044**
Net book value at 1.1.2021	200.119	132.033	332.152
Net book value at 31.12.2021	**137.101**	**77.686**	**214.787**

7.2 Intangible assets

Intangible assets are analysed as follows:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Acquisition value of software programs	711.491	724.221	711.491	711.491
Accumulated amortization of software programs	-593.592	-555.738	-593.592	-545.416
Total	**117.900**	**168.463**	**117.900**	**166.075**

Intangible assets include the acquisition value and accumulated depreciation of computer software programs. Additions to the year amounted to € 0 for the Group and the Company, while the corresponding amount in the previous year amounted to € 83.092. Depreciation for the year amounted to € 48.175 for the Group and the Company, while the respective amounts in the previous year amounted to € 40.166 and € 36.029.

7.3 Participations in subsidiaries

Participations in subsidiaries are analysed as follows:

	Group		Company	
Account Description	**2021**	**2020**	**2021**	**2020**
AS COMPANY CYPRUS LTD.	0	0	150.000	150.000
AS KIDS TOYS S.R.L	0	0	400.000	400.000
Total	**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	**2021**	**2020**	**2021**	**2020**
Guarantees given	16.197	16.006	14.191	13.968
Total	**16.197**	**16.006**	**14.191**	**13.968**

7.5 Inventories

Inventories are analysed as follows:

	Group		Company	
Account Description	**2021**	**2020**	**2021**	**2020**
Merchandises	3.960.905	3.942.196	3.960.534	3.933.525
Less: Provisions for inventory obsolescence	-675.532	-581.403	-675.532	-581.403
Advances for stock purchases	1.245.556	1.256.959	1.245.556	1.256.959
Total	**4.530.930**	**4.617.751**	**4.530.559**	**4.609.080**

The provision of inventory obsolescence of € 675.532 cover the slow moving and low sales level inventory of the Company. Within the year, a provision for inventory obsolescence of €94.129 was recorded in the Comprehensive Income Statement. 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	**2021**	**2020**	**2021**	**2020**
Customers	5.399.364	4.891.346	4.840.028	4.567.111
Cheques Receivable	5.544.396	5.560.616	5.544.396	5.560.616
Notes Receivable	105.149	194.257	105.149	194.257
Total	**11.048.909**	**10.646.219**	**10.489.573**	**10.321.984**
Less: Provisions for impairment	-133.334	-133.334	-133.334	-133.334
total	**10.915.575**	**10.512.885**	**10.356.239**	**10.188.650**

The total Accounts receivables for 2021 is analysed as follows:

	Group	Company
Not Outstanding balances	10.793.309	10.378.412
Outstanding balances	255.599	111.161
Total accounts receivables	**11.048.909**	**10.489.573**

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

	Group	Company
Up to 90 days	99.654	144
91 – 180 days	50.710	5.782
181 days and more	105.235	105.235
Total	**255.299**	**111.161**

As of 2018, the Group applies the simplified approach of IAS 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 2021	**Non receivable**	**Receivables up to 90 days**	**Receivables up to 91-80 days**	**Receivables of more than 180 days**	**Total**
Total receivables	10.793.309	99.654	50.710	105.235	11.048.909
Expected credit losses	9.714	90	46	95	9.944

Receivables depreciation provision					123.390
Total					**133.334**

Company 2021	**Non receivable**	**Receivables up to 90 days**	**Receivables up to 91-80 days**	**Receivables of more than 180 days**	**Total**
Total receivables	10.378.412	144	5.782	105.235	10.489.573
Expected credit losses	9.341	0	5	95	9.441
Receivables depreciation provision					123.893
Total					**133.334**

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**	
	2021	**2020**	**2021**	**2020**
Opening balance	133.334	94.384	133.334	94.384
Additional provisions for the year	0	38.950	0	38.950
Closing Balance	**133.334**	**133.334**	**133.334**	**133.334**

7.7 Investments at fair value through P&L

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

	Group		**Company**	
	2021	**2020**	**2021**	**2020**
Shares listed on the Athens Stock Exchange	823.698	0	823.698	0
Greek bonds	1.800.111	1.299.466	1.800.111	1.299.466
Foreign Mutual Funds	1.297.567	813.639	1.297.567	813.639
Foreign bonds	7.325.798	6.571.400	7.026.893	6.162.360
Total	**11.247.174**	**8.684.505**	**10.948.269**	**8.275.465**

	Group		**Company**	
Account description	**2021**	**2020**	**2021**	**2020**
Short-term investments in EUR	6.460.249	5.596.824	6.161.344	5.187.784
Short-term investments in USD	4.786.925	3.087.681	4.786.925	3.087.681
	11.247.174	**8.684.505**	**10.948.269**	**8.275.465**

The valuation of bonds and securities as at 31.12.2021 amounted to € 183.337 which was charged at the Statement of Profit or Loss and the accrued interest income amounted to € 101.472.

7.8 Other current assets

Other current assets are analysed as follows:

	Group		**Company**	
Account description	**2021**	**2020**	**2021**	**2020**

Other debtors	178.990	57.084	171.532	28.161
Accounts of management and advances	0	39.718	0	38.238
Next years' expenses	76.783	88.421	76.783	88.421
Payable income	24.477	178.538	346.458	178.538
	280.251	**363.760**	**594.774**	**333.358**

7.9 Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

	Group		**Company**	
Account description	**2021**	**2020**	**2021**	**2020**
Cash in hand	10.263	4.837	10.263	4.837
Deposits and time deposits	8.150.822	6.930.254	5.576.331	5.340.820
total	**8.161.085**	**6.935.091**	**5.586.594**	**5.345.657**

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

	Group		**Company**	
Account description	**2021**	**2020**	**2021**	**2020**
EUR	7.449.067	4.354.973	5.245.090	3.043.156
Other currencies	712.018	2.580.118	341.505	2.302.500
Total	**8.161.085**	**6.935.091**	**5.586.594**	**5.345.657**

7.10 Paid Up Share capital and Reserves

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	**2021**	**2020**	**2021**	**2020**

Share capital – paid-in (13.126.020 shares 0,66€ each)	8.663.173	8.663.173	8.663.173	8.663.173
Share premium reserve	0	0	0	0
Legal reserve	1.962.793	1.880.543	1.950.344	1.880.543
Reserve for the translation of share capital to EUR	14.594	21.329	33.064	33.064
Tax-free reserves	278.200	278.200	278.200	278.200
Subsidiary absorption losses	-285.141	-285.141	-285.141	-285.141
Own shares	-116.826	-59.792	-116.826	-59.792
Retained earnings carried forward	23.115.053	21.107.225	21.043.702	19.700.593
Total	**33.631.847**	**31.605.537**	**31.566.516**	**30.210.640**

7.11 Lease liabilities

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

	Group		Company	
Long-term lease liabilities	**2021**	**2020**	**2021**	**2020**
Building leases	91.938	144.180	85.734	130.550
Transportation means leases	31.305	86.537	31.305	86.537
Total	**123.243**	**230.717**	**117.039**	**217.087**

	Group		Company	
Short-term lease liabilities	**2021**	**2020**	**2021**	**2020**
Building leases	52.764	63.042	44.816	43.493
Transportation means leases	51.754	51.294	51.754	51.294
Total	**104.518**	**114.336**	**96.570**	**94.787**

7.12 Deferred Tax liabilities

According to the current tax regime in Greece, companies are subject to a tax rate of 22% on their total profits, as amended by Article 120 of Law 4799/2021.

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:

	2020	**Impact the of change in income tax rates**	**Amounts recognized in P&L**	**Amounts recognized in OCI**	**2021**
Deferred tax (liabilities)					
Land	217.661	-18.138			199.523
Buildings	205.288	-17.107	-9.272		178.909
Total Deferred tax (liabilities)	**422.949**	**-35.246**	**-9.272**	**0**	**378.431**

Deferred tax (receivables)					
Valuation of receivables – liabilities in foreign currency	32.853	-2.738	-30.192		-77
Write off of establishment and initial installation expenses	190,86	-15,91	-44		131
Provision for inventory obsolescence	133.537	-11.128	20.708		143.117
Provision for impairment of doubtful receivables	17.431	-1.453	0		15.979
Provision for impairment of securities	22.153	-1.846	-31.053		-10.746
Provision for staff leaving benefits	15.397	-1.283	4.297	-365	18.046
Differences from implementation of IFRS 16	2.595	-216	38,56		2.417
Differences from impairment of other PVPU			-1037,03		-1.037
Total Deferred tax (assets)	**224.157**	**-18.680**	**-37.282**	**-365**	**167.830**
Total Deferred Tax	**198.792**	**-16.566**	**28.011**	**365**	**210.601**

	2019 (rephrased)	**Amounts recognised in P&L**	**Amounts recognised in OCI**	**2020 (rephrased)**
Deferred tax (liabilities)				
Land	217.661	-0,1	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	190,86
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	11.317	3.329	750	15.397
Differences from implementation of IFRS 16	1.731	865	0	2.595
Total Deferred tax (assets)	**121.819**	**101.588**	**750**	**224.157**
Total Deferred Tax	**311.245**	**-111.703**	**-750**	**198.792**

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 31.12.2021 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 2021 and 31 December 2020 are analysed as follows:

Changes in Net Obligation	**Group** 2021	**Group** 2020	**Company** 2021	**Company** 2020
Net Obligation at the beginning of the year	64.153	47.156	64.153	47.156
Benefits paid by the employer	-56.852	-21.019	-56.852	-21.019
Expense recognized in the Financial Statements	76.729	34.890	76.729	34.890
Result recognized in Other Comprehensive Income	-2.003	3.126	-2.003	3.126
Net Obligation at the Statement of Financial Position	**82.027**	**64.153**	**82.027**	**64.153**

Reconciliation of total obligation	**Group** 2021	**Group** 2020	**Company** 2021	**Company** 2020
Net Obligation at the beginning of the year	64.153	47.156	64.153	47.156
Current service costs	19.342	17.716	19.342	17.716
Cost of previous services due to amendments	278	0	278	0
Interest cost	257	424	257	424
Termination Benefits / Effect of impairment/ Settlement	56.852	16.750	56.852	16.750
Less Benefits Paid	-56.852	-21.019	-56.852	-21.019
Actuarial (gains)/ losses for the year	-2.003	3.126	-2.003	3.126
Total obligation at year end	**82.027**	**64.153**	**82.027**	**64.153**

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

1. Discount Rate : 1% on 31.12.2021
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 : 31.12.2021
5. For the Estimated Retirement Benefit, the application of L. 2112/1920 as amended by L. 4093/2012 was estimated upon retirement

Sensitivity analysis	**2021**	**2020**
Present value of Defined Benefit Obligations	82.027	64.153
Calculation with Discount rate +0,5%	78.578	61.157
Calculation with Discount rate -0,5%	85.676	67.336

Sensitivity analysis of current service cost	**2021**	**2020**
Current service cost	19.342	17.716
Calculation with Discount rate +0,5%	18.328	16.712
Calculation with Discount rate -0,5%	20.424	18.792

7.14 Other long-term liabilities

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

Account description	**Group** 2021	**Group** 2020	**Company** 2021	**Company** 2020
Fixed asset investments grants	46.671	50.320	46.671	50.320

total	**46.671**	**50.320**	**46.671**	**50.320**

7.15 Accounts payables

Accounts payables are analysed as follows:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Suppliers	2.552.723	1.809.094	2.283.193	1.809.094
Cheques Payable	510.805	49.381	510.805	49.381
total	**3.063.528**	**1.858.475**	**2.793.998**	**1.858.475**

7.16 Short-term borrowings

There are no short-term borrowing liabilities.

7.17 Other short-term liabilities

Other short-term liabilities are analysed as follows:

	Group		Company	
Account descriptiom	**2021**	**2020**	**2021**	**2020**
Customer advances	220.185	241.833	219.986	241.833
Liabilities from taxes - duties	781.875	572.336	576.650	428.014
Social security	120.847	129.328	117.064	119.291
Accrued expenses	434.538	230.978	237.066	210.898
Sundry creditors	881.699	963.763	1.040.230	711.981
Cheques payable	213.820	163.303	213.820	163.303
Total	**2.652.964**	**2.301.541**	**2.404.816**	**1.875.320**

7.18 Turnover

Turnover is analysed as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
Domestic wholesales of merchandises	17.539.719	16.169.015	17.539.719	16.169.015
Wholesales of merchandises in EU	4.165.806	3.152.528	2.212.922	1.778.984
Wholesales of merchandises in Third Countries	879.054	172.007	879.054	172.007
Retail sales of merchandises	109.866	110.930	109.866	110.930
Sales of other stock and scrap	1.227	2.883	1.227	2.883
Total	**22.695.672**	**19.607.363**	**20.742.788**	**18.233.819**

7.19 Cost of Sales

Cost of sales is analysed as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
Cost of goods sold	11.996.417	10.202.817	11.754.409	10.125.155
Cost of consumed materials	52.702	45.677	52.702	45.677
Cost of Self-Consumed goods	-19.917	-23.285	-19.917	-23.285

Provisions - Impairment of inventory –	94.128	-84.294	94.128	-84.294
Foreign Exchange Differences	-20.540	18.163	-20.540	18.163
Total	**12.102.790**	**10.159.078**	**11.860.782**	**10.081.416**

7.20 Other income

Other income is analysed as follows:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Income from transportation of goods sold	8.815	2.972	8.815	2.972
Other income	232.791	16.127	421.186	166.423
total	**241.606**	**19.099**	**430.001**	**169.395**

Other income includes tax returns (ENFIA) of a total amount of 205.843€.

7.21 Administrative expenses

Administrative expenses are analysed as follows:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Personnel expenses	1.151.278	1.098.102	1.034.918	991.237
Third party fees and expenses	634.116	582.143	535.539	466.648
Third party utilities	131.602	143.312	130.862	143.137
Taxes and duties	66.937	51.917	51.969	51.917
Miscellaneous expenses	120.833	107.176	119.592	162.073
Utilization provisions	4.969	9.035	4.969	9.035
Depreciation-Impairment	410.480	398.085	400.389	387.418
Other (income)/ expenses	-18.810	-69.533	-18.810	-69.857
	2.501.404	**2.320.239**	**2.259.428**	**2.141.608**

7.22 Distribution expenses

Distribution expenses are analysed as follows:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Personnel expenses	1.752.671	1.794.318	1.644.322	1.681.683
Third party fees	877.226	667.302	713.319	475.213
Utilities	128.781	129.287	108.689	118.600
Taxes and duties	58.873	66.449	51.208	55.028
Miscellaneous expenses	1.823.973	1.545.063	1.649.342	1.449.486
Other operating provisions	12.920	15.019	12.920	15.119
Depreciation-Impairment	146.024	149.226	130.888	133.228
Other –expenses/ (income)	34.730	0	34.730	0
	4.835.197	**4.366.664**	**4.345.417**	**3.928.357**

Miscellaneous expenses contain advertising and promotional expenses.

7.23 Research and development expenses

Research and development expenses are analysed as follows:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Personnel expenses	155.546	157.661	155.546	157.661
Utilities	6.349	5.819	6.349	5.819
Taxes and duties	52	0	52	0
Miscellaneous expenses	8.075	8.977	8.075	8.977
Depreciation-Impairment	6.879	5.342	6.879	5.342
Other operating provisions	1.988	40.406	1.988	40.406
	178.888	**218.205**	**178.888**	**218.205**

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 2021 and 31 December 2020 are analysed as follows:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Salaries and wages	2.421.574	2.482.861	2.196.866	2.276.617
Employer contributions	465.836	531.577	465.836	518.321
Other staff costs	172.085	35.644	172.085	35.644
Total	**3.059.494**	**3.050.082**	**2.834.786**	**2.830.582**

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

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Administrative Expenses	1.151.278	1.098.102	1.034.918	991.237
Distribution Expenses	1.752.671	1.794.318	1.644.322	1.681.683
Research and Development Expenses	155.546	157.661	155.546	157.661
total	**3.059.494**	**3.050.082**	**2.834.786**	**2.830.582**

7.24 Depreciation – Impairment

Depreciation – impairment expenses are analysed as follows:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Depreciation of Buildings	325.389	314.475	325.389	314.475
Depreciation of leased Buildings	50.742	63.426	44.094	44.094
Depreciation of Vehicles	28.221	19.841	28.221	19.841
Depreciation of leased Vehicles	49.241	50.964	49.241	50.964
Depreciation of furniture and other equipment	61.614	63.781	43.035	60.585
Depreciation if intangible assets	48.176	40.166	48.176	36.029
Total	**563.383**	**552.653**	**538.156**	**525.988**

The above depreciation expenses are allocated to the Company's operations as below:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**

Administration Expenses	410.480	398.085	400.389	387.418
Distribution Expenses	146.024	149.226	130.888	133.228
Research and Development costs	6.879	5.342	6.879	5.342
Total	**563.382**	**552.653**	**538.155**	**525.988**

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	
		2021	**2020**	**2021**	**2020**
Net profit after taxes		3.184.247	1.881.067	2.507.080	1.385.020
Adjustments					
Income taxes	7.26	792.684	524.016	695.711	463.478
(Revenue) / Financial operating expenses - net	7.25	-657.934	157.193	-674.517	185.129
Depreciation Impairment	7.24	563.382	552.653	538.156	525.988
Earnings before taxes, financial, investment results and depreciation		**3.882.380**	**3.114.929**	**3.066.429**	**2.559.615**

7.25 Financial expenses

The net financial expenses/income are analysed as follows:

	Group		Company	
Account description	**2021**	**2020**	**2021**	**2020**
Lease liabilities interests	17.094	17.836	11.122	13.115
Other related bank expenses	62.777	68.957	62.777	53.586
Interest income and Income from securities	-483.588	-158.165	-483.588	-156.232
(Profits)/Losses from the disposal of securities	-81.492	-18.032	-81.492	18.221
(Profits)/Losses from the valuation of financial instruments	-172.725	246.597	-183.337	256.439
total	**-657.934**	**157.193**	**-674.517**	**185.129**

7.26 Taxes

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

	Group		Company	
Account description	**2021**	**2020 (rephrased)**	**2021**	**2020 (rephrased)**
Income tax for the year	781.480	630.970	684.267	570.432
Deferred taxes recognized in the statement of Profit or Loss	11.444	-111.703	11.444	-111.703
Income tax of previous years	-240	4.748	0	4.748
Total taxes recognized in the Income Statement (a)	**792.685**	**524.016**	**695.711**	**463.478**
Deferred taxes recognized in Other Comprehensive Income (b)	365	-750	365	-750
Total (a)+(b)	**793.049**	**523.265**	**696.076**	**462.727**

The table below shows the reconciliation of Income Tax:

	Group	Company

Account description	2021	2020	2021	2020
Profits before taxes	3.976.932	2.405.083	3.202.791	1.848.498
Tax rate of parent company	22%	24%	22%	24%
Income tax	874.925	577.220	704.614	443.639
Effect of tax rates in foreign jurisdictions	-68.024	-60.848	0	0
Income tax not recognised for tax purposes	10.388	17.343	7.663	15.092
Effect of changes in tax rates	-16.566	0	-16.566	0
Tax difference of previous years	-240	0	0	0
Tax of other differences	-7.799	-9.699	0	4.746
Deferred taxes recognized in Other Comprehensive Income	365	-750	365	-750
Total	**793.049**	**523.265**	**696.076**	**462.727**
Effective tax rate	**19,94%**	**21,76%**	**21,73%**	**25,03%**

The corporate income tax rate for legal entities in Greece is 22% (2020: 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 2020 in accordance with the Greek tax legislation (2011-2013 in accordance with the provisions of article 82 of Law 2238/1994 and 2014-2020 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 2016 to 2021. 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 2016 to 2020.

It should be noted that as at 31.12.2021 the years up to 31.12.2015 were statutorily barred according to the provisions of paragraph 1 of article 36 of Law 4174/2013.

For the year 2021, 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 unaudited tax years of the Group are analyzed as follows:

Company	Headquarters	Unaudited tax years
AS COMPANY A.E.	Greece	2016-2021
AS COMPANY CYPRUS LTD.	Cyprus	2016 – 2021
AS KIDS TOYS SRL	Romania	2018 - 2021

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 of the Group.

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 2021, i.e. intercompany sales / purchases and intercompany balances, were all Transactions within the scope of the Company's business operations, and in market terms.

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	2021	2020
AS COMPANY CYPRUS LTD	1.235.473	868.054
AS KIDS TOYS S.R.L	817.641	546.715
Total	**2.053.114**	**1.414.769**

Purchases	2021	2020
AS COMPANY CYPRUS LTD	0	0
AS KIDS TOYS S.R.L	0	63.186
Total	**0**	**63.186**

Other Transactions	2021	2020
AS COMPANY CYPRUS LTD	100.739	82.911
AS KIDS TOYS S.R.L	84.769	73.492
Total	**185.507**	**156.403**

Balances from trading Transactions

Receivables	2021	2020
AS COMPANY CYPRUS LTD	795.798	584.494
AS KIDS TOYS S.R.L	454.897	376.929
Total	**1.250.694**	**961.423**

Payables	2021	2020
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	**2021**	**2020**	**2021**	**2020**
Salaries	580.181	647.360	504.931	573.349
Social Security cost	94.472	116.949	85.341	108.383
Total	**674.653**	**764.309**	**590.272**	**681.733**

Remunerations and Transactions of Board of Directors Members	Group		Company	
Short – term benefits	**2021**	**2020**	**2021**	**2020**
Salaries	332.160	278.800	307.160	260.800
Social Security cost	50.843	41.584	50.640	41.584
Stamp duty	3.686	3.130	3.686	3.130
Other benefits	34.140	33.365	34.140	33.365
Total	**420.829**	**356.879**	**395.626**	**338.879**

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 2021 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, Theofilos Mehteridis and Apostolos Petalas, relate to remuneration in their capacity as members of the Board. The Company does not pay remuneration to the members of the Board of Directors, for their capacity as Members of the Audit Committee and the Remunerations and Nominations Committee. In addition, the remuneration of the resigned non-executive member of the Board of Directors, Mr.Petros Iakovou on 25.6.2021 and the new member of the Board of Directors, Mr.Michail Zarkadis, relate to remuneration in their capacity as members of the Board of Directors. To the non-executive Member of the BoB, Theofilos Mehteridis fees were also paid due to his 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.

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 2021.

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:

(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 2021, purchases in dollars comprised 60,4 % of total purchases, compared to 71,7 % of the previous year's purchases. The value of imports in dollars (USD) is -3,3% lower than the same period last year.

The Group maintains cash and investment products in dollars (USD), which cover 49,6% of the imports value in dollars made within 2021.

The average foreign exchange rate between euro/dollar the last 3 years is as follows:

	2019	**2020**	**2021**
Average foreign exchange rate	1,1195	1,1419	1,1827

Annual change %	-5,21%	2,00%	3,6%

The Group in 2021 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 2021 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.

(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.

(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.

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).

GROUP	**31.12.2021**	**31.12.2020**
Current Assets/ Current Liabilities	603,6%	727,9%

COMPANY	**31.12.2021**	**31.12.2020**
Current Assets/ Current Liabilities	604,6%	751,0%

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 31.12.2021 had € 370.514 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** 2021	2020	**Up to 1 year** 2021	2020	**From 1 to 5 years** 2021	2020
Accounts payables	3.063.528	1.858.475	3.063.528	1.858.475	0	0
Lease liabilities	227.760	345.053	104.518	114.336	123.242	230.717
Other short-term liabilities	2.652.964	2.301.541	2.652.964	2.301.541	0	0
Total	**5.944.252**	**4.505.069**	**5.821.009**	**4.274.352**	**123.242**	**230.717**

Company	**Total** 2021	2020	**Up to 1 year** 2021	2020	**From 1 to 5 years** 2021	2020
Lease liabilities	213.608	311.874	96.570	94.787	117.038	217.087
Accounts payables	2.793.998	1.858.475	2.793.998	1.858.475	0	0
Other short-term liabilities	2.404.816	1.875.320	2.404.816	1.875.320	0	0
Total	**5.412.422**	**4.045.669**	**5.295.384**	**3.828.582**	**117.038**	**217.087**

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.

(e) Insurance Risk (non-financial risk)

Given that most of the Company's goods are sent from its Warehouse to the customers, the Company should be safeguarded from its exposure to counterparty risk by insuring its products.

To this end, the Company insures its facilities by a consortium of insurance companies, which provides it with adequate insurance coverage for all major risks.

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

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.

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 fair value investments are categorized in Level 1, except for the Mutual Funds, which are categorized in Level 2.

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 (2021: €90.476,2020: € 266,959,) and Group (2021 : €90.476, 2020 : €96.803) respectively which are not financial assets.

"Other short-term liabilities" include liabilities from taxes, fees, insurance companies and accrued expenses of the Company for 2021 and 2020 totaling € 930.781 and € 1.017.593 respectively and for the Group for 2021 and 2020 totaling € 1.221.103 and € 1.120.373 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 € 200.000 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 of 31 December 2021 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 2021.

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 will not be satisfied and it was written off on 31.12.2014 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	
Account description	**2021**	**2020**	**2021**	**2020**
Total Comprehensive Income after taxes attributable to the shareholders of the Company	3.184.247	1.881.067	2.507.080	1.385.020
Common Shares issued on January 1st	13.126.020	13.126.020	13.126.020	13.126.020
Minus : Effect of holding own shares	-38.901	-21.931	-38.901	-21.931
Weighted average number of shares	13.087.119	13.104.089	13.087.119	13.104.089
Earnings per share	**0,2433**	**0,1435**	**0,1916**	**0,1057**

13. Audit Fees

The audit of the Financial Statements of the Company and the Group 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 € 29.500 for the statutory audit and € 15.000 for the tax compliance assurance services. The auditors' fees regarding the audit of the Financial Statements of 2021 for the two subsidiaries amount to a total of € 18.000. Other services provided to the Company during the year amount to a total of € 8.000, and permitted non-auditory services to a total of €11.000.

14. Subsequent events after the date of the Financial Position

A. New program for the purchase of Own Shares

Pursuant to the decisions of the Ordinary General Meeting of Shareholders of 25.06.2021 and the decision of the Board of Directors of 25.11.2021, in the framework of the Own Share Acquisition Program, the Company announced on 25.11.2021 the start of implementation of the Plan for the Purchase of own shares, according to which the purchase of up to the number of 656,301 shares of the Company until 25.06.2023 is foreseen, with a range of purchase prices from € 0.50 / share (minimum) to € 4.00 / share (maximum). Up to 31/03/2022, 60.825 own shares have been purchased with a total nominal value of € 40.144,50, with an average purchase price of € 1,957 representing 0,46339% of the capital.

B. Other risks

After the opening of the retail following the lifting of the lockdown, our activities have gradually returned to normal and management believes that based on the current development of the pandemic and, having approached a critical point of immunity, there is no risk of any impact on the financial results for the financial year 2022.

The recent geopolitical events in Ukraine have caused uncertainty in global markets. The Company has no operations in Ukraine and Russia, which will not directly affect the financial results for fiscal 2022. However, there has been a moderation in consumer spending due to the general negative climate and uncertainty.

C. In the context of its Digital Transformation, the Group invests in new technologies, for this reason it chose SAP Business One as its new ERP.

Objectives with the implementation of the new ERP:

- Improved performance and efficiency of internal processes.
- The best customer service.
- Faster and more efficient decision-making
- Support of profitable growth.

Its production operation is scheduled to begin on January 1, 2023. At the same time, the Group in 2022 continues its investment in digitization by creating a B2B platform that will start operating at the end of 2022.

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

Thessaloniki, 14 April 2021

PRESIDENT OF B.O.D. & MANAGING DIRECTOR	EXECUTIVE VICE-PRESIDENT OF B.O.D
EFSTRATIOS K. ANDREADIS **ID No AP 235479**	**ANASTASIA E. ANDREADOU** **ID No AH 181790**

CHIEF FINANCIAL OFFICER

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