AS COMPANY SA

GROUP OF COMPANIES

ANNUAL FINANCIAL REPORT

of the financial year from 1 January 2017 to 31 December 2017

According to article 4 of Law 3556/2007

CONTENTS

I. DECLARATION OF REPRESENTATIVES OF THE BOARD OF DIRECTORS	4
II. ANNUAL REPORT OF THE BOARD OF DIRECTORS	5
III. INDEPENDENT AUDITOR'S REPORT	30
IV. ANNUAL FINANCIAL STATEMENTS OF THE YEAR 2017	36
A. FINANCIAL POSITION STATEMENT INFORMATION	36
B. STATEMENT OF COMPREHENSIVE INCOME	37
C. STATEMENT OF CHANGES IN EQUITY	37
D. CASH FLOW STATEMENT	38
E. NOTES TO THE ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS	39
1 General information about the Parent Company and its Subsidiary	39
2. Basis of preparation of the financial statements	39
3. Accounting Principles Summary	39
3.1 Conversion of foreign currency	42
3.2 Property, Plant and Equipment	43
3.3 Impairment of Assets	43
3.4 Inventories	43
3.5 Trade Receivables	44
3.6 Short-term investments	44
3.7 Cash and cash equivalents	45
3.8 Share Capital	45
3.9 Government grants	45
3.10 Employee Benefits Obligations	46
3.11 Other provisions	46
3.12 Loans	46
3.13 Income & Deferred tax	46
3.14 Risk management Policies	47
3.15 Recognition of Revenue	51
3.16 Dividends	51
3.17 Leases	51

4.OTHER EXPLANATORY INFORMATION

4.1	**Property, plant and equipment**	**52**
4.2	**Intangible assets**	**54**
4.3	**Other non-current assets**	**54**
4.4	**Investments in subsidiaries**	**54**
4.5	**Inventories**	**55**
4.6	**Accounts receivable**	**55**
4.7	**Short-term investments**	**56**
4.8	**Other assets**	**57**
4.9	**Cash and cash equivalents**	**57**
4.10	**Equity**	**57**
4.11	**Long-term borrowings**	**58**
4.12	**Provisions/Other long-term liabilities**	**58**
4.13	**Short-term borrowings**	**60**
4.14	**Accounts payable**	**60**
4.15	**Other short-term liabilities**	**61**
4.16	**Turnover**	**61**
4.17	**Cost of Sales**	**62**
4.18	**Other income**	**62**
4.19	**Administrative expenses**	**62**
4.20	**Selling expenses**	**63**
4.21	**Research and development expenses**	**63**
4.22	**Payroll costs**	**63**
4.23	**Depreciation**	**63**
4.24	**Financial expenses**	**64**
4.25	**Taxes**	**64**
5. ADDITIONAL DATA AND INFORMATION		**65**
6. EVENTS AFTER THE BALANCE SHEET DATE		**67**

I. DECLARATION OF REPRESENTATIVES OF THE BOARD OF DIRECTORS

We, the members of the Board of Directors of "AS COMPANY A.E."

1. Efstratios Andreadis Konstantinos, Chairman of the Board of Directors and Chief Executive Officer,

2. Anastasia Andreadou, the genus Angelos Kozlaclides, Vice-Chairman of the Board of Directors (hereinafter referred to as "BoD"),

3. Theodora Koufou of Demetriou, Member of the Board of Directors,

under our above-mentioned positions specifically designated by the Board of Directors of "AS COMPANY A.E." (hereinafter referred to as "Company") hereby declare and certify that to the best of our knowledge:

(a) the accompanying annual financial statements for the period from January 1, 2017 to December 31, 2017, prepared in accordance with the International Financial Reporting Standards, reflect fairly the assets and liabilities, net worth and the Company's and the Group's operating results.

b) the attached annual consolidated report of the Board of Directors (corporate and consolidated) accurately reflects the development, performance and position of the Company and the Group, including a description of the main risks and uncertainties they face.

Thessaloniki, April 25, 2018

PRESIDENT & CEO

EFSTRATIOS K. ANDREADIS
Identity Card No AB 691316

VICE-PRESIDENT OF THE B.O.D

ANASTASIA E. ANDREADOU
Identity Card No AH 181790

THE MEMBER OF THE B.O.D

THEODORA D. KOUFOU
ID NO 233404

II. ANNUAL REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

This Report of the Board of Directors refers to the Annual Financial Statements (Corporate and Consolidated) of 31 December 2017 and has been prepared in accordance with the provisions of article 4 of Law 3556/2007.

This report provides information for AS COMPANY A.E. and its subsidiary AS COMPANY CYPRUS Ltd (hereinafter collectively referred to as the "Group"), financial information aimed at informing the shareholders and the investing public about the financial situation and the results, the overall course and the changes made during the period from 01.01 to 31.12.2017, important events that took place and their impact on the financial statements, a description of the prospects as well as the main risks and uncertainties concerning the Company and the Group are made.

The main reporting point of this report is the consolidated financial data of the Company with reference to the Company's individual financial data.

The amounts in this report are shown in euro.

A. FINANCIAL INFORMATION

The year 2017 was a successful year for the Group, achieving a consolidated turnover of € 25.954 million compared to € 25.757 million in the previous year, ie an increase of + 0.8% and earnings before taxes of € 4.244 million compared to € 3.609 million in the previous year an increase of + 17.6%.

The parent's first-quarter sales did not continue in the second half of the year, with consolidated sales showing a marginal increase of + 0.8%. Foreign sales with the addition of subsidiary sales to the Cypriot market amounted to € 2.837 million compared to € 3.052 million in the previous year, recording a decrease of -7.0%. On the domestic market, sales increased by + 1.5%, strengthening the parent company's position, with a turnover of € 21.826 million.

The increase in gross profit to 46.5% combined with cost-effective management led to a significant increase in EBITDA of + 17.6% and earnings before interest, tax, depreciation and amortization (EBITDA), 2% compared to the previous year.

The total operating capital inflows increased significantly + 284.6%, bringing total cash and investments to € 11.281 million, or + 51.5%, compared to the previous year.

The most significant figures of the Company and the Group compared to 2016 were as follows:

	Group			Company		
	2017	2016	Δ %	2017	2016	Δ %
Turnover	25.954.044	25.756.757	0.8%	25.070.689	25.109.787	-0.2%
% Gross Profit margin	46.49%	44.45%		46.20%	44.22%	
EBITDA	4.910.800	4.154.095	18.2%	4.693.372	3.953.145	18.7%
as a % of sales	18.92%	16.13%		18.72%	15.74%	
Profit before tax	4.243.769	3.608.849	17.6%	4.030.808	3.422.852	17.8%
Profit after tax	2.984.638	2.566.663	16.3%	2.798.404	2.406.104	16.3%
Total inflows / (outflows) from operating activities	4.676.297	1.215.938	284.6%	4.292.096	1.446.277	196.8%
Cash & Investments	11.281.349	7.444.848	51.5%	10.980.673	7.350.604	49.4%

Gross profit margin improved by + 2.04%, due to the promotion of new innovative products that were successfully launched in 2017. Increased gross profit and efficient cost management resulted in EBITDA reaching 18.9% on sales compared to 16.3% of the previous year.

As a result, earnings before tax and profits after taxes for the year 2017 are increased compared to the year 2016 in absolute terms, by € 635 thousand and € 418 thousand respectively.

Input / outflows from operating activities showed a significant improvement of € 3.460 million compared to the previous year, due to the more efficient management of receivables from customers and inventories.

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

Parent company (A)	
A. Reduce of gross profit due to volume	-18,063
B. Increase in gross profit	495,771
Γ. Reduce operating costs	433,410
Δ. Increase in financial costs	-185,731
E. Reduction of other operating income	-170,892
Στ. Decrease of depreciation	53,459
Total change in earnings before taxes	607,956
Subsidiary Activities (B)	26,964
Total Change (A + B)	634,920

The Group Management considers that 2017 was another positive year, with all the critical financial figures at Group level (consolidated basis) showing improvement and increase in equity.

Other comprehensive income after tax: Other comprehensive income after taxes for the current year includes a net amount after taxes of € 59.1 thousand relating to actuarial gains under IAS 19. The aggregate net income after tax was formed for the to € 2.857 million compared to € 2.406 million in the previous year, while the corresponding figures for the Group amounted to € 3.044 million against € 2.567 million,

Banking Liabilities: The Bank's Loan Balance as of 31.12.2017 was as follows:

	Group			Company		
	2017	2016	% change	2017	2016	% change
Bank loans	2,020,677	2,248,193		2,020,205	2,069,842	
less: cash and investments	-11,281,349	-7,444,848		-10,980,673	-7,350,604	
Net Debt	-9,260,672	-5,196,654	78.2%	-8,960,468	-5,280,761	69.7%
Equity Funds	25,914,282	23,395,606	10.8%	25,567,489	23,235,047	10.0%
Gearing ratio	-35.74%	-22.21%		-35.05%	-22.73%	

The gearing ratio appears to be improved compared to 2016 and is still negative. Cash, in addition to short-term investments, is higher than bank debt by € 9.3 million, which certifies the sound financial position of the Company and the Group.

Working Capital: The comparative figures for working capital were as follows:

	Group			Company		
	2017	2016	% change	2017	2016	% change
Current assets	28,324,979	25,480,319		27,435,749	24,655,890	
Short Term Liabilities	-7,545,544	-7,587,130		-7,150,394	-7,070,021	
Working Capital	20,779,436	17,893,188	16.1%	20,285,355	17,585,869	15.4%

Inventories amounted to € 2.642 million compared to € 3.559 million in the previous year and accounted for 7.9% of Total Assets, compared to 11.5% of the corresponding prior period. Similarly, customer receivables are reduced by € -1.1 million compared to the previous year, with sales reaching the same levels as in the previous year. The Group's management succeeded in reducing the Group's capital employed to finance sales by improving the relative index by 5% compared to the previous year.

	Group		Company	
	2017	2016	2017	2016
Inventory and Receivables from Clients & Other receivables	17,043,630	18,035,471	16,455,076	17,305,286
Less: Accounts payable and other short term liabilities	-5,524,866	-5,338,937	-5,130,189	-5,000,179
Net Working Capital	11,518,764	12,696,534	11,324,887	12,305,108
% Sales	44.4%	49.3%	45.2%	49.0%

Earnings per share: Earnings per share of the Company based on the weighted number of shares amounted to € 0.232 compared to € 0.132 of the previous year, recording an increase of 75.1%. It is noted that the weighted number of shares in the current fiscal year is different from that of the previous fiscal year due to the reduction of the share capital by a decrease in the number of shares from 26.252.040 to 13.126.020.

Capital costs: The Company's and the Group's investments amounted to € 51,976 in the period 1.1 to 31.12.2017, compared to € 258,733 for the Company and € 262,501 for the Group in the respective comparative period.

Research and development expenditure: In the year 2017, the Company incurred expenses that amounted to the same level as the previous year, i.e. € 142 thousand compared to € 148 thousand.

Definitions and Agreements for Alternative Performance Measurement Indicators EMMA:

Comparable figures are used which are calculated by adding-deducting funds presented in the financial statements prepared in accordance with the International Financial Reporting Standards.

EBITDA Index
This index results from the deduction of administrationexpenses, Selling expenses and Research expenses from gross profit plus other income. Operating expenses do not include depreciation which is presented in separate financial statements in the financial statements. This index provides useful information for the analysis of the Company's and Group's operating performance.

Leverage Factor Index
This index results from the addition of short-term borrowings (note 4.13) plus long-term borrowings (note 4.11), which excludes cash and cash equivalents (note 4.9) and short-term investments (note 4.7). The effect of these funds is divided by the own funds (note 4.10) to calculate the leverage ratio. The Group uses this indicator to measure its liquidity.

Key Economic Indicators: The main economic indicators for the current and previous years were as follows:

GROUP :

a. Financial Structure ratios	**2017**	**2016**
Current Assets / Total Assets	82.80%	80.36%
Equity / Total Liabilities	312.49%	281.51%
Equity / Fixed Assets	442.77%	377.54%
Current Assets / Short Term Liabilities	375.39%	335.84%

b. Performance and efficiency ratios	**2017**	**2016**
EBITDA / Turnover	18.92%	16.13%
Gross Results / Sales	46.49%	44.45%
Sales / Equity	100.15%	110.09%

Company :

a. Financial Structure ratios	**2017**	**2016**
Current Assets / Total Assets	81.98%	79.46%
Equity / Total Liabilities	323.74%	298.13%
Equity / Fixed Assets	437.04%	375.15%
Current Assets / Short Term Liabilities	383.70%	348.74%

b. Performance and efficiency ratios	**2017**	**2016**
EBITDA / Turnover	18.72%	15.74%
Gross Results / Sales	46.20%	44.22%
Sales / Equity	98.06%	108.07%

Building Facilities: The parent company maintains offices and warehouse in Oreokastro, Thessaloniki. In addition, the Company maintains in leased premises four leased branches in various areas of Northern Greece for the retail sale of children's clothing and toys and a leased office and exhibition space in Athens. In Cyprus, the subsidiary rents space for its offices.

Personnel: At the end of the current year, the number of employees amounted to 74 employees and to the parent company at 72. At the end of the previous year, 74 employees were employed in the Group and the parent company.

Investments : The structure of the Group as at 31.12.2017 is as follows:

NAME	Consolidation method	% of parent
AS COMPANY SA Ionia str., Oreokastro, 57013 ,Thessaloniki, Greece		Parent
AS COMPANY CYPRUS Ltd Akadimias 21 Aglatzia 2017 , Nicosia, Cyprus	full consolidation	100%

The group prepared consolidated financial statements for the years 2017 and 2016 including the financial statements of the subsidiary AS COMPANY CYPRUS LTD. The financial statements of the subsidiary well as the audit report of the statutory auditor who were used for consolidation purposes are posted at http://ir.ascompany/el/financial-data/subsidies- financials

B. IMPORTANT EVENTS

The important events which took place during 2017 are the following.

1. General Meeting of Shareholders decisions

The General Meeting of the Company's Shareholders, which took place on 5.5.2017, took the following decisions:
a) approval of the annual financial statements of the Company for the year 2016 (1.1 - 31.12.2016) with the relevant reports of the Board and the Auditor, b) approving of no distribution of dividends, c) discharge of the Board members. and the Auditors from any liability for the fiscal year 2016, d) auditing the financial statements of the Company for the year 2017 by the auditing company BDO CERTIFIED AUDITORS SA, e) approval of fees paid to executive and non-executive members the Board of Directors for the year 2016, f) the preliminary approval and the determination of remuneration and compensation to executive and non-executive directors for the year 2017 g) supplementing and amending Article 4 of the current order of Association of the Company on the Company's purpose, h) the reduction of the Company's share capital by € 525,040.80, through reduction of the nominal value of each common registered share of the Company from EUR 0.65 to EUR 0.61, ie at 4 cents and return to shareholders and amendment of article 5 of the current Consolidated statutes of the Company on the capital in order to reflect the above change in the capital, i) the codification of the Company's statutes for the incorporation of amendments to Articles 4 and 5 of this and i) briefing the shareholders on various issues pertaining to the operation and prospects of the Company, the subsidiary company in Cyprus and the Group in general.

2. Economic and technical study of the Romanian market

The Management of the Company completed the economic and technical study for the expansion of its activities with an autonomous presence on the Romanian market. The Company has established a subsidiary in Romania under the name AS KIDS TOYS S.R.L., with a share capital of € 400,000, in which it participates by 100%. The procedures for setting up the subsidiary were completed on 30 March 2018.

3. Participation in foreign exhibitions

Following the successful presence of the Company in foreign exhibitions in 2016, AS moved with the same determination in 2017 to consolidate its position in the European gaming market. In the first half of 2017 the AS Group has begun to participate in exhibitions abroad, with the creation of its own showroom within the Hong Kong Toy Fair. He then participated in the Europe-wide International Games Exhibition in Nuremberg ("Spielwarenmesse"), creating contacts and prospects for new partnerships with major companies in the field. Finally, the Company's uninterrupted 6-year participation at the Distoy Fair London Exhibition has unveiled efforts to open up new markets and prospects. In the second half of 2017, the Group remained

firm in its plan and participated with its own Showroom in Hong Kong in October 2017 during the Hong Kong Gifts & Toy Fair.
The Group follows the same strategic course in 2018, with targeted moves and new innovations. Specifically, at the beginning of 2018 he participated for the first time as an exhibitor at the Paperworld exhibition in Frankfurt. Then, as every year, the Group attended its own stand at the International Games Exhibition in Nuremberg ("Spielwarenmesse"). The presence of the Group in foreign exhibitions is of the utmost importance for the efforts to open up new markets and therefore plans to participate actively in the next industry reports throughout the year.

4. Retail stores

The activity of the retail of children's clothing sector reached € 1.585 million compared to € 1.749 million in the corresponding period of 2016, recording a decrease of 9.4%.
This activity, despite the decrease in sales, had a positive contribution to the results for the year 2017, due to the rationalization of the operating costs of the stores, targets set by the Management since the previous year

5. Issuing of a tax certificate for the year 2016

The tax audit of the Company for the year 2016, which was conducted by the Chartered Accountant pursuant to article 65A of Law 4174/2013, was completed on October 27, 2017 and the corresponding Tax Compliance Report was issued with a "no reservation" conclusion.

6. Decision on Share Capital Reduction by the Competent Authorities.

The General Commercial Register by the decision no. 53 160 / 10.05.2017 of the Ministry of Economy and Development approved the amendment of article 5 of the Company.
The Administrative Committee of Stock Market of the Athens Exchange (ATHEX) was informed at the meeting of 19.7.2017 for the reduction of the share capital and the capital return to shareholders of EUR 0.04 per share, as well as the relevant amendment of Article 5 of the Company's Articles of Association.

7. Partial tax audit

In December 2016 a partial tax audit was issued by KEMME for the periods from 1.1.2010 to 31.12.2011. The duration of the audit was determined by 31.7.2017, this audit was not completed in 2017, with the result that these uses are now considered to be finalised.

C. RISK MANAGEMENT POLICIES

The Company's and Group's activities are exposed to various risks, including exchange rate, interest rates, fluctuations in commodity prices, credit and liquidity risks. The Group's management aims at limiting the potential negative impact of these risks on its financial results and is constantly adapting to the new circumstances to maintain its activities unaffected.

Based on the conditions created in the economic environment of the countries operating the Group, risks arise, the most important of which are:

- The liquidity of the financial system and business
- Collection of receivables and increased risk of bad debts
- The ability to service existing loans
- The shrinking demand for consumer goods

In this context, the Group monitors systematically and takes specific measures to address the risks that may arise and continuously assesses developments for any effect the conditions may have on its financial results.

Credit risk

The risk that the Company may face from its exposure to a large amount of claims from a particular customer. The Group and the Company, apply a rational credit policy, in order to reduce its credit risk, by taking into account market information on the creditworthiness of its customers. The receivables of the Group and the Company come mainly from wholesale, while a significant part of the receivables comes from large customers. The financial condition of the clients is continuously monitored by the Group and the Company by checking the amount of credit provision and the credit limits of each account. Where necessary, additional collateral and guarantees are required. Parent's client's outstanding debts range to <0.30% of the total turnover of the Company-Group. No account is taken of the loss incurred by customer KOUKOU SA, for which the Company as at 31.12.2013 has made a provision at the expense of its results for 100% of the receivable. As far as Marinopoulos SA is concerned, the Company had made a provision for the year 2015. There is no liability for the Subsidiary.

Consequently, any credit risk for the Group currently concerns the Company.

Interest rate risk

Borrowing of the Company and the Subsidiary is exclusively in euros and is subject to floating interest rates.

The Group does not use derivatives in financial products to reduce its exposure to interest rate risk at the balance sheet date.

The Company's Management believes that there are no significant risks from a possible change in interest rates. The average borrowing cost for the year 2017 amounted to 4.0%. The maximum amount of bank debt during the financial year amounted to € 3,861 million and the lowest to € 2,000 million. The potential impact of the change in financial cost by + 1,0% will have a positive / negative effect of € 26 thousand the economic result.

Management estimates that the aforementioned risk is not expected to materially affect the financial position of the Company and the Group.

Currency risk

This specific risk relates to the relationship between the Euro and other currencies related to the sales and purchases of the Company and the Subsidiary.

The Company and the Subsidiary account for a very large proportion of their imports originating in China - Hong Kong in the US Dollar (USD). Given that the parent held 72.1% of its purchases in dollars (USD) against 75.3% of the markets in the corresponding previous period, there is a currency risk, with a direct impact on the cost of the imported products. The decline in the percentage of purchases to (USD) is due to inventory depreciation of € 0.917 million in 2017

and the Company's strategy to maintain low reserves. The average euro / dollar exchange rate over the last 4 years was as follows:

	2014	2015	2016	2017
Average exchange rate	1,3286	1,1102	1,1068	1,1297
Annual change %		-16,44%	-0,31%	2,07%

The Company has cash and investment products in dollars (USD), which however cover 29.2% of the value of the annual purchases in USD.

Liquidity Risk and Cash Flow Risk

The liquidity risk is identified in the event that the Group comes into a position that will not allow its financial obligations. As can be seen from the financial statements both at Company level and at Group level, the liquidity risk is fully controlled (see working capital index).

Group	**2017**	**2016**
Current Assets / Short Term Liabilities	375.39%	335.84%

Company	**2017**	**2016**
Current Assets / Short Term Liabilities	383.70%	348.74%

Due to the seasonality presented in the Group's products, there is a need for rational management of working capital, as a possible weakness may incur additional financial expenses.

As far as the cash flow risk is concerned, it is noted that the Company and the Subsidiary are adequately protected, due to: a) their good cash flows as mentioned above, b) the high credit standing with the banking institutions, c) the financial assets of the Company, whose depreciated value in the financial statements does not deviate from their fair value; (d) the effort to contain costs; (e) the distribution of clientele to reduce the impact on liquidity likely to be caused by the occurrence of credit risk; (f) safeguarding cash held at banks with good valuation by international firms; and (g) placing funds available for investing in marketable securities. In addition, the Group has sufficient funding lines from Banking Institutions, providing borrowing costs below 3.25% for 2018.

The following tables summarize the maturity dates of the Company's and the Group's financial liabilities at the date of preparation of the financial statements at discounted rates based on payments resulting from relevant borrowing contracts or agreements with counterparties.

Group	Total		Up to 1 year		From 1 to 5 years		Over 5 years	
	2017	2016	2017	2016	2017	2016	2017	2016
Long Term Bank Loans	0	0						
Short Term Bank Loans	2,020,677	2,248,193	3,011	2,248,193	2,017,666			
Accounts payable	2,709,760	2,989,465	2,709,760	2,989,465				
Other liabilities	2,815,107	2,349,472	2,815,107	2,349,472				
Total	**7,545,544**	**7,587,130**	**5,527,877**	**7,587,130**	**2,017,666**	**0**	**0**	**0**

Company	Total		Up to 1 year		From 1 to 5 years		Over 5 years	
	2017	2016	2017	2016	2017	2016	2017	2016
Long Term Bank Loans	0	0						
Short Term Bank Loans	2,020,205	2,069,842	3,011	2,069,842	2,017,194			
Accounts payable	2,474,374	2,657,384	2,474,374	2,657,384				
Other liabilities	2,655,815	2,342,795	2,655,815	2,342,795				
Σύνολο	**7,150,394**	**7,070,021**	**5,133,200**	**7,070,021**	**2,017,194**	**0**	**0**	**0**

On the basis of the data reported, the Group's Management estimates that Cash, Short-term positions above the potential reported for liquidity hedging adequately offset the aforementioned risks.

Dangers of Commodity Dependence

Given that most of the toys owned by the Company and the Subsidiary originated from China, any change in China's trade relations with the European Union or a change to China's Yuan exchange rate compared to the US $ will potentially affect positively or negatively supply of customers and sales of the Group, on the one hand, and Cost of Sales, Turnover and Profitability on the other.

The Company continuously monitors the financial data of the Chinese toys market by maintaining long-lasting relationships with its suppliers, as well as participating in exhibiting in China with the aim of setting up a list of suppliers that could serve it.

Given that all of the company's clothing products in retail stores originate from one brand, any problems in its activities may create issues in the smooth operation of these stores.

In any case, the Company estimates that the risk is small as the turnover rate of the clothes is small in the total turnover of the Group and the stores could be used for other commercial activities of the Company.

Insurance Risk

Given that all of the Company's goods are distributed from its Warehouse to Customers, the Company should be guaranteed 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, which gives it sufficient insurance cover for all the main risks.

The Subsidiary does not have its own warehouse and cooperates with a shipping company that carries out all the supply chain operations for it. The cooperation with this company provides that the latter has sufficient insurance cover for the products

Macroeconomic Conditions in Greece - Cyprus

Although the macroeconomic and financial environment in Greece shows signs of improvement, it is still characterized by uncertainty.

Capital controls initially imposed on Greece on 28 June 2015 continue to exist without, however, affecting the Group's domestic activities. Geo-political developments in the wider region have created a negative climate, resulting in negative market conditions at least for the first half of 2018.

Management is constantly adapting to the new situations created by trying to minimize any negative effects on its activities without being able to measure the impact of all of the above in the Greek business environment.

The Cypriot economy is in a recovery phase with the country's economy being positively affected by international trade and energy deposits. According to the latest data from the Statistical Service, the increase of gross domestic product in the 4th quarter of 2017 was positive and is estimated at + 4.0% compared to the same period last year. In November 2017, retail sales rose by + 0.5% and + 7.0% year over year, according to Eurostat data.

Other Dangers

Demand for products is influenced by external factors such as economic uncertainty, reduced consumption and consumer preference for low-priced products. In this context, the Company's management has selected quality products with a low retail price that are attractive to consumers. The Company proceeds to short-term placements (mainly bonds) after evaluating ratings from international firms.

D. PROSPECTIVE - STRATEGIC OBJECTIVES OF THE COMPANY AND THE GROUP

In spite of the gradual recovery of the Greek economy in 2017, uncertainty persists, and household charges from high taxes and higher insurance contributions have a negative impact on disposable income. The domestic market for children's toys has been steadily moving over the last 3 years with the bulk of sales being made by large chains. The industry has not suffered damage as other sectors of the economy have suffered despite the problem of low childbirth.

Group Management is not in a position to make assumptions about sales and profitability for the year 2018 as there are many unpredictable factors that make current forecasts unsafe.

In 2018, the Group aims to achieve its annual business goals, creating the infrastructure for its future development, giving priority to upgrading its operations at all levels.

The management of the Group will continue to focus on exports and on the achievement of AS Company Cyprus Ltd's target for sales of € 1.5 million annually over the next two years. The establishment of a subsidiary in Cyprus based on Parent's exports over the last three years justifies the choice of Management for an independent presence.

	2016	2017
Cyprus Sales (excluding Intercompany sales)	743,431	1,165,567
% annual change		56.8%

It is a strategic pursuit to reduce business risk through increased sales of the Company and the Group, increased exports to the rest of the European market, and the maintenance of retail activity. In this context, the Group is expanding to the Romanian market, with the establishment of a subsidiary, in which the share capital is 100%.

The Company will continue to enrich its product catalogue with new quality innovative products while keeping its sales prices to consumers at affordable levels.

Based on the new market data and the estimate of the exchange rate of the euro / dollar at the levels existing at the time of the Report, the gross profit ratio is not expected to change in 2018. Any improvement in the economic outturn is estimated to result from an increase of the Company's volume of business, with the strengthening of its share in the domestic market.

The Company's plans for 2018 will focus

• To further increase the market share in the child toy industry. Responding to the needs of the market for innovative range of children's toys at affordable prices, the Company aims to provide new toys, fully harmonized to modern quality and price requirements.

Wholesale	2017	2016	2015
Children's toys- Domestic Market	21,907,212	21,517,436	17,893,500
% annual change	1.81%	20.3%	

• The perform rational management over the Company's operating expenses with continuous control of the elastic expenses in relation to sales.

	2017	2016	2015
Expenses	6.952.058	7.385.468	7.057.719
% percentage of sales	27,7%	29,4%	32,9%
% annual change	-5,9%	4,6%	4,1%

• The adoption of credit policy to further reduce credit risk by continually assessing the credit limits of its customers.

The design of the subsidiary in Cyprus for 2018 will focus on:

- Achieving the target annual turnover of approximately € 1.5 million
- The expansion of its clientele in Cyprus as well as in other countries
- Creating the necessary infrastructure
- To further safeguard it from the various forms of operational risk

E. CORPORATE SOCIAL RESPONSIBILITY

Generally

Safety and product quality are the basic principles governing the operation of the Company and the Subsidiary. Based on these, AS Company's course is outlined on the first day of its operation and, based on the same, is going on for the future. In practice, this means that AS games have a safety and quality guarantee to provide carefree hours of entertainment and joy to children and parents. The Consumer Services department takes care of the immediate response to all the requests it receives, always in line with the family and needs of the child and the game.

In addition, AS, through a series of donations and benefits throughout the year, is constantly on the side of vulnerable social groups in our country. Its main priority is the support of organizations and clubs which, through their actions, mainly support children and families. In this context, the AS team participated in the International Marathon "Alexander the Great" held in Thessaloniki in April to support the work of Make-A-Wish.

Furthermore, in November and shortly before Christmas, the Company proceeded to financially support the Voluntary Non-Profit Mentoring and Protection of Mother and Child "THE ARK OF THE WORLD". The Company gathered and handed over the amount of € 10,000 to the Ark of the World from the product sales of the educational series "Smart" and in cooperation with the television show "My Breakfast" at ANT1.

At the same time, the Company continued to respond to as many requests for Christmas help as possible in 2017, a time when it receives the largest amount of aid requests each year. In total, the Company responded to 146 different requests and distributed more than 2,600 donated products. Finally, the Company proceeded with financial support to the Municipality of Thessaloniki for the purchase of two new electric motorized children's vehicles, for the purpose of their use in traffic training courses by the Municipal Police.

Environmental & Work conditions

The scope of activity of the Company and the Subsidiary does not have any impact on the environment as it is not processed in their countries of operation while the items they own are largely friendly to it. In addition, the operation of the Group's facilities is of low nuisance.

The profile of the Group's employees is mixed, employing men (46%) and women (54%) and experience according to their needs. The Company provides an additional health and life insurance program, the cost of which in the current year was € 33,277.

The Group's relations with its staff are excellent and there are no problems at work. As a consequence of these relations, there is a lack of judicial cases concerning labour issues.

F. DIVIDEND POLICY - REFUND OF SHARE CAPITAL

The Management of the Company will propose to the Annual Ordinary General Meeting of the Shareholders the return of share capital by reduction of the nominal value of the share by 5 cents, ie a total reduction of the share capital of six hundred fifty six thousand and three hundred one euro (656.301,00 €) .
The proposed return is subject to the approval of the Regular General Meeting of Shareholders.

G. CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement has been prepared in accordance with the applicable law and specifically under Articles 43bb and 107a of Law 2190/1920 and forms part of the Annual Management Report of the Company's Board of Directors for the fiscal year from 1 January to 31 December 2017.

CONTENTS

Corporate Governance Statement
I. Principles of Corporate Governance
II. Code of Corporate Governance
III. Corporate Governance Practices in addition to the requirements of the legislation
IV. Deviations from the Corporate Governance Code - Justification.
V. Description of the main features of the Company's and Subsidiary internal control and risk management systems concerning the financial statements preparation process
VI. (C), (d), (f) (h) (i) of paragraph 1 of Article 10 of Directive 2004/25 / EC of the European Parliament and of the Council of 21.4. 2004)
VII. Information on the operation of the General Meeting of Shareholders and its basic powers as well as a description of shareholders' rights and how to exercise them
VIII. Information on the composition and operation of the Board of Directors
IX. Information on the composition and operation of the Audit Committee
X. Diversity policy in administrative, management and supervisory bodies.

Corporate Governance Statement

I. Principles of Corporate Governance

The Company has adopted and applies the Corporate Governance Principles, as they arise from the applicable law and applicable international practices in combination with its principles and corporate culture, aiming at the functionality and effectiveness, transparency towards the investing public and the safeguarding the interests of shareholders and all those who are connected in any way with its operation.

II. Code of Corporate Governance

The Board of Directors of the Company has voluntarily decided to adopt the Corporate Governance Code of the Listed Companies (hereinafter referred to as the "Code") of 2011, which it applies with some discrepancies that are in line with the Company's specific characteristics and make its administration more flexible and functional. These deviations are listed below. The applicable Code is on the BSE website at: http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf

The Company may make amendments to the Code and the Principles of Corporate Governance that it applies in order to serve its principles in the best possible way. Should the Company make any further changes, the amended text will be posted on its website and will be communicated accordingly.

At the time of writing, the special committee of the Board of Directors for the reform of the Corporate Governance Code has for the most part completed its work and it is estimated that the Company will soon announce the implementation of the new Corporate Governance Code that is appropriate to the current needs of the Group's business environment.

III. Corporate Governance Practices in addition to the requirements of the legislation

The Company applies the provisions of Law 2190/1920, 3016/2002 and 4449/2017 related to Corporate Governance. The Company does not apply additional Corporate Governance practices than those provided for in the Code and the applicable legislation.

IV. Deviations from the Corporate Governance Code - Justification.

Role and responsibilities of the BoD
The Board of Directors. has not introduced
• Nomination Committee for the nomination and suggestion for the election of new members to the Board of Directors. The policy applied for the nomination of new members in the Board of Directors. concerns persons with sufficient qualifications and years of experience. The nominations of new members of the Board of Directors are set by BoD members. or Shareholders in the BoD. or the General Meeting (hereinafter referred to as "GA"). as appropriate
• Remuneration Committee for the suggestion of the BoD members' fees. and senior executives of the Company. The Company follows a remuneration policy that is adapted to the prevailing market conditions, both on the market itself and on the market. The fees of the BoD Members. are approved by the GM.

Size and composition of the Board of Directors
The Board of Directors. consists, according to the Articles of Association, of 5 to 7 Members. The elected from previous GA. Board of Directors consists of six (6) Members. Of its members, 50%, namely 3 Members are Executive and 50% (3 Members) Non-Executive. This scheme has proven to be effective, flexible and efficient in its operation.

Role and required qualities of the Chairman of the Board
Although the Chairman of the Board of Directors is also the Managing Director he does not appoint an Independent Vice-Chairman, coming from its Independent Members, but an Executive (exemption from the obligation to explain non-compliance in accordance with Annex I).

Duties and behaviour of the members of the Board
• There is no limitation on the number of Boards. listed companies to which the members of the Board of Directors may participate, as Members may devote and devote the necessary and sufficient time to their participation in the Board of Directors. and to inform them about the issues pertaining to the Company and its Group and their duties.
• No approval of the Board of Directors is required. for the appointment of an Executive Member as non-executive to a Company that is not a subsidiary or affiliate and does not maintain any other commercial relationship because it is not considered to be critical to the Company's interests.

Election of Candidate Members of the Board of Directors
There is no Nomination Committee for the BoD, as due to the size, structure and mode of operation of the Company, the submission and promotion of applications through the Board of Directors and the GM is considered to be sufficient at this stage.

Operation of the Board of Directors

• The Board of Directors does not adopt a calendar of meetings and a 12-month action program, since the meeting and the meeting of the Board of Directors takes place whenever required without any malfunctions. Its action is continuous and constantly adaptable.
• The Board of Directors not supported by a senior official as Company Secretary. Both the President and all members of the Board of Directors. full secretarial support and any other supporting cover provided by the company's experienced secretarial staff, with the assistance of other executives, whenever necessary. In this way, the Board of Directors. and, where appropriate, the shareholders have at their disposal all the necessary services.
• The Chairman has no regular meetings with Non-Executive Members, without the presence of the Executive Members, to discuss the performance and remuneration of the latter, and other relevant issues. All relevant issues are discussed in the presence of all Members at the Board meetings.
• There are no introductory information programs for the new members of the Board, nor continuous training for the other Members. This is because the candidate members of the Board of Directors are always persons with specific and targeted abilities and experience so that they can assist, each based on its qualities, to the success of the Company's goals.
• The necessary resources required for the recruitment of consultants (independent, external), if and when required, are approved by the Board of Directors. of the company.

Evaluation of the Board of Directors
• There is no specific procedure for evaluating the effectiveness of the Board of Directors. and the Audit Committee every two years. Moreover, the Board of Directors. does not assess the performance of the Chairman of the Board of Directors. during a process under the chairmanship of the independent Vice-Chairman or other Non-Executive Member of the Board of Directors. in the absence of an independent Vice-President. The relevant provision is considered unnecessary as the Board of Directors, including its Chairman, is continually evaluated in practice and takes care of the elimination of the identified weaknesses.
• The Non-Executive Members do not meet without the presence of Executive BoD members in order to assess the performance of the Executive Members and to determine their remuneration.
• Given the above, the Board of Directors. does not include in the Annual Corporate Governance Report a brief description of the evaluation process of the same and its Committees.

Internal Control System
The Internal Audit Service is administratively responsible for the Managing Director but is referred to and supervised by the Audit Committee. The staff of the Internal Audit Service and the members of the Audit Committee, in the performance of their duties, are independent, they are not hierarchically assigned to any other company unit of the Company. The staff of the Internal Audit Service is appointed by the Board of Directors. with the assent of the Audit Committee and consisting of persons with sufficient qualifications and experience. At the time of writing, the Internal Audit Service has a staff of 1 person.
• Audit staff may attend special training seminars on the recommendation of the Audit Committee and the approval of the Board of Directors.
• The Internal Audit Service makes quarterly reports, which are reviewed and evaluated by the Audit Committee.
• The Board of Directors does not carry out an annual evaluation of the Internal Audit Scheme because the Audit Committee studies and expresses its opinion on the Internal Audit Service on a regular basis to the Board of Directors. of the company.

Control Committee
• The Audit Committee meets on a regular basis up to 4 times a year after the completion of the Quarterly Audit Reports, as well as extraordinary, if the circumstances prevail.
• The Audit Committee's operating regulations include basic duties and responsibilities, as well as being adequately specified by the applicable provisions and legislation. It has also been informed under Law 4449/2017.
• No funds have been allocated to the Election Commission for its use of external consultancy services. If required, the Audit Committee recommends to the BoD, which decides.

• In 2017, the Audit Committee met 10 times.

Fees
The remuneration of all members of the Board of Directors, Executive and Non-Executive, and their form, are approved by the General Assembly, following a proposal by the Board of Directors, in accordance with the Articles of Association of the Company and the Code of Conduct. 2190/1920. The method of calculation and the level of remuneration are adapted to the prevailing economic conditions of both the Company itself and the general, internal and international ones.

There is no Remuneration Committee, consisting exclusively of non-executive members, most of them for the most part, whose purpose is to determine the remuneration of the Executive and Non-Executive BoD members.

General Assembly
No summary of GM Practices is posted. of the shareholders, on the Company's website. However, it is posted within 15 days by the General Meeting, the relevant announcement published in the Athens Stock Exchange Bulletin. with all the crucial elements of the decisions taken. Moreover, according to article 32 of CL. 2190/1920, listed companies publish on their web site, under the responsibility of the Board of Directors, the results of the voting, within five (5) days from the date of the General Meeting. specifying for each decision at least the number of shares for which valid votes were cast, the proportion of the share capital represented by such votes, the total number of valid votes, as well as the number of votes in favour and against each decision and the number of abstentions. This information is sufficient to inform the shareholders and the investing public.

V. Description of the main features of the Company's and Subsidiary internal control and risk management systems concerning the financial statements preparation process

An internal control system is defined as the entire set of procedures 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 the preparation of the financial statements and compliance with the applicable laws and regulations. Its responsibilities include the monitoring of financial information, the assessment and improvement of risk management and internal control systems as well as the verification of compliance with the statutory policies and procedures as defined in the Company's Internal Rules of Operation and the applicable legislation.

AS Company Cyprus Ltd in the year 2017 broke its second year of operation as it was completed in May 2016 and the internal control and risk management systems are currently exercised on a case by case basis by executives of the Company or external associates who assist the Subsidiary Management.

The Company and Subsidiary apply the following internal audit procedures for the preparation of the financial statements:
• The Accounting Department makes periodic agreements on receivables, liabilities, cash and short-term investments
• Uniform budgets for the following year are approved by the Board of Directors. of the company
• Summary statements of income statement and balance sheet each month based on IFRS and single accounting applications and procedures.
• The Subsidiary submits the six-month and annual financial statements according to specific closure and control procedures
• The Accounting Department carries out the consolidation records under IFRS

• The financial statements of the Company and the Group are audited by the external auditors, the Audit Committee and the BoD. of the company

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

Additionally, safeguards and safeguards are in place to safeguard and replenish back-ups, access to the computerized applications of specific executives with a password. The Company's host installation is located in a specially designed area of its headquarters. If necessary and under certain conditions, it is possible to operate the Company's computer systems from the offices of Athens.

Concerning the management of specific risks, it is mentioned above in the relevant Chapter of this Management Report of the Board of Directors.

VI. Internal Control of the Company (sub-paragraphs (c), (d), (f) (h) (i) of paragraph 1 of Article 10 of Directive 2004/25/EP of the European Parliament and of the Council of 21.4.2004)

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

Concerning significant holdings in the Company's share capital and voting rights under the Article 85 of Directive 2001/34 / EP - see explanation on page 28 - c. Significant direct or indirect holdings under Articles 9 to 11 of Law 3556/2007.

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

The information on the number of shares and voting rights of the persons with significant holdings has been derived from the Company's book of Shares and the notifications made by shareholders by law to the Company.

VII. General Assembly of Shareholders – Shareholder Rights

General Assembly of Shareholders

The Board of Directors ensures the careful preparation and smooth conduct of the General Assembly 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 Assembly, including the agenda of issues and their rights. During the General Assembly of Shareholders, needed information and clarifications are provided, in the context of a meaningful dialogue between management and shareholders. The Company publishes on its website, at least twenty (20) days before the General Assembly, information about:

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

At least the Chairman of the Company's Board of Directors, the Vice-Chairman, the Chief Executive Officer, the Chief of the Audit Committee, the Internal Auditor and the External Auditor must be present at the General Assembly of Shareholders to provide information and information on matters of their competence, for discussion and questions or clarifications requested by shareholders. The Chairman of the General Assembly must grant sufficient time for shareholders to ask questions and receive the most complete possible answer.

Powers of the General Assembly
The General Assembly of the Company's shareholders is the supreme body of the Company and is competent to decide on all the Company's affairs. The decisions of the General Assembly bind all shareholders including those absent or in disagreement.

The General Assembly of the Company's shareholders is solely responsible for deciding on all the matters included in paragraph 1 of article 34 of Codified Law 2190/1920, taking into account the exceptions listed on paragraph 2 of the same Article.

Shareholder rights and ways of exercising them
In the General Assembly of the shareholders is entitled to participate and vote any shareholder that appears as such in the records of the entity in which the Company's securities are held. The exercise of these rights does not imply the withholding of the shares of the beneficial owner or any relevant procedure. Shareholders entitled to participate in the General Assembly may be represented on it by a person who has been legally authorized by them. Each share provides all the rights provided by the law 2190/1920 as amended and in force, as well as the Company's Articles of Association.

VIII. Composition, Election, Operation and Duties of the Board of Directors

Composition of the Board of Directors
The Board of Directors manages corporate affairs for the benefit of the Company and all its shareholders, ensuring the implementation of corporate strategy and the fair and equitable treatment of all shareholders, including minority and foreign shareholders. It is competent to decide on any matter concerning the Company, except for those for which the General Assembly of Shareholders is responsible by the Law or the Memorandum of Association.

The Company is managed by a Board of Directors consisting of five (5) to seven (11) members. A legal person may also be a member of the Board of Directors. In that case, the legal person shall be required to appoint a natural person to exercise the powers of the legal person as a member of the Board of Directors. The members of the Board of Directors are elected by the General Meeting for a three (3) year term.

The current Board of Directors consists of 3 executive and 3 non-executive members. Two of the non-executive members are independent, fulfilling the conditions set by the Law 3016/2002 on Corporate Governance. The Board of Directors consists of the following persons:

1. Efstratios Andreadis of Konstantinos, executive member of the Board of Directors, Chairman and Chief Executive Officer.
2. Anastasia Andreadou of Angelos Kozlakidis genus, executive member of the Board of Directors, Vice - Chairman.
3. Theodora Koufou of Demetrios, executive member of the Board of Directors.
4. Peter Iakovou of Nikolaos, independent non-executive member of the Board of Directors.
5. Ioannis Apostolakos of George, independent non-executive member of the Board of Directors
6. Theofilos Mechteridis of Ioannis, non-executive member of the Board of Directors.

The term of the aforementioned Board of Directors, which commenced on 08.05.2015, expires on 08.05.2018 or until the regular General Meeting of the company for the year 2018, if it is held after 8.5.2018.

Following are summary CVs of the current Board of Directors' members:

EFSTRATIOS ANDREADIS, Chairman, executive member of the Board of Directors and Chief Executive Officer.
Born in 1957 in Vienna, Austria. He studied Mathematics at the University of Universita Degli Studi Di Perugia, Italy. He speaks English and Italian. He has been active in commerce since 1980. Him and Vice-President established AS Company in 1990.

ANASTASIA ANDREADOU, Vice-Chairman and executive member of the Board of Directors
Born in 1950. She studied Accounting and Economics in Thessaloniki and speaks English. She has been active in commerce since 1982. She is co-founding member of AS Company and a shareholder in BINGO E.E

THEODORA KOUFOU, Executive Member of the Board of Directors
Born in 1972 in the United States of America. She holds a BSc in Financial Studies from New York University and a postgraduate Diploma in Economics from Pace University. She was appointed General Manager of AS Company S.A. from July 2015, and has also been Head of Internal Audit from September 2001 to June 2015. Prior to taking up her duties at AS Company, she worked for John Kaldor USA, Angelika Films and other firms.

THEOFILOS MECHTERIDIS, Non-Executive Member of the Board of Directors
Born in 1966 in Thessaloniki. He studied at the School of Administration and Economics of the Department of Business Administration of Technological Educational Institution of Kavala and speaks English. He received his degree as a customs agent in 1989 and since then he has practiced this profession until today.

PETROS IAKOVOU, Independent Non-Executive Member of the Board of Directors
Born in 1959 in Thessaloniki. He holds a BSc in Mathematical Statistics and Probability of the University of Ioannina, two MSc of Syracuse University, Syracuse, USA, at Computer and Computer Studies and at Probability and Statistics. He is Managing Director of Hellenic American Securities, Member of the Board of Directors of the company PALEOELEDIA ENERGY SA and executive member of the Board of Directors of Sidex Romania (Romania Derivatives Exchange Market).

IOANNIS APOSTOLAKOS, Independent non-executive member of the Board of Directors
Born in 1964 in Athens. He studied Business Administration at ASOEE and holds an MBA from the University of Cardiff, Wales. Administrator in the Consulting Company ANCIENT OLINTHEFS PRIVATE CAPITAL COMPANY. Independent non-executive member of the Board of Directors of PLASTIKA THRAKIS S.A. (listed on Athens Stock Exchange)

A description of the main responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer follows:

- Convenes the Board of Directors meetings, defines the agenda, ensures the good organization of its work and directs the meetings.
- Represents the Company in court and out of court.
- Exercises all the powers that belong to the Board of Directors by the statute and the law, which may be delegated to another member by power of attorney.

The Chief Executive Officer monitors the achievement of the objectives and manages the Company's daily affairs, always in accordance with the decisions of the General Meeting and the Board of Directors, ensuring the smooth and efficient operation of the Company.

Operations of the Board of Directors

The meetings of the Board of Directors take place at the Company headquarters or at the headquarters of the branch held by the Company in Attica, either anywhere in Greece or abroad, in accordance with the provisions of the Law and the Articles of Association. It is convened by the Chairman or his deputy, or whenever at least two (2) of the consultants ask for it. The Board of Directors may meet by teleconference pursuant to article 20 par. 3a of Law 2190/1920 and the specific minimum technical safety standards provided by the applicable legislation for the validity of the meeting.

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 to represent and commit 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, while at the same time specifying the extent of the aforementioned assignment.

The Board of Directors is in quorum and holds a valid meeting if half (1/2) plus one Member is present or represented in it, but in no case the number of the Directors present in person can be less than three (3). In order for the quorum number to be calculated, the fraction that may occur is omitted. The Board of Directors decides validly by an absolute majority of the Directors who are represented in person or represented, except for the cases for which increased majority is needed according to the Articles of Association or the Law. In the event of split vote, if votes are not secret, the procedure is repeated, and if the votes are secret, the decision is postponed. In case of personal issues, the Board of Directors decides by secret ballot. Each member has one vote, while when it represents an absent member it has two (2) votes.

A member of the Board of Directors who is absent for any reason from a meeting is entitled to be represented by another member of the Board of Directors, but in no case can a member of the BoD represent more than one member.

During the year 2017, 41 meetings of the Board of Directors were convened.

IX. Information about the composition and operations of the Audit Committee

The Company, complying with the requirements of Law 4449/2017, as every listed company ("public interest") has an Audit Committee composed of 3 members of the Board of Directors, of which 2 are independent non-executive members and 1 non-executive member.

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

a) Ioannis Apostolakos, independent non-executive member of the Board of Directors
b) Peter Iakovou, independent non-executive member of the Board of Directors
c) Theofilos Mechteridis, non-executive member of the Board of Directors

Chairman of the Audit Committee is Mr. Ioannis Apostolakos.

The term of office of the members of the Audit Committee is three years. The renewal of the term or the modification of the composition of the Audit Committee is always executed by decision of the General Assembly of the Company's shareholders. The Audit Committee monitors and supervises the Internal Audit by the Internal Audit Service.

The Audit Committee meets on a regular basis up to 4 times a year after the completion of the quarterly Internal Audit Reports as well as in extraordinary circumstances. The findings of the work of the supervisory authorities and the Internal Audit Service are evaluated and exploited.

The Audit Committee shall be convened by its Chairman. The Committee meets with a quorum when all its Members are present. Decisions are taken by a majority of its members.

X. Diversity policies in administrative, management and supervisory bodies

Since the commencement of the mandatory implementation of the Code of Corporate Governance, an effort has been made to ensure that the Board members and the Audit Committee have high level of professional training and experience, high level of education and organizational and managerial skills, having served in relevant positions.

The members of Management Bodies are experienced (ages 45-65) covering a relatively broad age range, while many of them have been studying abroad. Also, the members of the Management Bodies are actively contributing to the work of the departments as they have experience in areas related to the Company's and the Group's business environment such as trade, imports / exports, finance, audit procedures.

The Board of Directors of the Company elected by the General Assembly of 8.5.2015 and was subsequently reconstituted by a decision of the General Assembly of 23.6.2016 consists by majority of men. The Audit Committee consists only of men.

Main objective of the Group is to add other representatives of the female sex to the Board of Directors or to the Audit Committee or any other Committees or other Managing Bodies in the future in accordance with the needs of the Company and the Group in general.

It is noted that Ms. Th. Koufou, apart from being a Board Member, is General Manager of the Company, while she was also appointed as Administrator of the newly established subsidiary in Romania, "AS KIDS TOYS S.R.L".

Additionally, three women hold managing positions as Directors and Head of Departments of the Company.

H. OTHER INFORMATION ABOUT THE HOLDING COMPANY AND THE SUBSIDIARY

Holding Company
AS Company is a Greek Electronic Computer and Toys Industry Société Anonyme Company, based in the Municipality of Oraiokastro of Thessaloniki, is subject to Law 2190/1920 on Societes Anonymes and was established on November 8, 1990 (Government Gazette 4222 / 03.12.1990). The Company is registered in the Register of Societes Anonymes of the Ministry of Economy, General Secretariat of Commerce, General Directorate of Internal Trade, Directorate SA. and Credit with No 57546304000 and Registry Number 22949/06/B/90/107. The Company's website is www.ascompany.gr and is listed on the Athens Stock Exchange.

Subsidiary
The Board of Directors of the Company unanimously approved the establishment in 2016 of a subsidiary company in Cyprus under the name "AS COMPANY CYPRUS LTD", governed and operating under Cypriot Law with an initial capital of € 150.000,00, which was 100% covered by the Parent Company.

I. TRANSACTIONS WITH RELATED PARTIES

As related parties within the meaning of IAS 24, in addition to subsidiaries and related parties, the members of the Management and the Management are perceived. Income and Expenses, Transactions with the Members of the Management and the Managers for the period 1.1 to 31.12.2017 and the balances of their receivables and liabilities at 31.12.2017 are analyzed in the following table:

	Group	Company
a) Income	0	293.831
b) Expenses	0	30.463
c) Receivables	0	143.291
d) Liabilities	0	0
e) Transactions and Fees of Directors and Members of the Management	1.268.413	1.145.030
f) Claims from Directors and members of the Management	0	0
g) Obligations to Directors and members of the Management	0	0

Company Income, Expenses and Receivables relate to the parent and subsidiary transactions held in the year 2017.

The benefits to the Company's Directors and Management are analyzed as follows:

Fees and Transactions regarding Managing Executives	**Group**	**Company**
Short – term employee benefits		
Fees	856.551	734.868
Social Security cost	122.206	117.963
Bonus	0	0
Other Fees	0	0
Total	**978.757**	**852.831**

Benefits after retirement	**Group**	**Company**
Defined benefit plans	0	0
Defined contribution plans	0	0
Retirement benefits	0	0
Total	**0**	**0**

Remunerations and Transactions of Board Members	**Group**	**Company**
Short – term benefits		
Fees	237.220	235.520
Social Security cost	56.307	56.307
Bonus	0	0
Other Fees	0	0
Total	**293.527**	**291.827**

Benefits after retirement	**Group**	**Company**
Defined benefit plans	0	0
Defined contribution plans	0	0
Retirement benefits	0	0
Total	**0**	**0**

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

The remuneration of Directors and executives of the Management paid during the current period is related to the provision of subordinate services to the Company while the non-executive members were paid according to their status as Board Members.

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

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

a. Structure of share capital

The Company's share capital amounts to eight million six thousand eight hundred seventy-two euros and twenty cents (€ 8,006,872.20), divided into thirteen million one hundred twenty six thousand and twenty (13,126,020) common registered shares of nominal value of sixty one euro cents (€ 0.61) each. The Company's shares are listed for trading on the Athens Stock Exchange.

The rights of the Company's shareholders stemming from its (Company's) share, are proportional to 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.

Particularly:

• The right to participate in the General Assembly, which is specialized in the following individual rights: legalization, presence, participation in debates, submission of proposals on items on the agenda, recording of opinions in the minutes and voting.

• The right to dividend from the Company's annual or liquidated earnings, which accounts for 35% of the net profits after deduction of the statutory reserve, is distributed as a first dividend, while the additional dividend is decided by the General Meeting.
Dividend is entitled to any shareholder who is included in the shareholder register kept by the Company at the date of the determination of dividend beneficiaries. The way, the time and the place of payment are announced by the Company through the media provided for in Law 3556/2007 and the relevant decisions of the Hellenic Capital Market Commission. The right to collect the dividend is canceled and the corresponding amount is received by the State after five (5) years from the end of the year in which the General Assembly approved the distribution.

• The right to withdrawal of the contribution at the time of liquidation or, respectively, the amortization of capital corresponding to the share, if so decided by the General Meeting.

• The right of preemption to any increase in the share capital of the Company in cash and the acquisition of new shares.

• The right to obtain a copy of the financial statements and reports of the external auditors and the Company's Board of Directors.

The General Assembly of Shareholders of the Company reserves all its rights during the liquidation. The liability of the Company's shareholders is limited to the nominal value of the shares they hold. During the fiscal year there was no change in the share capital structure 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 of the Company's Articles of Association, given the fact that they are intangible shares listed on the Athens Stock Exchange.
There was no change during the year 2017 until the date of issuance of this report.

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

The shareholders (natural or legal persons) that held on 31.12.2017 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's Name	Percentage*
1. Andreadis Efstratios	33.63%
2. Andreadou Anastasia	31.84%

* Regarding the Share Capital and the voting rights

There were no changes from the reference date of December 31, 2017 up to the date of issuance of the present report regarding the shareholders (natural or legal persons) holding directly or indirectly more than 5% of the total number of shares and the respective voting rights of the Company.

d. Shares providing special control rights and their description

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

There was no change during the year 2017 and until the date of issuance of 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 2017 and until the date of issuance of this report.

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

The Company is not aware of the existence of agreements between its shareholders, which imply 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 2017 and until the date of issuance of this report.

g. Rules for the appointment and replacement of Board of Directors members and amendments in 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 its Board of Directors and the amendment of its provisions do not differ from the provisions of the Codified Law. 2190/1920.

Competence of the BoD or some of its members for the issue of new shares or the purchase of own shares

1) According to the provisions of Article 13 (1) b) of Codified Law 2190/1920 and in combination with the provisions of article 6 of its Articles of Association, the Board of Directors of the Company has the right during the first 5 years from its establishment following a decision of the General Meeting which is subject to the publicity requirements of article 7b of Law 2190/1920, to increase the share capital of the Company by the issuance of new shares, by a decision taken by a majority of at least two thirds (2/3) of the total number of its members. In this case, and in accordance with Article 5 of the Company's Articles of Association, the share capital may be increased up to the amount of the capital paid at the date of the General Assembly's granting of such power to the Board of Directors. The abovementioned power of the Board of Directors may be renewed by the General Meeting for a period not exceeding five

years for each renewal. Such a decision has not been taken by the General Assembly of Shareholders.

2) According to the provisions of article 13 par. 9 of Codified Law 2190/1920, a resolution of the General Assembly may provide for the distribution of shares to the members of the Board of Directors and the staff in the form of an option to buy shares in accordance with the specific terms of that decision.

The decision of the General Meeting specifies, in particular, the maximum number of shares that may be issued, which may not exceed 1/10 of the existing shares under the law, if the rightholders exercise the option of buying shares, the price and the conditions for the disposal of the shares to the beneficiaries. No such decision was taken by the General Meeting of Shareholders.

3) In accordance with the provisions of paragraphs 5 to 13 of article 16 of Codified Law 2190/1920, the companies listed on the Athens Stock Exchange may, by decision of the General Assembly of their shareholders, acquire own shares through the Athens Stock Exchange up to 10% of their total shares in order to support their stock price and with more specific terms and procedures of the above paragraphs of article 16 of Codified Law 2190/1920. No such decision has been taken by the General Meeting of Shareholders.

The total number of shares of the Company traded on the Athens Stock Exchange amounts to 13,126,020 shares, after the last amendment.

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

There are no agreements that enter into force, are amended or expire in the event of a change in the control of the Company following a public offer.

There was no change during the year 2017 and until the date of issuance of this report.

i. Agreements with members of the Board of Directors or Senior Executives of the Company for compensation in the event of termination for any reason

There are no Company Agreements with members of the 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 2017 and until the date of issuance of this report.

K. SIGNIFICANT EVENTS – AGREEMENTS AFTER THE END OF THE YEAR

The Company has established a subsidiary under the brand name "AS KIDS TOYS S.R.L" in Romania, with a share capital of € 400,000, which covered (the Company) by 100%. The procedures for setting up the subsidiary were completed on March 30th, 2018.

AS COMPANY A.E.
Thessaloniki, April 25th, 2018

THE CHAIRMAN OF BOARD OF DIRECTORS
& CHIEF EXECUTIVE OFFICER

EFSTRATIOS K. ANDREADIS

III. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "AS COMPANY S.A."

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of the Company "AS COMPANY S.A." (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2017, and the separate and consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company "AS COMPANY S.A." and its subsidiaries (the Group) as of December 31, 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as incorporated in Greek Legislation. Our responsibilities, under those standards are described in the "Auditor's Responsibilities for the Audit of the separate and consolidated financial statements" section of our report. During our audit, we remained independent of the Company and the Group, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	Audit Response
1. Inventory valuation As it is represented in note 4.5 of the financial statements, at December 31st, 2017, the value of the inventory on the balance sheet of the Group and the Company, amounts to €2.673 k. and €2.641 k. respectively, including impairment of amount of € 431 k. for the company. The Company and the Group values the inventory at the lowest price between their acquisition cost and their net residual value. The net residual value is the estimated sales price during the normal course of the Company's and Group's activities, minus the estimated cost which is deemed as necessary for the realization of the sale. Based on the above, the Group's management performs estimates, based on the maturity of the inventory, their movement during the year as well as the respective planning for the following period. Due to the significance of the value of inventory at the year end and the management's judgments and estimates in the determination of the net residual value, we deem that the proper valuation of the inventory comprises one of the most significant issues of our audit. The Company's and Group's disclosures regarding the accounting policy that is utilized for the valuation of the inventory is included in the Notes 3.4 and 4.5 of the financial statements.	Our audit approach was based on the audit risk and includes, among other, the performance of the following procedures: - We Recorded the procedures and internal control for inventory management designed by the Company's Management about inventories. -We attended the process of inventory physical counting. -For a sample of inventory codes, we confirmed the correct determination of the acquisition cost of merchandise inventories according to the purchase invoices and current exchange rate. -- For a sample of inventory codes, we recalculated the net realizable value based on the average sales of the period as well as of the period after the end of the reporting period and we compared it with the year-end cost. - We examined the warehouse trial balance with the use of data analysis software for identifying idle and slow-moving inventories. -For a sample of inventories of a limited economic life due to maturity, we ascertained the management's proper calculation of the impairment provision and the appropriate presentation in the financial statements. - We assessed the adequacy and suitability of the relevant disclosures in the financial statements.
2. Recoverability of trade receivables As it is represented in note 4.6 of the financial statements, at December 31st, 2017, the value of trade receivables on the balance sheet of the Group and the Company, amounts to € 12.936 k. and	Our audit approach was based on the audit risk and includes, among other, the performance of the following procedures:

€12.384 k. respectively, including impairment of amount 244 k. for the company.

The management assesses the recoverability of the Company's and Group's trade receivables and proceeds with estimates of the required provision, so that the trade receivables are recorded at their recoverable amount. The management assesses the estimated provision based on the targeted review of customer accounts taking into consideration its experience in relation to the current economic conditions as well as the guarantees which have been acquired from certain customers.

Due to the significance of the value of the trade receivables and the judgments and estimates made by the Company for the determination of their recoverable amount, we considered the assessment of the potential impairment of trade receivables as one of the most significant issues of our audit.

The Company's and Group's disclosures with regard to the trade receivables, the related risks such as the credit risk and the maturity of trade receivables, are included in notes 3.5 and 4.6 of the financial statements.

- We understand and examined the management's credit control procedures as well as examined the internal control for granting of credit to customers.

- We assessed the trade receivables aging analysis and the Company's and Group's estimates regarding the relative provision.

- We received confirmation letters from third parties for a representative sample of trade receivables and we executed procedures for the collection of the year end balances after the date of the financial statements.

- We assessed the management's estimation regarding the recoverability of the trade receivables, taking into consideration any guarantees that have been granted from the customers.

- We obtained and reviewed the letters of the legal advisors with regard to the recoverability of the trade receivables.

- We assessed the adequacy and suitability of the relevant disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives, but does not include the 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 will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other

information, we are required to report that fact. We have nothing to report in this respect.

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 endorsed by the European Union, and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in Greek 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 as incorporated in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

a) The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 43bb of Codified Law 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 43a and 107A and of paragraph 1 (cases c' and d') of article 43bb of Codified Law 2190/1920 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31/12/2017.

c) Based on the knowledge we obtained during our audit about the company "AS COMPANY S.A." and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2. Additional Report to the Audit Committee

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

3. Provision of Non-Audit Services

We have not provided to the Company and the Group any prohibited non-audit services referred to in article 5 of EU Regulation No 537/2014 or other permissible non-audit services.

4. Auditor's Appointment

We were appointed as statutory auditors for the first time by the General Assembly of shareholders of the Company on May 8th, 2015. Our appointment has been, since then, uninterrupted renewed by the Annual General Assembly of shareholders of the Company for 3 consecutive years.

BDO

BDO Certified Public Accountant S.A.
449 Mesogion Av,
Athens- Ag. Paraskevi, Greece
Reg. SOEL: 173

Ag. Paraskevi, April 25th, 2018
Certified Public Accountant

Timotheos Vlachopoulos
Reg. SOEL: 30261

IV. ANNUAL FINANCIAL STATEMENTS OF THE YEAR 2017

A. FINANCIAL POSITION STATEMENT INFORMATION

FOR THE YEAR ENDED 31/12/2017

Amounts expressed in €

		Group		Company	
ASSETS	**Note**	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Property, Plant and equipment	4.1	5,828,102	6,191,083	5,825,390	6,187,843
Intangible assets	4.2	24,725	5,745	24,725	5,745
Deferred tax receivables	4.3	0	0	0	0
Investments in subsidiaries	4.4	0	0	150,000	150,000
Other non-current assets	4.3	29,182	29,082	29,182	29,082
		5,882,009	**6,225,909**	**6,029,298**	**6,372,669**
Inventories	4.5	2,673,534	3,652,909	2,641,765	3,559,442
Accounts receivable	4.6	12,935,707	14,045,217	12,383,981	13,408,499
Short-term investments	4.7	5,609,968	2,709,448	5,609,968	2,709,448
Other assets	4.8	1,434,390	337,345	1,429,330	337,345
Cash and cash equivalents	4.9	5,671,381	4,735,400	5,370,705	4,641,156
Total current assets		**28,324,980**	**25,480,319**	**27,435,749**	**24,655,890**
TOTAL ASSETS		**34,206,989**	**31,706,228**	**33,465,046**	**31,028,560**
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital (26,252,040 shares of € 0.38)	4.10	8,006,872	8,531,913	8,006,872	8,531,913
Share premium difference	4.10	74,509	74,509	74,509	74,509
Other Reserves	4.10	1,587,106	1,472,421	1,636,875	1,522,190
Retained earnings	4.10	16,245,795	13,316,762	15,849,233	13,106,435
Total equity (a)		**25,914,282**	**23,395,606**	**25,567,489**	**23,235,047**
Minority interests (b)		0	0	0	0
Total Equity (c) = (a) + (b)		**25,914,282**	**23,395,606**	**25,567,489**	**23,235,047**
Long-term borrowings	4.11	0	0	0	0
Deferred tax liabilities	4.12	306,467	183,013	306,467	183,013
Provisions	4.12	341,249	439,507	341,249	439,507
Other long-term liabilities	4.12	99,447	100,972	99,447	100,972
Long-term liabilities		**747,163**	**723,492**	**747,163**	**723,492**
Short-term borrowings	4.13	2,020,677	2,248,193	2,020,205	2,069,842
Accounts Payable	4.14	2,709,760	2,989,465	2,474,374	2,657,384
Other short-term liabilities	4.15	2,815,107	2,349,472	2,655,815	2,342,795
Short-term liabilities		**7,545,544**	**7,587,130**	**7,150,394**	**7,070,021**
Total liabilities (d)		**8,292,707**	**8,310,622**	**7,897,557**	**7,793,513**
TOTAL EQUITY AND LIABILITIES (C) +(D)		**34,206,989**	**31,706,228**	**33,465,046**	**31,028,560**

B. STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR 1/1/-31/12/2017

Amounts expressed in €

	Σημ.	Group 1.01- 31.12.2017	1.01- 31.12.2016	Company 1.01- 31.12.2017	1.01- 31.12.2016
Turnover	4.16	25,954,044	25,756,757	25,070,689	25,109,787
Cost of sales	4.17	-13,888,132	-14,309,074	-13,488,518	-14,005,325
Gross profit / (losses)		**12,065,912**	**11,447,682**	**11,582,171**	**11,104,462**
Other income	4.18	34,191	234,151	63,260	234,151
Administrative expenses	4.19	-1,818,616	-1,401,143	-1,693,567	-1,349,730
Selling expenses	4.20	-5,227,736	-5,978,436	-5,115,540	-5,887,579
Research and development expenses	4.21	-142,952	-148,159	-142,952	-148,159
Profits before interest, taxes, depreciation and amortization		**4,910,800**	**4,154,095**	**4,693,372**	**3,953,145**
Depreciation	4.23	-395,539	-448,998	-395,011	-448,470
Profits before taxes, financing and investment results		**4,515,261**	**3,705,097**	**4,298,361**	**3,504,675**
Financial expenses	4.24	-271,493	-96,248	-267,554	-81,823
Profits before tax total		**4,243,769**	**3,608,849**	**4,030,808**	**3,422,852**
Less taxes	4.25	-1,259,131	-1,042,186	-1,232,404	-1,016,748
Profits after taxes (A)		**2,984,638**	**2,566,663**	**2,798,404**	**2,406,104**
- Owners of the parent		**2,984,638**	**2,566,663**	**2,798,404**	**2,406,104**
- Minority Shareholders'		**0**	**0**	**0**	**0**
Actuarial gains / losses from recalculation		**83,210**	**0**	**83,210**	**0**
Deferred actuarial gains tax		**-24,131**	**0**	**-24,131**	**0**
Other comprehensive income after tax (B)		**59,079**	**0**	**59,079**	**0**
Total comprehensive income after tax (A) + (B)		**3,043,717**	**2,566,663**	**2,857,483**	**2,406,104**
Owners of the company		3,043,717	2,566,663	2,857,483	2,406,104
Non-controlling Interests		0	0	0	0
Effect of the revision of IAS 19		**0**	**0**	**0**	**0**
Profit after taxes per share		**0**	**0**	**0**	**0**
Profits before interest, taxes, depreciation and amortization		**4,910,800**	**4,154,095**	**4,693,372**	**3,953,145**

C. STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR 1/1/-31/12/2017

	GROUP 31.12.2016	31.12.2016	COMPANY 31.12.2016	31.12.2016
Balance as of January 1st, 2017 and 2016 respectively	23,395,606	21,222,723	23,235,047	21,222,723
Year's Profit / (loss) after taxes	2,984,638	2,566,663	2,798,404	2,406,104
Dividends	0	0	0	0
Net income towards equity	-465,962	-393,781	-465,962	-393,781
Balance as of December 31st, 2017 and 2016	**25,914,282**	**23,395,606**	**25,567,489**	**23,235,047**

D. CASH FLOW STATEMENT

FOR THE YEAR 1/1/-31/12/2017

Amounts expressed in €

	GROUP		COMPANY	
	1.1 to 31.12.2017	1.1 to 31.12.2016	1.1 to 31.12.2017	1.1 to 31.12.2016
Operating activities				
Profit before tax	4,243,769	3,608,849	4,030,808	3,422,852
Adjustments for:				
Depreciation and amortization	395,539	448,998	395,011	448,470
Provisions	34,953	7,909	34,953	7,909
Exchange differences	200,545	-81,621	200,545	-81,621
(Gain) / loss from investing activities	-204,168	-66,926	-204,058	-66,926
Interest Expense	280,689	307,137	274,433	292,712
Changes in Working capital				
(Increase) / decrease in inventories	979,375	-730,093	917,677	-636,626
(Increase) / decrease in receivables	16,921	-2,068,001	-67,567	-1,431,284
Increase / (decrease) in payables (except banks)	428,230	1,115,883	365,634	777,124
Minus :				
Interest Paid	-280,689	-307,137	-274,433	-292,712
Income taxes paid	-1,418,867	-1,019,059	-1,380,907	-993,621
Net cash flows from operating activities (a)	**4,676,297**	**1,215,938**	**4,292,096**	**1,446,277**
Investing Activities				
Subsidiary	0	0	0	-150,000
Purchase of tangible and intangible assets	-51,975	-262,501	-51,975	-258,733
Proceeds from sales of tangible and intangible assets	0	0	0	0
Proceeds from sales of securities	-2,900,520	1,769,653	-2,900,520	1,769,653
Interest received	2,534	21,573	2,424	21,573
Dividends received	0	0		0
Net cash flows (used in) / from investing activities (b)	**-2,949,961**	**1,528,725**	**-2,950,071**	**1,382,493**
Financing activities				
Proceeds from Subsidiary	0	0	0	0
Return of share capital	-525,041	-393,781	-525,041	-393,781
Proceeds from loans & borrowings	2,000,000	178,351	2,000,000	0
Inflow from Government Programs	0	0	0	0
Proceeds of loans & borrowings	-2,227,516	-306,187	-2,049,637	-306,187
Payment of finance lease interest	-37,798	-48,481	-37,798	-48,481
Dividends paid		0		0
Net cash flows used in financing activities (c)	**-790,355**	**-570,097**	**-612,476**	**-748,448**
Net increase / (Decrease) in cash and cash equivalents (a) + (b) + (c)	**935,981**	**2,174,566**	**729,549**	**2,080,322**
Cash and cash equivalents at the beginning of the year	**4,735,400**	**2,560,834**	**4,641,156**	**2,560,834**
Cash and cash equivalents at the end of the year	**5,671,381**	**4,735,400**	**5,370,705**	**4,641,156**

E. NOTES TO THE ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

1 General information about the Parent Company and its Subsidiary

AS Company is a Hellenic Societe Anonyme, is subject to code 2190/1920 on Societe Anonyme and was established on 8 November 1990 (Government Gazette 4222 / 03.12.1990). The Company is registered in the Register of Societes Anonymes of the Ministry of Economy, Development and Tourism, with ID No. 057546304000 and Reg. Number 22949/06 / B / 90/107. Its web site is www.ascompany.gr and is listed on the Athens Stock Exchange. The financial statements of 31 December 2017 were approved by the Board of Directors on 25 April 2018 and are subject to the final approval of the AS Annual General Assembly of Shareholders.

The subsidiary "AS COMPANY CYPRUS LTD" is governed by and operates under Cypriot Law, in the form of Limited Liability Company. The subsidiary was established in May 2016 with an initial capital of € 150,000.00, which was 100% covered by the parent company, which is its sole shareholder. In the closed fiscal year 2017 and in 2016, consolidated financial statements were compiled, including the data of the subsidiary "AS COMPANY CYPRUS LTD", using the method of full consolidation.

2. Basis of preparation of the financial statements

AS Company Annual Financial Statements A.E. in use, have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements of the period have been prepared using the historical cost convention except for financial assets at fair value through profit or loss.

The preparation of the annual financial statements in accordance with IFRS requires the use of certain significant accounting estimates and management's judgment in the process of applying the Company's accounting policies. it also requires the use of calculations and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense over the period.

The accounting policies used to prepare and present the annual financial statements are consistent with those used in the preparation of the Company's financial statements for the year ended 31 December 2016 in accordance with IFRS.

The financial statements should be taken into account in conjunction with the financial statements of 31.12.2016 prepared in accordance with IFRS, as this provides more comprehensive information to the reader. There are no changes in the accounting principles that were observed in relation to those used for the preparation of the financial statements as at 31.12.2016 in accordance with IFRS.

3. Accounting Principles Summary

The annual financial statements of the Company and the Group have been prepared in accordance with IFRS. The preparation of financial statements in accordance with IFRS requires the use of accounting estimates and judgment to apply the accounting principles followed.

The main accounting policies applied in the preparation of these financial statements are explained below. These principles have been consistently applied both in the current and previous years so that the information presented in the financial statements is fully comparable.

New Standards, Interpretations and amendments

Standards and interpretations mandatory for current year:

There are no new standards, interpretations, revisions or amendments to existing Standards issued by the International Accounting Standards Board (IASB) that have been adopted by the European Union and their implementation is mandatory from 01.01.2017 or later.

Standards and interpretations mandatory for subsequent periods

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018) In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations.

The Group will apply the Standard retrospectively with the cumulative effect of the original application recognized on the date of initial application on 1 January 2018 as an adjustment to the remaining opening of retained earnings without adjusting the comparative figures. The Group carried out an assessment of its revenue sources by applying the five steps outlined in the standard to identify areas that may be affected. Those charged with governance concluded that in general the contracts with customers are made up of an obligation to execute or provide a service and the prices are fixed and are derived from price lists. Revenue is recognized when the service is provided to the customer. Based on this assessment, the Group concluded that this Standard will not have a material impact on its Financial Statements.

IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019) In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognize assets and liabilities arising from a lease. The Group is in the process of assessing the impact of IFRS 16 on its financial statements and is expected to recognize an amount of new assets and liabilities due to the contracts that it has signed for operating leases of real estate and vehicles.

IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018) In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The Group will apply the new standard on 1 January 2018 and will not readjust comparative information. For trade receivables, the Group will apply

the simplified method to calculate the expected credit losses over the life of its trade receivables. During the year 2017, the Group has carried out an assessment of the effect of the standard and concluded that the effect from its application will mainly relate to impairment of trade receivables. This assessment is based on recent information and is subject to changes that may arise from additional support material available to the Group when and will apply the Standard in 2018. The Group expects an increase in the loss from provisions for doubtful clients and a corresponding negative impact on equity.

Amendments to IAS 12: "Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods starting on or after 01/01/2017) In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The above have not been adopted by the European Union.

Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017) In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The above have not been adopted by the European Union.

Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018) In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The above have not been adopted by the European Union.

Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01/01/2018) In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The above have not been adopted by the European Union.

Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018) In December 2016, the IASB published narrow-scope

amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The above have not been adopted by the European Union.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01/01/2018) In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The above have not been adopted by the European Union.

IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019) In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The above have not been adopted by the European Union.

Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 01/01/2018) In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle are the following:

IFRS 12: Clarification of the scope of the Standard, IFRS 1: Deletion of short-term exemptions for first-time adopters,

IAS 28: Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The above have not been adopted by the European Union.

There are no other standards or interpretations that are mandatory for subsequent periods and which are expected to be significant in the Group's financial statements.

3.1 Conversion of foreign currency

(1) Functional currency, presentation currency

The Company's financial statements are measured based on the currency of the economic environment in which the company operates, i.e. the euro

(2) Transactions and balances

Transactions in foreign currency are translated to the functional currency at the rates applicable as at the date of transactions. Gains and losses from foreign exchange differences which arise from settling these transactions during the period and from the conversion of monetary items denominated in foreign currency at applicable rates as at the statement of financial position date, are recognized in profit or loss account. Foreign exchange differences from non -

monetary items measured at fair value are considered a part of fair value and are consequently recognized in a manner consistent with the recognition of differences in fair value.

3.2 Property, Plant and Equipment

Property plant and equipment are disclosed in financial statements at their cost less accumulated depreciation and any impairment. Cost includes all expenses directly associated with the acquisition of assets. The Company, at the transition date to IFRS, valued the land and buildings at fair value and these fair values were used as a deemed cost (the goodwill that arose was credited to retained earnings).

AS Company owns a complex of building facilities, housed in Oreokastro in the Prefecture of Thessaloniki on a privately-owned plot of 45,783.80 sq. Meters. The building facilities include spaces that cover all the Company's activities, storage and assembly of toys, offices and exhibition and amount to an area of 16,000 sqm.

Land is not depreciated. Depreciation for other property, plant and equipment is calculated using the straight-line method to allocate the cost of each item of property, plant and equipment over its estimated useful life.

	Useful life	Percentage
Buildings, constructions, installations	25 years	4%
Machinery, equipment, Other fixed assets	10 years	10%
Vehicles	6.25 years	16%
Computer equipment	5 years	20%

3.3 Impairment of Assets

Assets which are depreciated are tested for impairment if there is any indication that their book value will not be recovered. The recoverable amount is the higher amount between the fair value of the asset (net selling price less costs to sell) and value in use. The loss incurred due to the impairment of assets is recognized by the company if the book value of those items (or of the Cash Generating Units) is higher than its recoverable amount. Net selling price is considered the amount from the sale of the asset in the context of a bi-lateral transaction which the parties are fully aware of and enter willingly after the deduction of any additional direct cost for sale of the asset, while value in use is the present value of estimated future cash flows expected to flow in the business from the use of the asset and from its sale at the end of its estimated useful life. In the current period there was no need to impair the fixed assets.

3.4 Inventories

Purchased stocks (merchandise) are measured at the lowest price, between the purchase price and the end of their current purchase price period. The acquisition price 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 completion costs and the estimated costs needed to make the sale. Inventories that are not of full commercial value and which will be available at below cost are marked as obsolete.

3.5 Trade Receivables

Trade Receivables are presented in the original invoice amount less any provisions for impairment of receivables. The provision for impairment is determined when there is objective evidence that the Company and the Group will not be able to collect the total amounts according to the original terms of the transaction.

The amount of the provision is the difference between the carrying amount and the recoverable amount of the asset, which is the present value of the expected cash flows discounted at the original effective interest rate. Claims that have become irrecoverable are deleted by reducing the provision already created.

3.6 Short-term investments

The financial instruments of the Company and the Group are classified in the following categories based on the type of the contract and the purpose for which they were acquired.

(a) Financial assets measured at fair value through profit or loss

This category includes financial instruments held for trading. A financial asset is included in this category if it is acquired for the purpose of selling in the short term. Also included in this category are derivatives.

(b) Loans and receivables

They include non-derivative financial assets with fixed or specified payments which are not traded in active markets.

(c) Held to maturity investments

Such investments include non-derivative financial assets with fixed or specified payments and specific expiration which the Group intends and is able to keep until their expiration.

(d) Financial assets available for sale

Such assets include non-derivative financial assets which are either placed directly under this category or they cannot be placed under any of the above categories. They are included in non-current assets if the Management does not intend to liquidate them within 12 months from the date of the Financial Statements.

Purchases and sales of investments are recorded at the trade date, which is the date when the Company and the Group commit to purchase or sell the item. Investments are initially recorded at their fair value plus charges directly attributable to the transaction, except for financial assets measured at fair value through changes in the statement of comprehensive income. Investments are written off when the right to cash flows from investments expires or is transferred and the Company and the Group have transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets are measured at their fair value and

the related gains or losses are recorded in a reserve of Equity until such assets are sold or classified as impaired. At the sale or when classified as impaired, accumulated profits or losses are transferred to the Statement of Comprehensive Income.

The fair values of financial assets that are traded on an active market are determined by their current prices. For non-traded assets, fair values are determined using valuation techniques, such as analysis of recent transactions, comparable items traded and discounted cash flow. Non-tradable equity instruments that are classified as available-for-sale financial assets and whose fair value cannot be measured reliably are valued at their acquisition cost.

Loans and receivables and held-to-maturity investments are subsequently measured at amortized cost using the effective interest rate.

At each balance sheet date, the Company and the Group assess whether there are objective indications that the financial assets are impaired. For equity instruments that have been classified as "Available-for-sale financial assets", such an indication is the significant decrease in fair value relative to cost of acquisition or prolonged decline in fair value below cost. If impairment arises, the accumulated equity impairment, which is the difference between acquisition cost and fair value, is transferred to the Statement of Comprehensive Income. Impairment losses on equity instruments recorded in the Statement of Comprehensive Income are not reversed through the profit and loss.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and high liquidity and low risk short-term investments of up to 3 months. In the cash flow statement, cash and cash equivalents consist of cash at hand and bank deposits less bank overdrafts.

3.8 Share Capital

Common shares are classified in Equity. Expenses incurred for issuance of shares are accounted for, after the subtraction of relevant income tax, as a deduction from equity. Expenses associated with the issuance of shares for the acquisition of companies are included in the cost of the company acquired.

Each share of the Company incorporates all the rights and obligations set out in Law 2190/1920 and the Company's Articles of Association, which does not contain any more restrictive provisions than those provided for by the Law. 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 treasury shares is deducted from Equity, until own shares are sold or cancelled.

3.9 Government grants

State 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 conditions. Government grants relating to costs are postponed and recorded in the income statement over a period such that they are matched by the costs they are intended to compensate. Government grants related to the purchase of tangible fixed assets are included in the long-term liabilities as deferred government grants and are carried as income in the income statement using the straight-line method over the estimated useful life of the related assets.

3.10 Employee Benefits Obligations

a) Short-term benefits

Short-term employee benefits monetary and in kind are recognized as an expense when they accrue.

b) Post-employment benefits

Post-employment benefits include pensions or other benefits which the company offers after the termination of employment to the employees as acknowledgement of their services. The accrued cost of the defined contributions scheme is registered as an expense in the relative period.

c) Termination benefits

Termination benefits are paid when workers leave before the retirement date. The Company recognizes these benefits when committed or terminates the employment of existing employees under 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.

3.11 Other provisions

Provisions are recognized if the Group has current legal or constructive obligations as a result of past events, their settlement is probable through outflows of resources and the exact amount of the liability can be reliably measured. Provisions are reviewed as at each statement of financial position date and they are adjusted so that they reflect the present value of the expense expected to settle the liability.

3.12 Loans

Loans are initially recognized at cost that is the fair value of the loan received less the issue costs associated with the loan. After initial recognition, they are measured at amortized cost using the effective interest method. Borrowing costs are recognized as an expense in the period in which they are incurred.

3.13 Income & Deferred tax

Income tax of the Company and the Group relates to tax on taxable profits as they were adjusted according to the requirements of the tax law and calculated on the basis of the applicable tax rate.

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

Deferred income tax is determined using the liability that results from the temporary differences between the carrying amount and the tax base of the assets and liabilities. Deferred tax is determined using the tax rates at the balance sheet date. Deferred tax assets are recognized to the extent that there will be a future taxable profit for the use of the temporary difference that creates the deferred tax asset.

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

3.14 Risk management Policies

The Company's and Group's activities are exposed to various risks, including exchange rate, interest rates, fluctuations in commodity prices, credit and liquidity risks. The Group's management aims at limiting 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.

Based on the conditions created in the economic environment of the countries operating the Group, risks arise, the most important of which are:

- The liquidity of the financial system and business
- Collection of receivables and increased risk of bad debts
- The ability to service existing loans
- The shrinking demand for consumer goods

In this context, the Group monitors systematically and takes specific measures to address the risks that may arise and continuously assesses developments for any effect the conditions may have on its financial results.

Credit risk

The risk that the Company may face from its exposure to a large amount of claims from a particular customer. The Group and the Company, apply a rational credit policy, in order to reduce its credit risk, by taking into account market information on the creditworthiness of its customers. The receivables of the Group and the Company come mainly from wholesale, while a significant part of the receivables comes from large customers. The financial condition of the clients is continuously monitored by the Group and the Company by checking the amount of credit provision and the credit limits of each account. Where necessary, additional collateral and guarantees are required. Parent's client's outstanding debts range to <0.30% of the total turnover of the Company-Group. No account is taken of the loss incurred by customer KOUKOU SA, for which the Company as at 31.12.2013 has made a provision at the expense of its results for 100% of the receivable. As far as Marinopoulos SA is concerned, the Company had made a provision for the year 2015. There is no liability for the Subsidiary.

Consequently, any credit risk for the Group currently concerns the Company.

Interest rate risk

Borrowing of the Company and the Subsidiary is exclusively in euros and is subject to floating interest rates.

The Group does not use derivatives in financial products to reduce its exposure to interest rate risk at the balance sheet date.

The Company's Management believes that there are no significant risks from a possible change in interest rates. The average borrowing cost for the year 2017 amounted to 4.0%. The maximum amount of bank debt during the financial year amounted to € 3,861 million and the lowest to € 2,000 million. The potential impact of the change in financial cost by + 1,0% will have a positive / negative effect of € 26 thousand the economic result.

Management estimates that the aforementioned risk is not expected to materially affect the financial position of the Company and the Group.

Currency risk

This specific risk relates to the relationship between the Euro and other currencies related to the sales and purchases of the Company and the Subsidiary.

The Company and the Subsidiary account for a very large proportion of their imports originating in China - Hong Kong in the US Dollar (USD). Given that the parent held 72.1% of its purchases in dollars (USD) against 75.3% of the markets in the corresponding previous period, there is a currency risk, with a direct impact on the cost of the imported products. The decline in the percentage of purchases to (USD) is due to inventory depreciation of € 0.917 million in 2017 and the Company's strategy to maintain low reserves. The average euro / dollar exchange rate over the last 4 years was as follows:

	2014	2015	2016	2017
Average exchange rate	1,3286	1,1102	1,1068	1,1297
Annual change %		-16,44%	-0,31%	2,07%

The Company has cash and investment products in dollars (USD), which however cover 29.2% of the value of the annual purchases in USD.

Liquidity Risk and Cash Flow Risk

The liquidity risk is identified in the event that the Group comes into a position that will not allow its financial obligations. As can be seen from the financial statements both at Company level and at Group level, the liquidity risk is fully controlled (see working capital index).

Group	2017	2016
Current Assets / Short Term Liabilities	375.39%	335.84%

Company	2017	2016
Current Assets / Short Term Liabilities	383.70%	348.74%

Due to the seasonality presented in the Group's products, there is a need for rational management of working capital, as a possible weakness may incur additional financial expenses.

As far as the cash flow risk is concerned, it is noted that the Company and the Subsidiary are adequately protected, due to: a) their good cash flows as mentioned above, b) the high credit standing with the banking institutions, c) the financial assets of the Company, whose depreciated value in the financial statements does not deviate from their fair value; (d) the effort to contain costs; (e) the distribution of clientele to reduce the impact on liquidity likely to be caused by the occurrence of credit risk; (f) safeguarding cash held at banks with good valuation by international firms; and (g) placing funds available for investing in marketable securities. In addition, the Group has sufficient funding lines from Banking Institutions, providing borrowing costs below 3.25% for 2018.

The following tables summarize the maturity dates of the Company's and the Group's financial liabilities at the date of preparation of the financial statements at discounted rates based on payments resulting from relevant borrowing contracts or agreements with counterparties.

Group	Total		Up to 1 year		From 1 to 5 years		Over 5 years	
	2017	2016	2017	2016	2017	2016	2017	2016
Long Term Bank Loans	0	0						
Short Term Bank Loans	2,020,677	2,248,193	3,011	2,248,193	2,017,666			
Accounts payable	2,709,760	2,989,465	2,709,760	2,989,465				
Other liabilities	2,815,107	2,349,472	2,815,107	2,349,472				
Total	**7,545,544**	**7,587,130**	**5,527,877**	**7,587,130**	**2,017,666**	**0**	**0**	**0**

Company	Total		Up to 1 year		From 1 to 5 years		Over 5 years	
	2017	2016	2017	2016	2017	2016	2017	2016
Long Term Bank Loans	0	0						
Short Term Bank Loans	2,020,205	2,069,842	3,011	2,069,842	2,017,194			
Accounts payable	2,474,374	2,657,384	2,474,374	2,657,384				
Other liabilities	2,655,815	2,342,795	2,655,815	2,342,795				
Σύνολο	**7,150,394**	**7,070,021**	**5,133,200**	**7,070,021**	**2,017,194**	**0**	**0**	**0**

On the basis of the data reported, the Group's Management estimates that Cash, Short-term positions above the potential reported for liquidity hedging adequately offset the aforementioned risks.

Dangers of Commodity Dependence

Given that most of the toys owned by the Company and the Subsidiary originated from China, any change in China's trade relations with the European Union or a change to China's Yuan exchange rate compared to the US $ will potentially affect positively or negatively supply of customers and sales of the Group, on the one hand, and Cost of Sales, Turnover and Profitability on the other.

The Company continuously monitors the financial data of the Chinese toys market by maintaining long-lasting relationships with its suppliers, as well as participating in exhibiting in China with the aim of setting up a list of suppliers that could serve it.

Given that all of the company's clothing products in retail stores originate from one brand, any problems in its activities may create issues in the smooth operation of these stores.

In any case, the Company estimates that the risk is small as the turnover rate of the clothes is small in the total turnover of the Group and the stores could be used for other commercial activities of the Company.

Insurance Risk

Given that all of the Company's goods are distributed from its Warehouse to Customers, the Company should be guaranteed 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, which gives it sufficient insurance cover for all the main risks.

The Subsidiary does not have its own warehouse and cooperates with a shipping company that carries out all the supply chain operations for it. The cooperation with this company provides that the latter has sufficient insurance cover for the products

Macroeconomic Conditions in Greece - Cyprus

Although the macroeconomic and financial environment in Greece shows signs of improvement, it is still characterized by uncertainty.

Capital controls initially imposed on Greece on 28 June 2015 continue to exist without, however, affecting the Group's domestic activities. Geo-political developments in the wider region have created a negative climate, resulting in negative market conditions at least for the first half of 2018.

Management is constantly adapting to the new situations created by trying to minimize any negative effects on its activities without being able to measure the impact of all of the above in the Greek business environment.

The Cypriot economy is in a recovery phase with the country's economy being positively affected by international trade and energy deposits. According to the latest data from the Statistical Service, the increase of gross domestic product in the 4th quarter of 2017 was positive and is estimated at + 4.0% compared to the same period last year. In November 2017, retail sales rose by + 0.5% and + 7.0% year over year, according to Eurostat data.

Other Dangers

Demand for products is influenced by external factors such as economic uncertainty, reduced consumption and consumer preference for low-priced products. In this context, the Company's management has selected quality products with a low retail price that are attractive to consumers. The Company proceeds to short-term placements (mainly bonds) after evaluating ratings from international firms.

3.15 Recognition of Revenue

Revenue is recognized when is probable that the economic benefits will flow to the entity and the amount can be reliably measured. Revenue includes the fair value of goods sold and services provided net of VAT, discounts and returned items. Income is recognized as follows:

a) Sales of goods: sales of goods are recognized when the Group delivers goods to clients, goods are accepted by clients and the collection of the receivable is reasonably secured.
b) Income from services: Income from services are recognized in the accounting period of the services offered by reference to the completion of the particular transaction calculated on the basis of the services offered as a proportion of the total services to be offered.
c) Interest: Interest receivable is recognized proportionally using the effective interest method.
d) Income from royalties: Income from royalties is recognized in accordance with the accrued income principle according to the substance of the relevant rights agreements.
e) Dividends: dividends are recognised as income when the right for their collection is established

3.16 Dividends

Dividends are recorded in the financial statements for the year in which the management proposal is approved by the Annual General Meeting of the Shareholders.

3.17 Leases

a) Company and the Group as a Lessee

Leases of fixed assets during which all risks and rewards associated with the ownership of an asset are transferred to the Group, irrespectively of whether the ownership title of that item is finally transferred or not, are designated as finance leases. Those leases are capitalized upon the commencement of the lease at the lower of the fair value of the fixed asset and the present value of minimum lease payments.

Every lease is allocated between the liability and financial expenses so that a fixed interest rate can be achieved for the remaining financial liability. Respective liabilities from leases, net of financial expenses are disclosed in liabilities. The part of the financial expense pertaining to finance leases is recognized in the year's results during the lease. Fixed assets acquired through a finance lease are depreciated in the shorter period between the useful life of fixed assets and the duration of their lease except for cases when the fixed asset is certain to come

to the ownership of the Group after the end of the leased period. In those cases, the fixed asset is depreciated based on estimates of its useful life.

Leasing agreements based on which the lessor transfers the right for use of an item in assets for an agreed period without transferring the risks and rewards associated with the ownership of the fixed asset are classified as operating leases. Payments made for operating leases (net of any motives offered by the lessor) are recognized in income statement on a proportionate basis during the lease.

b) Company and the Group as a lessor

Fixed assets which are leased based on operating leases are included in tangible assets of the statement of financial position. They are depreciated during their expected useful life on a basis consistent with similar privately-owned tangible assets. The income from rent (net of any incentives given to the lessees) is recognized on a straight-line basis during the period of the lease.

4. OTHER EXPLANATORY INFORMATION

4.1 Property, plant and equipment

The owner-occupied tangible fixed assets shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
Land	1,947,228	1,947,228	1,947,228	1,947,228
Buildings and building installations, technical works	3,731,086	4,052,572	3,731,086	4,052,572
Machinery and technical installations and other mechanical equipment	772	1,467	772	1,467
Transportation Equipment	44,031	55,565	44,031	55,565
Furniture and Fixtures	104,985	134,250	102,273	131,010
	5,828,102	**6,191,083**	**5,828,102**	**6,187,843**

The Company's investments in fixed assets from 01.01.2017 to 31.12.2017 amounted to € 29,626.

There are no real charges on the Company's property.

Acquisition values, depreciation expenses and undepreciated values of the fixed assets are analysed as follows: Table of fixed assets for the period 01.01 – 31.12.2017:

The Group

Acquisition Values	Land	Buildings and fixtures on buildings	Machinery, Technical installations and other mechanical equipment	Transportation equipment	Furniture and fixtures
Balance at 31.12.2015	**1,947,228**	**7,978,796**	**57,609**	**181,164**	**1,556,834**
Additions of the period 1.01 – 31.12.2016	0	82,613	2,410	54,332	121,133
Disposals of the period 1.01 - 31.12.2016	0	0	0	53,751	450,144
Balance at 31.12.2016	**1,947,228**	**8,061,409**	**60,019**	**181,745**	**1,227,822**
Additions of the period 1.01 - 31.12.2017	0	0	1,755	0	27,871
Disposals of the period 1.01 - 31.12.2017	0	1,050	0	0	0
Balance at 31.12.2017	**1,947,228**	**8,060,359**	**61,774**	**181,745**	**1,255,693**

Accumulated Depreciation	Land	Buildinds and fixtures on buildings	Machinery, Technical installations and other mechanical equipment	Transportation equipment	Furniture and fixtures
Balance at 31.12.2015	**0**	**3,679,556**	**55,287**	**171,152**	**1,439,395**
Depreciation of the period 1.01 - 31.12.2016	0	329,281	3,265	8,779	103,233
Reduction in depreciation of the period 1.01 - 31.12.2016	0	0	0	53,751	449,056
Balance at 31.12.2016	**0**	**4,008,837**	**58,552**	**126,180**	**1,093,572**
Depreciation of the period 1.01 - 31.12.2017		321,049	2,450	11,534	57,136
Reduction in depreciation of the period 1.01 - 31.12.2017		613	0	0	0
Balance at 31.12.2017	**0**	**4,329,273**	**61,002**	**137,714**	**1,150,708**
Net book value at 31.12.2015	1,947,228	4,299,240	2,322	10,013	117,439
Net book value at 31.12.2016	1,947,228	4,052,572	1,467	55,565	134,250
Net book value at 31.12.2017	**1,947,228**	**3,731,086**	**772**	**44,031**	**104,985**

The Company

Acquisition Values	Land	Buildinds and fixtures on buildings	Machinery, Technical installations and other mechanical equipment	Transportation equipment
Balance at 31.12.2015	**1,947,228**	**7,978,796**	**57,609**	**181,164**
Additions of the period 1.01 - 31.12.2016	0	82,613	2,410	54,332
Disposals of the period 1.01 - 31.12.2016	0	0	0	53,751
Balance at 31.12.2016	**1,947,228**	**8,061,409**	**60,019**	**181,745**
Additions of the period 1.01 - 31.12.2017			1.755	
Disposals of the period 1.01 - 31.12.2017		1.050		
Balance at 31.12.2017	**1,947,228**	**8,060,359**	**61,774**	**181,745**

Accumulated Depreciation	Land	Buildings and fixtures on buildings	Machinery, Technical installations and other	Transportation equipment

			mechanical equipment	
Balance at 31.12.2015	**0**	**3,679,556**	**55,287**	**171,152**
Depreciation of the period 1.01 - 31.12.2016	0	329.281	3,265	8,779
Reductions in depreciation of the period 1.01 - 31.12.2016	0	0	0	53,751
Balance at 31.12.2016	**0**	**4,008,837**	**58,552**	**126,180**
Depreciation of the period 1.01 - 31.12.2017		321,049	2,450	11,534
Reductions in depreciation of the period 1.01 - 31.12.2017		613		
Balance at 31.12.2017	**0**	**4,329,273**	**61,002**	**137,714**
Net book value at 31.12.2015	1,947,228	4,299,240	2,322	10,013
Net book value at 31.12.2016	1,947,228	4,052,572	1,467	55,565
Net book value at 31.12.2017	**1,947,228**	**3,731,086**	**772**	**44,031**

4.2 Intangible assets

The intangible assets shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
Cost of acquisition of software programs	526,074	503,724	526,074	503,724
Accumulated depreciation of software	-501,348	-497,979	-501,348	-497,979
	24,725	**5,745**	**24,725**	**5,745**

The intangible assets include the acquisition value and the accumulated depreciation expenses of the Computer Software Programmes. The additions to the fiscal year amounted to € 22,349 whereas the corresponding amount in the previous fiscal year amounted to € 2,013.

4.3 Other non-current assets

The other non-current assets shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
Guarantees	29,182	29,082	29,182	29,082
	29,182	**29,082**	**29,182**	**29,082**

4.4 Investments in subsidiaries

The partitipations in subsidiary companies shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Company	
Account Description	**2017**	**2016**
AS Company Cyprus Ltd	150,000	150,000
	150,000	**150,000**

It pertains to the establishment of a subsidiary company in Cyprus under the name "AS COMPANY CYPRUS LTD", which is governed by and operates under Cypriot Law in the form of a Limited Liability Company. The subsidiary company was established in May 2016 with an initial capital of € 150,000, which was 100% covered by the parent company.

4.5 Inventories

The inventories shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
Merchandise	3,013,824	4,114,391	2,982,055	4,020,924
Less: Provisions for depreciation of inventories	-431,456	-502,988	-431,456	-502,988
Raw and auxiliary materials – Packing materials	21,293	25,217	21,293	25,217
Advances for stock purchases	69,872	16,288	69,872	16,288
	2,673,534	**3,652,909**	**2,641,765**	**3,559,442**

The inventory depreciation provisions of € 431,456 are covered by the Company's slow and low-stock trades. Advance payments for inventory purchases refer to import orders from abroad.

4.6 Accounts receivable

The accounts receivable shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
Trade Debtors	4,145,488	3,597,089	3,593,763	2,960,371
Less : Provisions for doubtful accounts	-244,126	-603,241	-244,126	-603,241
Cheques Receivable	8,985,714	10,891,445	8,985,714	10,891,445
Notes Receivable	48,630	159,924	48,630	159,924
	12,935,707	**14,045,217**	**12,383,981**	**13,408,499**

The provisions for doubtful accounts of € -244,126 cover all possible losses of the Company from the non-recovery of its doubtful accounts (see also paragraph 5.7).

The provision for doubtful customers is formed on specific customer balances that the Company's Management considers to be doubtful as to their collection. The movement of the provision for doubtful accounts is as follows:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
Opening balance	603,241	509,718	603,241	509,718
Additional provisions for the year (reversal)	-307,301	93,523	-307,301	93,523
Reversal of provisions	-51,813	0	-51,813	0
Closing Balance	**244,126**	**603,241**	**244,126**	**603,241**

The final provisions for doubtful accounts of € 244,126 cover all possible losses of the Company. At the end of the fiscal year the Company's Management deemed that there is no material credit risk on accounts and cheques receivable that is not covered by a provision for doubtful account.

The maturity of trade receivables from customers is analysed as follows:

Account Description	31.12.2017	31.12.2016
Not in overdue or impaired	3,209,647	2,408,146
Doubtful balances in the company's records	132,602	524,493
Past Due:		
91 – 180 days	80,764	12,465
> 180 days	170,750	15,267
	3,593,763	**2,960,371**

4.7 Short-term investments

The short-term investments shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 pertain to Financial assets at fair value through profit or loss and are analysed as follows:

	The Group		The Company	
	2017	2016	2017	2016
Shares listed on the Athens Stock Exchange	17,406	29,702	17,406	29,702
Other foreign securities	520,305	156,339	520,305	156,339
Foreign Mutual Funds	3,020,781	2,025,240	3,020,781	2,025,240
Other investments – structures products	2,187,970	643,360	2,187,970	643,360
Provisions for depreciation of investments	-136,494	-145,194	-136,494	-145,194
	5,609,968	**2,709,448**	**5,609,968**	**2,709,448**

	The Group		The Company	
Account Description	2017	2016	2017	2016
Short-term investments in EUR	3,445,746	2,709,448	3,445,746	2,709,448
Short-term investments in USD	2,164,222	0	2,164,222	0
	5,609,968	**2,709,448**	**5,609,968**	**2,709,448**

The differences from the valuation of bonds and securities at 31.12.2017 amounted to € 136,494 and the accrued interest income to € 28,908.

Fair value

The fair value of the investments traded is determined by the current bid prices. The fair value of unlisted securities and other financial assets where the market is not active is determined using valuation techniques. These techniques include the use of recent transactions made on a purely commercial basis, the reference to the current price of comparable items traded, discounted cash flow methods, stock option pricing and other valuation techniques used in the market.

All financial assets valued at fair value are classified at the end of each fiscal year at one of the three fair value levels, depending on whether their valuation is based on observable or unobservable market data:

• Level 1: Purchase prices published (without modification or readjustment) for financial assets traded on active financial markets.

• Level 2: Observable data for the asset and liability valued beyond the prices of Level 1, such as trading prices for similar products, negotiable prices on non-active markets, or other items that are either observable or can be supported by observable data (for example, prices derived from observable data), for almost the entire duration of the financial instrument.

• Level 3: Data on the asset and liability valued not based on observable market data (non-observable data). If observable data requiring significant adjustments based on non-observable data are used to calculate fair value, then the calculation is at Level 3. Level 3 includes financial

instruments the value of which is determined by valuation models, discounted cash flows and similar techniques, as well as products for which fair value determination requires significant judgment or estimation by the Management.
The financial assets of the Group are classified at Level 1.

4.8 Other assets

The accounts receivable and other current assets shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
Trade Debtors	1,285,391	189,163	1,280,331	189,163
Advances to account for	1,600	1,902	1,600	1,902
Deferred Charges	98,028	122,991	98,028	122,991
Deferred income	49,372	23,289	49,372	23,289
	1,434,390	**337,345**	**1,429,330**	**337,345**

The change compared to the previous fiscal year is mainly due to increased advances paid to suppliers for the import of goods for the Easter period.

4.9 Cash and cash equivalents

The cash and cash equivalents shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
Cash in hand	39,209	42,883	39,209	42,883
Sight deposits	5,632,172	4,692,517	5,331,496	4,598,273
	5,671,381	**4,735,400**	**5,370,705**	**4,641,156**

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

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
EUR	4,291,622	1,555,392	3,990,946	1,461,148
Other currencies	1,379,759	3,180,008	1,379,759	3,180,008
	5,671,381	**4,735,400**	**5,370,705**	**4,641,156**

4.10 Equity

The accounts of the share capital, reserves and other accounts of the equity of the Company and the Group on 31 December 2017 and 31 December 2016 are as follows:

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
Share capital – paid-up (13,126,020 Shares of 0.61€ each)	8,006,872	8,531,913	8,006,872	8,531,913
Capital in excess of par	74,509	74,509	74,509	74,509
Legal Reserve	1,351,371	1,351,371	1,351,371	1,351,371
Reserves from value adjustments	33,064	33,064	33,064	33,064
Tax-free reserves under special laws	373,128	373,128	373,128	373,128
Subsidiary absorption losses	-285,141	-285,141	-285,141	-285,141
Profit / Loss carried forward	16,360,479	13,316,762	16,013,686	13,156,203
	25,914,282	**23,395,606**	**25,567,489**	**23,235,047**

By the decision dated 05.05.2017 of the Ordinary General Assembly of Shareholders of the Company it was decided to reduce its share capital through the reduction of the nominal value of each common registered share by the amount of four cents (€ 0.04) per share, from € 0.65 to € 0.61, i.e. a total reduction of the share capital by € 525,040.80, and its return to the shareholders. Following the above, the Company's share capital now amounts to eight million six thousand eight hundred seventy two euros and twenty cents (€ 8,006,872.20), divided into thirteen million one hundred twenty six thousand and twenty (13,126,020) common registered shares of a nominal value of sixty cents (€ 0.61) each. Earnings per share were calculated using the weighted number of shares.

On 10.05.2017 the decision No. 53160/10.5.2017 of the Ministry of Economy and Development was registered in the General Commercial Register, which approved the amendment of Article 5 of the Company's Articles of Association.

The Athens Stock Exchange Management Committee was informed at the meeting on 19.07.2017 on the reduction of the share capital with the purpose of returning capital by cash payment to the shareholders amounting to € 0.04 per share and for the amendment of Article 5 of the Company's Articles of Association.

4.11 Long-term borrowings

There are no long-term borrowings for the Company and the Group on 31 December 2017 and 31 December 2016.

4.12 Provisions/Other long-term liabilities

The Provisions/Other long-term liabilities shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
Deferred tax liabilities	306,467	183,013	306,467	183,013
Provisions for retirement benefits	341,249	389,507	341,249	389,507
Provisions for prior years' expenses	0	50,000	0	50,000
Grants for investments in fixed assets	99,447	100,972	99,447	100,972
	747,163	**723,492**	**747,163**	**723,492**

The deferred tax liabilities are analysed as follows:

	The Group		The Company	
Account Description	**2017**	**2016**	**2017**	**2016**
Revaluation of land	263,007	263,007	263,007	263,007
Adjustment of building value	318,326	330,305	318,326	330,305
Valuation of receivables – liabilities in foreign current	-17,335	29,292	-17,335	29,292
Actuarial gain tax IAS 19	24,131	0	24,131	0
	588,129	**622,604**	**588,129**	**622,604**

The deferred tax receivables in respect of adjustment entries are analysed as follows:

	The Group		The Company	
Account description	**2017**	**2016**	**2017**	**2016**
Deletion establishment and initial installation costs	405	463	405	463
Provision for inventory depreciation	87,328	108,072	87,328	108,072
Provision for impairment of doubtful debts	43,117	132,235	43,117	132,235
Provision for impairment of debt securities	26,046	60,060	26,046	60,060
Provision for compensation to personnel	98,962	112,957	98,962	112,957
Difference in tax rate	25,804	25,804	25,804	25,804
	281,663	**439,591**	**281,663**	**439,591**

The deferred tax receivables and liabilities are offset when there is an applicable tax right and involve the same Tax Authority.

	The Group		The Company	
Account description	**2017**	**2016**	**2017**	**2016**
Deferred tax assets	-281,663	-439,591	-281,663	-439,591
Deferred tax liabilities	588,130	622,604	588,130	622,604
Balance in the financial statements	**306,467**	**183,013**	**306,467**	**183,013**

The corporate income tax rate of corporate entities is 29% and has not changed since the previous fiscal year.

For the fiscal year 2017 the Company has been subject to the statutory audit of the Statutory Auditors provided for by Article 65a of Law 4174/2013. The Company's Management does not expect to incur tax liabilities other than those recorded and presented in the financial statements.

Provisions for retirement compensation

Under Greek labour law, employees are entitled to 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 on the day of their dismissal or retirement. Employees who resign or are reasonably dismissed are not entitled to compensation. If the employee remains in the Company until he/she retires, he/she is entitled to a lump sum equal to 40% of the compensation he/she would receive if he/she was dismissed that day, according to Law 2112/1920.

The movement of the net liability in the financial statements on 31.12.2017 is as follows:

	The Group		The Company	
OBLIGATION IN EQUITY	**2017**	**2016**	**2017**	**2016**
Present Value of Employee Benefits Obligation	341,249	389,507	341,249	389,507
Fair value of plan assets	0	0	0	0
Surplus / Deficit Stocking Status	**-341,249**	**-389,507**	**-341,249**	**-389,507**
Surplus / (Deficit of Defined Benefit Scheme)	-341,249	-389,507	-341,249	-389,507
Present value of future economic benefits	0	0	0	0
Obligation in Equity	**-341,249**	**-389,507**	**-341,249**	**-389,507**

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 study. The details and underlying assumptions of the actuarial valuation on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
Changes in Net Obligation Recognized in Equity				
Net Obligation at the year start	389,507	381,598	389,507	381,598
Benefits paid by the employer	-9,080	-12,680	-9,080	-12,680
Expense recognized in the income statement	44,033	8,932	44,033	8,932
Result recognized in equity	-83,210	11,657	-83,210	11,657
Net Obligation at the year end	**341,249**	**389,507**	**341,249**	**389,507**

	The Group	The Company

Changes in Present Value of Employee Benefits Obligation	2017	2016	2017	2016
Present value of defined benefit obligation at year start	389,507	381,598	389,507	381,598
Current employment costs	36,746	35,374	36,746	35,374
Interest cost	6,622	8,014	6,622	8,014
Retirement Benefits	665	-34,456	665	-34,456
Less Allowances Paid	-9,080	-12,680	-9,080	-12,680
Actuarial (Profit) / Period losses	-83,210	11,657	-83,210	11,657
Present Value of Employee Benefits Obligation at the year end	**341,249**	**389,507**	**341,249**	**389,507**

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

1. Discount Rate : 1.8% on 31.12.2017
2. Average Annual rate of long-term inflation growth : 1.75%
3. Average annual increase of long-term wage scale increase : 1.75%
4. Valuation date : 31.12.2017
5. Estimated Retirement Benefit : the application of 2112/1920 as amended by Law 4093/2012 was estimated upon retirement

4.13 Short-term borrowings

The short-term borrowings shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account description	2017	2016	2017	2016
Bank - Accounts for short-term liabilities	3,483	6,581	3,011	6,581
Long-term liabilities payable in the next financial year	2,017,194	2,241,612	2,017,194	2,063,261
	2,020,677	**2,248,193**	**2,020,205**	**2,069,842**

The short-term borrowing of € 2,017.194 pertains to financing granted by the National Bank of Greece through the European Investment Bank, which the Company is required to repay by 20.07.2019.

At Group level, an amount of € 472 is included which pertains to bank charges of the Subsidiary "AS COMPANY CYPRUS LTD". It is noted that during the fiscal year 2107 the Subsidiary repaid the total of its borrowings without any further use of bank loans.

An analysis of the change in liabilities arising from financing activities is presented - in accordance with IAS 7 (Amendment) "Disclosure Initiative" applied in annual accounting periods beginning on or after 1 January 2017 - as reflected in the Cash Flow Statement (page 38).

	The Group	The Company
Opening Balances 1.1.2017	2,248,193	2,069,842
New Loans	2,000,000	2,000,000
Payments	-2,227,516	-2,049,637
Closing Balances 31.12.2017	**2,020,677**	**2,020,205**

4.14 Accounts payable

The liabilities to suppliers shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account description	2017	2016	2017	2016
Suppliers	2,471,306	2,175,860	2,235,921	1,843,778
Checks Payable	238,453	813,605	238,453	813,605
	2,709,760	**2,989,465**	**2,474,374**	**2,657,384**

4.15 Other short-term liabilities

The other short-term liabilities shown in the financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account description	**2017**	**2016**	**2017**	**2016**
Customers payments in Advance	624,087	310,811	624,087	310,811
Liabilities from taxes - duties	459,403	780,887	342,488	774,210
Social Securities	168,954	163,617	167,288	163,617
Accruals	200,751	249,065	161,038	249,065
Sundry Creditors	1,361,911	845,092	1,360,913	845,092
	2,815,107	**2,349,472**	**2,655,815**	**2,342,795**

4.16 Turnover

The turnover shown in the Company's Comprehensive Income Statement on 31 December 2017 and 31 December 2016 is analysed as follows:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
Sales of wholesale goods	21,826,395	21,506,333	21,826,395	21,506,333
Sales of goods EU	1,973,562	1,328,029	1,090,207	681,060
Sale of Goods Third Countries	863,905	1,724,014	863,905	1,724,014
Sales of goods Retail	1,244,696	1,187,277	1,244,696	1,187,277
Sales of other stocks and waste material	45,486	5,747	45,486	5,747
Services	0	5,356	0	5,356
ΣΥΝΟΛΟ	**25,954,044**	**25,756,757**	**25,070,689**	**25,109,787**

The sales of AS COMPANY Cyprus Ltd derive 100% from the wholesale channel and in the above table they have been included in the Merchandise Sales to countries of the European Union.

The Company is engaged in the wholesale trade of toys, computers for children and is the exclusive distributor for the imported children's clothing of the well known Italian company IDEXE.

The retail turnover accounts for 4.96% of the Company's total sales compared to 4.72% of the previous year.

Because the conditions for the application of IFRS 8 "Operating Segments" are not met, the Company's activities are presented as one segment. The operating segment is a component of the business: (a) whose operating results are regularly reviewed by the "Head of Business Decisions", which in the case of the Company is the Board of Directors, in order to make decisions about the allocation of resources to it, and to assess its profitability; and (b) to have separate information available.

The Subsidiary is engaged in the wholesale trade of toys, computers for children.

Primary segment of information - business segments

AS COMPANY is engaged in the import, manufacture and marketing of toys for the Greek market. The Company currently has approximately 1,500 toy codes in the Bebe, School, Preschool, Table, Puzzle, Seasonal, Sports, Stuffed, Electronics, Computer, Outdoor and Wagon categories.

AS COMPANY collaborates with the world's best toy manufacturers and suppliers such as Clementoni, Silverlit, Famosa, Ty, IMC, HTI, Playvisions, Golliath, Fotorama, Piatnik, etc. because the safety and quality of the products are the basic principles governing its operation and course to date.

These principles are of particular importance in a company that deals with the child and its entertainment. Faithful to safety and quality, with love for children and taking into consideration their needs, AS COMPANY will continue to create leading lines and products that will contribute to their balanced development, culture and entertainment.

Secondary segment of information - geographical segments

The turnover from the toy and computer trade for children and sales as the exclusive distributor for imported children's clothing of the well-known Italian Company IDEXE is analysed by geographical area as follows:

	The Group		The Company	
	2017	2016	2017	2016
Sales of goods in the interior	23,116,577	22,704,714	23,116,577	22,704,713
Sales of goods abroad	2,837,468	3,052,043	1,954,112	2,405,074
TOTAL	**25,954,044**	**25,756,757**	**25,070,689**	**25,109,787**

Sales abroad account for 10.93% of total consolidated sales for the current period, while in the corresponding period of the previous year they accounted for 11.85%.

4.17 Cost of Sales

The cost of sales shown in the attached financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
	2017	2016	2017	2016
Cost of Goods Sold	13,690,519	14,317,798	13,319,975	14,025,667
Manufacturing Cost	49,440	70,149	49,440	70,149
Cost of Self-Consumed stocks	-185,056	-263,748	-185,056	-263,748
Provisions – Exchange Differences	333,228	184,875	304,159	173,257
TOTAL	**13,888,132**	**14,309,074**	**13,488,518**	**14,005,325**

4.18 Other income

The other income shown in the accompanying financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account description	2017	2016	2017	2016
Revenue from mission costs	8,177	11,681	8,177	11,681
Subsidies	9,823	59,066	9,823	59,066
Other revenues	1,872	26,114	30,941	26,114
Extraordinary and non-operating income	14,319	137,290	14,319	137,290
	34,191	**234,151**	**63,260**	**234,151**

4.19 Administrative expenses

The administrative expenses shown in the accompanying financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account description	2017	2016	2017	2016
Payroll expenses	960,278	458,456	882,064	458,456
Third party expenses and fees	384,211	418,752	356,339	418,752
Services received	99,418	121,816	90,764	121,816
Taxes and duties	96,011	92,299	96,011	92,299
Other various expenses	245,880	256,212	235,570	204,799
Other operating provisions	0	44	0	44
Exchange differences	32,817	53,564	32,817	53,564
	1,818,616	**1,401,143**	**1,693,567**	**1,349,730**

4.20 Selling expenses

The selling expenses shown in the accompanying financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account description	**2017**	**2016**	**2017**	**2016**
Payroll expenses	1,920,241	2,058,048	1,864,144	2,036,057
Third party expenses and fees	981,377	1,152,860	981,377	1,152,860
Services received	368,692	417,595	368,692	417,595
Taxes and duties	61,097	75,500	61,097	75,500
Other various expenses	2,043,076	2,165,183	1,986,977	2,096,317
Other operating provisions	-307,301	0	-307,301	0
Exchange differences	0	95,733	0	95,733
Extraordinary and non-operating income - expenses	160,554	13,518	160,554	13,518
	5,227,736	**5,978,436**	**5,115,540**	**5,887,579**

4.21 Research and development expenses

The research and development expenses shown in the accompanying financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account description	**2017**	**2016**	**2017**	**2016**
Payroll expenses	130,372	132,058	130,372	132,058
Services received	8,631	9,640	8,631	9,640
Taxes and duties	786	688	786	688
Other various expenses	3,162	5,773	3,162	5,773
	142,952	**148,159**	**142,952**	**148,159**

4.22 Payroll costs

The payroll costs included in the accompanying financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

	The Group		The Company	
Account description	**2017**	**2016**	**2017**	**2016**
Payroll expenses	2,410,143	2,126,797	2,284,959	2,104,806
Employer contributions	526,898	471,997	519,647	471,997
Other staff costs	73,851	49,768	71,975	49,768
	3,010,892	**2,648,562**	**2,876,581**	**2,626,571**

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

	The Group		The Company	
Account description	**2017**	**2016**	**2017**	**2016**
Administration Expenses	960,278	458,456	882,064	458,456
Distribution Expenses	1,920,241	2,058,048	1,864,144	2,036,057
Exploration and Development Costs	130,372	132,058	130,372	132,058
	3,010,892	**2,648,562**	**2,876,581**	**2,626,571**

4.23 Depreciation

The depreciation expenses included in the accompanying financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

Account description	The Group		The Company	
	2017	2016	2017	2016
Depreciation of Buildings	321,049	329,281	321,049	329,281
Depreciation of Mechanical equipment	2,450	3,265	2,450	3,265
Depreciation of Vehicles	11,534	8,779	11,534	8,779
Depreciation of Other equipment	57,136	103,233	56,608	102,705
Depreciation of Installation costs	3,369	4,440	3,369	4,440
	395,539	**448,998**	**395,011**	**448,470**

The above depreciation expenses are initially allocated to the Company's operations as below, but subsequently, for IFRS purposes, they are presented separately in the Comprehensive Income Statement for the fiscal year:

4.24 Financial expenses

The net financial expenses/income shown in the accompanying financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 are analysed as follows:

Account description	The Group		The Company	
	2017	2016	2017	2016
Long-term liabilities' interests and expenses	66,741	106,154	66,741	106,154
Short-term liabilities' interests and expenses	41,794	42,621	41,794	28,196
Other related costs	86,854	52,037	82,915	52,037
Interests received and securities' income	-115,189	-15,127	-115,189	-15,127
Losses / (Profits) from the sale of securities	14,732	-7,870	14,732	-7,870
Losses / (Profits) from the sale of financial instruments	176,561	-81,567	176,561	-81,567
	271,493	**96,248**	**267,554**	**81,823**

4.25 Taxes

The income tax for the fiscal year shown in the accompanying financial statements of the Company and the Group on 31 December 2017 and 31 December 2016 is analysed as follows:

Account description	The Group		The Company	
	2017	2016	2017	2016
Income taxes for the year	1,209,808	1,027,088	1,183,081	1,001,650
Deferred income taxes recognized in profit or loss	99,323	15,098	99,323	15,098
Reversal of tax provision for unaudited use	-50,000	0	-50,000	0
	1,259,131	**1,042,186**	**1,232,404**	**1,016,748**

The tax rate on profits from business activities of legal entities amounts to 29% and did not change compared to the previous fiscal year.

For the fiscal years 2011 to 2016 the Company has been subject to the tax audit of Certified Public Accountants provided for by the provisions of Article 82 paragraph 5 of Law 2238/1994 and Article 65A of Law 4174/2013. The audit for the fiscal years 2011 to 2016 has been completed and a tax compliance report has been issued with unqualified opinion. Accordingly, for the fiscal year 2017 the audit is in progress and the relevant tax certificate is to be issued after the publication of the financial statements of 31 December 2017.

Deferred income taxes are calculated on all temporary tax differences using the tax rate that will apply during the period in which an asset or liability is settled, taking into account tax rates that have been enacted by the balance sheet date.

The table below shows the agreement between the nominal and actual tax rates:

	The Group		The Company	
	2017	2016	2017	2016
Earnings before taxes	**4,243,769**	**3,608,849**	**4,030,808**	**3,422,852**
Expected tax expense	1,195,554	1,018,065	1,168,934	992,627
Tax adjustments for expenses not deductible for tax purposes	14,253	9,023	14,146	9,023
Deferred taxation	99,323	15,098	99,323	15,098
Reversal of tax provision for unaudited use	-50,000	0	-50,000	0
Income taxes shown in the Statement of Total Comprehensive Income	**1,259,131**	**1,042,186**	**1,232,404**	**1,016,748**

5. Additional data and information

5.1 Corporate events

In the fiscal year 2017 there were no corporate events such as establishment, acquisition, sale, merger of another Company or department, separation of department and reorganization, or discontinuation of operation.

5.2 Changing time period of the fiscal year

There was no change in the time period of the Company's fiscal year and the financial data in relation to the corresponding period of the previous fiscal year are completely comparable.

5.3 Seasonality of activities

The demand from our customers for the Company's and Subsidiary's products is subject to seasonal fluctuations that are historically increased during Easter and Christmas. Most customers make sales of products purchased by the Company and the Subsidiary during Christmas period, so collections in the second half of the year are significantly higher than in the first half.

5.4 Consolidated financial statements

In the closing fiscal years of 2017 and 2016, consolidated financial statements were prepared which include the financial data of the subsidiary "AS COMPANY CYPRUS LTD", based in Cyprus, 100% participation, consolidation date 05.05.2016 and total consolidation method.

5.5 Lis pendens - Judicial cases

There are no litigation or arbitration disputes of the Company, as well as decisions of judicial or arbitration bodies that have or are likely to have a material impact on the Company's financial position or operation. With regard to the Company's dispute with the foreign SMOBY Company (already in liquidation process) for violation by the latter of the terms of the exclusive distribution agreement between them, there has been no change in relation to those mentioned in the explanations of the Financial Statements of 31.12.2016.

The Company maintained against the former customer "KOUKOU CHILDREN'S TOYS SOCIETE ANONYME" a capital requirement of € 1,352,782.45. The debtor has been declared bankrupt. Given that the current available data suggest that the small assets of the bankruptcy, as compared to the verified claims of third parties - including the State and social security funds - do not support the Company's claim, even partially the amount of the claim was written off at 31.12.2014 in accordance with the law.

Finally, the Company does not have any claims against "MARINOPOULOS SA" and has accepted the Reorganisation Agreement dated 28 September 2016 which was ratified by No. 6/2017 decision of the Multi Member First Instance Court of Athens. The Company received 50% of the claim it held in April 2017, under the terms of the Reorganisation Agreement. The Company had informed the Athens Stock Exchange (date 25/8/2016, protocol No. 2016/EXAE/H/6901) that it had formed sufficient provision for the above debtor as at 31.12.2015.

5.6 Number of employees

The number of employees at the end of the current fiscal year amounted to 73 employees for the Group and 72 employees for the parent Company. At the end of the previous fiscal year, the employees for the Group and the parent Company were 74.

The provisioning for employees is € 341,249.42 in accordance with IAS 19.

5.7 Unaudited fiscal years

For the fiscal year 2017 the Company was subject to the tax audit of the Certified Auditors Accountants provided by the provisions of Article 65a of Law 4174/2013. This audit is in progress and the relevant tax certificate is to be issued after the publication of the financial statements for that period. Upon completion of this tax audit, the Company's Management does not expect to incur tax liabilities other than those registered and presented in the financial statements. For the fiscal years 2011-2016 this audit has been completed by issuing the relevant tax compliance reports without any reservation.

In December 2016 a partial audit command was issued by the Audit Authority for Large Enterprises for the fiscal years from 01.01.2010 to 31.12.2011 The duration of the audit was determined by 31.07.2017, this audit was not completed in 2017, with the result that these fiscal years are now considered to be time-barred.

The Group's unaudited fiscal years are as follows:

Company	Headquarters	Unaudited fiscal years
AS COMPANY A.E	Greece	-
AS COMPANY Cyprus Ltd	Cyprus	2016 - 2017

5.8 Commitments and contingent liabilities – Guarantees granted

The Company's commitments relate to bank guarantee letters of good contract execution, the amount of which on 31.12.2017 amounted to € 1,911.

The minimum future lease payments payable under non-cancellable operating leases on 31.12.2017 are as follows.

	The Group		The Company	
Account description	**2017**	**2016**	**2017**	**2016**
Within one year	62,142	121,260	57,567	115,160
Between one and five years	125,000	147,442	125,000	142,867
	187,142	**268,702**	**182,567**	**258,027**

There is also a third party guarantee of € 1,000,000 by the parental guarantee in favour of the Subsidiary granted to a bank for loans and bank facilities.

5.9 Dividend

The Group's Management will consider the distribution of a dividend from the profits and/or the return of share capital, taking into account the Company's and Group's working capital requirements as well as the investment plan for 2018. Its proposal will be submitted for approval in the annual Ordinary General Assembly of Shareholders to be held within the fiscal year 2018.

5.10 Information on audit fees (Article 30 of Law 3756/2009)

The audit of the financial statements of the Company for the fiscal year 2017 was assigned by the Ordinary General Assembly of Shareholders to the auditing company "BDO Certified Public Accountants S.A."

5.11. Earnings per share

Earnings per share were calculated based on the weighted average number of shares for the Group as follows:

	01.01 - 31.12.2017	01.01 - 31.12.2016
Earnings attributable to the shareholders of the parent company	3,043,717	2,566,663
Weighted average number of shares	13,126,020	19,383,356
Basic earnings per share (euro per share)	**0.232**	**0.132**

The General Assembly held on June 23, 2016, decided the increase of the nominal value of each share from € 0.34 to € 0.68 by merging the old registered shares (reverse split) with a ratio of two (2) old to one (1)) new common registered share and the consequent reduction of the number of shares from 26,252,040 to 13,126,020 new common registered shares.

6. Events after the balance sheet date

The Company established a subsidiary company in Romania under the name "AS COMPANY ROMANIA" with a share capital of 400,000 euros, in which it participates by 100%. The subsidiary establishment procedures were completed on March 30, 2018.

Thessaloniki, April 25, 2018

PRESIDENT & CEO

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VICE-PRESIDENT OF THE B.O.D

ANASTASIA E. ANDREADOU
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