AS COMPANY S.A.
GROUP OF COMPANIES

ANNUAL FINANCIAL REPORT

of the financial year from
1 January 2018 to 31 December 2018

According to article 4 of Law 3556/2007

Contents

I. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS (in accordance with article 4, paragraph 2 of Law 3556/2007)

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

1. Efstratios Andreadis Konstantinos, Chairman of the Board of Directors and Managing Director,
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 COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A." (hereinafter referred to as "Company") hereby declare and certify that to the best of our knowledge:

(a) The accompanying Separate and Consolidated Financial Statements for the period from 1 January 2018 to 31 December 2018, of the Company "AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A.", as well as the companies that included in the consolidation taken as a whole, which were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, present in a true manner the Assets and Liabilities, Equity and Profit of the year for the twelve-month period ended 31 December 2018.

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

Thessaloniki, 12 April 2019

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

BOARD MEMBER

THEODORA D. KOUFOU
ID NO 233404

II. ANNUAL REPORT OF THE BOARD OF DIRECTORS (SEPARATE AND CONSOLIDATED) FOR THE FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 (in accordance with article 4 of Law 3556/2007).

Dear Shareholders,

This Annual Report of the Company's Board of Directors concerns the 2018 financial year and was prepared in accordance with the provisions of C.L. 2190/1920 as such have been replaced, as of 1 January 2019, by articles 150-154 of Law 4548/2018, article 4 of Law 3556/2007 and the relevant decisions of the Hellenic Capital Market Commission and refers to the Annual Separate and Consolidated Financial Statements (hereinafter referred to as the “Company”) at 31 December 2018 and in the twelve-month period ended on that date.

This Report includes the actual depiction for the period from 1 January 2018 to 31 December 2018, the major events that took place in 2018, the description of the main risks and uncertainties, the major events that took place after the end of 2018, the material transactions of the Company and the Group of AS Company S.A. (the “Group”) with related parties as well as the Corporate Governance Declaration.

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

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

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

All amounts in this Annual Financial Report are expressed in Euro unless otherwise stated.

A. FINANCIAL INFORMATION

In 2018 the Group's key financial figures improved compared to the prior year, maintaining high levels of liquidity. The most important figures of the Company and the Group compared to 2017 are as follows:

	Group			Company		
	2018	2017	Δ %	2018	2017	Δ %
Turnover	27.015.626	25.954.044	4,1%	25.609.118	25.070.689	2,1%
% Gross Profit margin	47,4%	46,5%		47,1%	46,2%	
EBIDTA	**5.177.961**	**4.910.800**	**5,4%**	**4.826.121**	**4.693.372**	**2,8%**
as a % of sales	19,2%	18,9%		18,8%	18,7%	
Profit before tax	4.492.968	4.243.769	5,9%	4.161.945	4.030.808	3,3%
Profit after tax	3.200.857	2.984.638	7,2%	2.927.141	2.798.404	4,6%
Total inflows / (outflows) from operating activities	5.106.477	4.676.297	9,2%	5.214.806	4.292.096	21,5%
Cash & Investments	13.728.462	11.281.349	21,7%	13.080.306	10.980.673	19,1%

The Group's turnover increased by 4,1% compared to the prior year and amounted to € 27,02 million. Wholesales increased by 5,11% compared to prior year, confirming the continuation of the increase of the Company's share in the domestic market. Group Exports increased by 4,46% despite the fact that the subsidiary in Romania started its operations in the fourth quarter of 2018. Gross profit is improved by 0,89% compared to last year, mainly due to the positive effect of the euro / dollar exchange rate. The increase of the gross profit and the efficient cost management resulted in EBITDA being formed at 19,17% of sales compared to the respective 18,92% of the prior year.

As a result of the above, the Group's Profit before taxes and Profits after taxes for the year 2018 are increased in absolute figures compared to 2017, by € 249 thousand and € 216 thousand respectively.

Income from operating activities is improved by € 430 thousand compared to the previous year, i.e. € 5.106 thousand in the current year versus € 4.676 thousand, due to the more efficient management of working capital.

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

Company (A)	
A. Increase sales volume	+253.796
B. Increase in Gross Profit margin%	+235.280
C. Increase in operating costs	-587.720
D. Decrease of financial expenses	+248.472
E. Increase in other income	+231.393
F. Increase depreciation	-250.083
Total change in Profits before taxes	**+131.138**
Subsidiaries Activities (B)	+118.062
Total Change (A + B)	**+249.200**

Management of the Group considers that taking into account the current conditions of the Greek economy, the 2018 results are completely satisfactory, with all the critical financial figures at Group level showing improvement and increase in Equity.

Banking Liabilities: Net Debt as of 31.12.2018 is as follows:

	Group			Company		
	2018	2017	Δ %	2018	2017	Δ %
Bank loans	96.919	2.020.677		14.516	2.020.205	
less: cash and investments	-13.728.462	-11.281.349		-13.080.306	-10.980.673	
Net Debt	**-13.631.543**	**-9.260.672**	**47,2%**	**-13.065.790**	**-8.960.468**	**45,8%**
Equity	28.454.265	25.914.282	9,8%	27.834.165	25.567.489	8,9%
Gearing ratio	-47,91%	-35,74%		-46,9%	-35,0%	

The gearing ratio appears to be improved compared to 2017 and continues to be negative. Cash, plus short-term investments, is higher than bank debt by € 13,1 million and € 13,6 million, something that shows the sound financial position of the Company and the Group, respectively.

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

	Group			Company		
	2018	**2017**	**Δ%**	**2018**	**2017**	**Δ%**
Current assets	29.720.290	28.324.979		28.289.426	27.435.749	
Short-term liabilities	-6.146.779	-7.545.544		-5.861.040	-7.150.394	
Working capital	**23.573.510**	**20.779.436**	13,4%	**22.428.386**	**20.285.355**	10,6%

Company's inventories amounted to € 4,931 million compared to € 3,558 million in the previous year and represent the 14,4% of Total Assets, compared to 10,6% of the corresponding prior period. Receivables from customers decreased by € 2,345 million, while turnover increased by 2% compared to the previous year.

	Group			Company		
	2018	**2017**	**Δ %**	**2018**	**2017**	**Δ %**
Inventory and Receivables from Customers & Other receivables	15.991.828	17.043.630		15.209.120	16.455.076	
Less: Accounts payable and other short term liabilities	-6.049.860	-5.524.866		-5.846.524	-5.130.189	
Net Working Capital	**9.941.968**	**11.518.764**	**13,7%**	**9.362.596**	**11.324.887**	**-17,3%**
% sales	36,8%	44,4%		36,6%	45,2%	

Earnings per share: Earnings per share of the Company based on the weighted number of shares amounted to € 0,223 compared to € 0,218 of the previous year, showing an increase of 2,3%.

Capital expenditure: The Company's investments amounted to € 565.411 in the period from 1.1.2018 to 31.12.2018 and include the share capital for the establishment of the subsidiary in Romania of total € 400.000, compared to € 51.976 of the respective comparative period. The Group's investments amounted to € 191.666 compared to € 51.976 in the corresponding comparative period from 1.1 to 31.12.2018.

Research and development costs: Within 2018, the Company incurred reduce costs by 10,5% compared to the previous year, i.e. € 128 thousand compared to € 142 thousand.

Key Financial Ratios: The main financial ratios at 31.12.2018 and 31.12.2017 were as follows:

GROUP:

a. Financial Structure ratios	**31.12.2018**	**31.12.2017**
Current Assets / Total Assets	84,6%	82,8%
Equity / Total Liabilities	425,2%	312,5%
Equity / Fixed Assets	527,5%	442,8%
Current Assets / Short Term Liabilities	483,5%	375,4%
b. Performance and Efficiency ratios		
EBITDA / Turnover	19,2%	18,9%
Gross Profit / Turnover	47,4%	46,5%
Turnover / Equity	189,9%	100,2%

Company:

a. Financial Structure ratios	**31.12.2018**	**31.12.2017**
Current Assets / Total Assets	82,6%	82,0%
Equity / Total Liabilities	434,5%	323,7%
Equity / Fixed Assets	518,3%	437,0%
Current Assets / Short Term Liabilities	482,7%	383,7%
b. Performance and Efficiency ratios		
EBITDA / Turnover	18,8%	18,7%
Gross Profit / Turnover	47,1%	46,2%
Turnover / Equity	184,0%	98,1%

Building Facilities: The Company maintain offices, warehouse and a retail store in Oreokastro, Thessaloniki. In addition, the Company maintains four leased branches in different areas of Northern and Central Greece for the retail sale of kid's clothing and toys and a leased office and exhibition space in Athens. In Cyprus and Romania, the subsidiaries lease spaces for its offices.

Personnel: At the end of the current year, the number of employees employed for the Group were in total 81 employees, i.e. 78 employees for the Company and 3 employees for subsidiaries in Cyprus and Romania. At the end of the previous year the corresponding number of employees were in total 74 employees, i.e. 72 employees employed from the Company and 2 employees from the subsidiary in Cyprus.

Investments: The Group structure as at 31.12.2018 is as follows:

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

In the fiscal year ended 31 December 2018, Consolidated Financial Statements included the financial information of the subsidiaries AS COMPANY CYPRUS LTD and AS KIDS TOYS S.R.L.

In the year 2017, the Consolidated Financial Statements were prepared which included the financial information of the subsidiary "AS COMPANY CYPRUS LTD", since the operations of its subsidiary AS KIDS TOYS S.R.L in Romania started in 2018.

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

B. IMPORTANT EVENTS

The important events that took place in the closed session are listed below

1. General Meeting of Shareholders decisions

The General Meeting of the Company's Shareholders held on 21.6.2018 took the following decisions:

a) approval of the annual financial statements of the Company for the year 2017 (1/1 – 31/12/2017) accompanied with the relevant reports of the Board and the Auditor, **b)** approval of non-distribution of dividends for the fiscal year 2017, **c)** discharge of the Board members and the Auditors from any liability for the fiscal year 2017, as well as any management operations and representation acts of the Board, **d)** the election of the Certified Auditors Company under the name KPMG Certified Auditors S.A. (AM: 114), based in Athens, General Tombra 3, 15342, Agia Paraskevi, for the audit of the Financial Statements and for granting a compliance assurance certificate for the year 2018 (1.1.2018-31.12.2018), as well as the remuneration of the auditors, **e)** the approval of the remuneration and compensation paid to the executive and non-executive members of the Board of Directors for the year 2017 and the pre-approval and determination of the remuneration and compensation of the executive and non-executive members of the Board of Directors for the year 2018, **f)** election of the members of the Board of Directors, due to the expiry of the outgoing BoD and define their capacities, **g)** the election of the Audit Committee under article 44 of Law 4449/2017,**h)** the reduction of the Company's share capital by € €656.301,00, through reduction of the nominal value of each ordinary registered share of the Company from EUR 0,61 to EUR 0,56, i.e. at 0,05 cents and return to shareholders and amendment of article 5 of the current Articles of Association of the Company that relates to share capital in order the above reduction be depicted in the Articles of Association, **i)** the approval of the Company's Articles of Association for the incorporation of amendments to Articles 5 of this, **j)** Authorise, in accordance with article 23 of CL. 2190/1920, to Mr. Theodora Koufou, member of the BoD, to act as administrator of the newly established subsidiary company established in Romania under the name "AS KIDS TOYS S.R.L", **k)** approval of granting guarantee to the newly established subsidiary "AS KIDS TOYS S.R.L" up to the amount of € 800.000 and **l)** finally, shareholders were briefed on various issues related to the operation and prospects of the Company, the subsidiary company in Cyprus and the newly established subsidiary in Romania as well as the Group in general.

2. Establishment of a subsidiary in Romania

The Company has established a wholly owned (100%) abroad subsidiary in Romania under the name "AS KIDS TOYS S.R.L", with a share capital of € 400.000. The procedures for setting up the subsidiary were completed on 30 March 2018.

3. Participation in exhibitions abroad

During 2018, the Group participated in **a.** Presentations in Greece **b.** Paperworld in Frankfurt **c.** Spielwarenmesse in Nuremberg **d.** Annual Corporate Exhibition in Greece **e.** Distoy in London.

The presence of the Group in exhibitions and events abroad is of great importance for the penetration to new markets and for this reason the Group plans to actively participate in major international exhibitions abroad throughout the year

4. Retail stores

The retail and trading activity of kids clothing sector reached € 1,3 million turnover compared to € 1,6 million in 2017, showing a decrease of 19,6%.

The Company's management took the decision to proceed with the shutdown of 4 leased retail stores in July 2019. As a result Profit and Loss Account of the current fiscal year was charged with a total PPE impairment of € 248.419,00.

Company's retail operations will run through its retail outlet store located in the main building at the Company in Oreokastro Thessaloniki.

5. Tax compliance assurance certificate for the year 2016

The tax compliance assurance work of the Company for the year ended 31 December 2017, which was conducted by the Certified Auditor pursuant to article 65A of Law 4174/2013, was completed in 23 October 2018 and an unqualified the corresponding Tax Compliance Assurance Report was issued.

6. Decision Approving Share Capital Reduction by the Competent Authorities

On 27.06.2018 the decision of the Ministry of Economy, Development and Tourism was uploaded in the General Electronic Commercial Registry under decision No 1197449/ 27.06.2018, which approved the reduction of the capital and the corresponding amendment of article 5 of the Articles of Association of the Company, as decided by the previous General Meeting of the Company's shareholders. The Corporate Actions Committee of the Athens Stock Exchange was informed at the meeting on 20/07/2018 about the reduction of the share capital with the purpose of returning capital by cash payment to the shareholders, amounting to € 0,05 per share, as well as for the relevant amendment of the article 5 of the Company's Articles of Association. From 07.09.2018 (cut-off date) the Company's shares were traded on the Athens Stock Exchange with the new nominal value of € 0,56 per share, without the right to participate in the capital return by cash payment to shareholders of € 0,05 per share. From the same date, the kick off price of the Company's shares on the Athens Stock Exchange was formulated in accordance with the Athens Stock Exchange Regulation in conjunction with Decision No 26 of the BoD of the ASE as it applies. Beneficiaries of capital return were the shareholders registered in the D.S.S. (Dematerialized Securities System) records as at 10.9.2018 (date of identification of the beneficiaries - record date). The start date for the return of capital was set for Friday, 14.9.2018 and the payment was made via the Bank "Eurobank Ergasias A.E.".

The reduction of the share capital of the Company by the amount of € 656.301,00 was completed in September 2018. After the above reduction, the Company's share capital is now € 7.350.571,20, divided into 13.126.020 common registered shares, of a nominal value of € 0,56 each.

7. On 10 September 2018, the parent company granted a guarantee in the form of a Letter of Guarantee of € 700.000 in favor of AS KIDS TOYS S.R.L in Romania for an overdraft loan agreement, ending on 10 September 2020.

C. MAIN RISKS AND UNCERTAINTIES

The activities of the Company and the Group are exposed to a number of risks. The risks and uncertainties are described in detail in this Annual Financial Report for the year 2018.

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

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

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

(a) Exchange rate

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

The Group carries out a significant part of its imports from China - Hong Kong which are invoiced in US dollars (USD). In 2018, purchases in dollar comprised for 69,6% of total purchases, compared to 63,7% of the previous year's purchases. The value of imports in dollar (USD) is 38,4% higher than the same period last year.

The Group retains cash and investment products in dollars (USD), which cover 24,6% of the imports value in dollars made within 2018.

The average exchange rate between euro/dollar the last 5 years is as follows:

	2014	**2015**	**2016**	**2017**	**2018**
Average exchange rate	1,3286	1,1102	1,1068	1,1297	1,1810
Annual change %		-16,44%	-0,31%	2,07%	-4,54%

The Group in 2018 did not use financial instruments to reduce its exposure from foreign exchange risk arising from the markets.

(b) Interest rate risk

The bank borrowing of the Company and the Subsidiary in Cyprus is exclusively in euros and is subject to floating interest rates.

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

Due to its significant liquidity, the Company has not proceeded to bank borrowing and all its working capital needs is financed from own funds. Management estimates that the aforementioned risk is not expected to substantially affect the financial position of the Company and the Group.

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

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

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

With regards to kids clothing under the trade name Idexe, the Company has agreed to cease cooperation with this particular supplier and proceed to the closure of retail stores, except its retail outlet store located in the Company's premises, which will continue to operate with other suppliers' products.

(d) Credit risk and liquidity risk

It concerns the risk that the Company or the Group may face if a customer fails to fulfil its contractual obligations. The Group and the Company, in order to reduce their credit risk, apply a rational credit policy, taking into account any market information collected from data banks for the credibility of their customers. The receivables of the Group and the Company derive mainly from wholesale, while a significant part of the receivables derive from large customers.

The financial status of its customers is continuously monitored by the Group and the Company by controlling credit limits provided. If deemed necessary additional collaterals and guarantees are obtained.

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

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

Group	**31.12.2018**	**31.12.2017**
Current Assets / Short Term Liabilities	483,51%	375,39%

Company	**31.12.2018**	**31.12.2017**
Current Assets / Short Term Liabilities	482,67%	383,70%

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 positive cash flows as mentioned above, b) the high credit rating with the banking institutions, c) the financial assets of the Company, whose carrying amount in the financial statements does not deviate from their fair value, d) maintaining cash at credible banks e) placing cash to trading investments.

The subsidiary in Romania as of 31/12/2018 had € 261.638 in cash and has secured a finance line of € 700.000 which has not been used as of to date.

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

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

Group	Total		Up to 1 year		From 1 to 5 years	
	2018	2017	2018	2017	2018	2017
Short Term Bank Loans	96.919	2.020.677	96.919	3.011	0	2.017.666
Accounts payables	2.862.121	2.709.760	2.862.121	2.709.760		
Other short-term liabilities	3.187.739	2.815.107	3.187.739	2.815.107		
Total	**6.146.779**	**7.545.544**	**6.146.779**	**5.527.877**	**0**	**2.017.666**

Company	Total		Up to 1 year		From 1 to 5 years	
	2018	2017	2018	2017	2018	2017
Short Term Bank Loans	14.516	2.020.205	14.516	3.011	0	2.017.194
Accounts payables	2.809.696	2.474.374	2.809.696	2.474.374		
Other short-term liabilities	3.036.828	2.655.815	3.036.828	2.655.815		
Total	**5.861.040**	**7.150.394**	**5.861.040**	**5.133.200**	**0**	**2.017.194**

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

(e) Insurance Risk

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

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

The subsidiary of Cyprus in 2018 did not have its own warehouse and cooperated with a logistics company that carried out all the supply chain operations. For the cooperation with the logistic an adequate insurance cover for the products was required on behalf of the latter. In 2019, the trading operations are carried out through the warehouse facilities of the parent company.

The Romanian subsidiary does not have its own warehouse and the trading of merchandise takes place through the warehouse facilities of the parent Company.

Macroeconomic conditions in Greece-Cyprus-Romania

Greece

The macroeconomic and financial environment in Greece shows continues signs of stability as evidenced by the official exit from the international bailout programme on 20 August 2018. However, uncertainties exist since the country is under a “post surveillance programme” where it will have to show its progress in meeting budget and reform targets while economy remains very sensitive to fluctuations in the external environment. The capital controls continue to be in place, but have been eased over time. The most recent related amendment came into force on 1 October 2018.

Management continually assess the possible impact in the macroeconomic and financial environment in Greece, so as to ensure that all the necessary actions and measures are taken in order to minimize any impact on the operations in Greece. Based on the information available to date, the Management has concluded that no additional impairment provisions are required for the Group's financial and non-financial assets at 31 December 2018.

Cyprus

The Cyprus economy in 2018 achieved for the third consecutive year strong growth, with Cypriot GDP growing by 3,9% despite the deceleration in the global economy. In an announcement on the completion of the third review, the IMF notes that the growth potential is expected to slow down gradually but remain robust, with growth rates expected to fall to the still strong – 3,0% to 3,5% in the two years 2019 - 2020 from 3,9% in 2018, driven by foreign investments. The main feature of the economy is strong growth, supported by construction, tourism and the professional services sector, while unemployment has fallen further. The State budget continues to show a big surplus, while bank balance sheets are boosted as non-performing loans NPLs declined sharply following the large portfolios outside banks.

Romania

The country's economy is in a recovery phase with GDP rising by about 4% in 2018. Romania's National Strategy and Budgetary Committee maintains - in its latest report - the estimate for GDP growth of 5,5% in 2019 and adjusting inflation to 2,8%. The trade deficit will continue its upward trend and will reach €16,9 billion euros in 2019 from €15 billion in 2018. Imports in 2019 are expected to show an increase of 7,8%, compared to 6,9% of exports. For 2020, the Commission's forecast for the imports trend "places" on the positive territory as it expects an increase of 7,9%. Similarly, with a positive sign it will close in 2020 and exports (7,1%). Romania is expected to have adopted the euro by 2024.

Other risks

The demand of Company's products is influenced by external factors such as economic uncertainty, reduced consumption and consumers preference for low-priced products. In this context, Management has made a selection of quality products with low retail price, which are attractive to consumers.

The Company proceeds to short-term investments (mainly bonds) having first evaluated the relevant ratings from international firms.

D. STRATEGY OF THE COMPANY AND PERSPECTIVES FOR THE YEAR 2019

The domestic toy market has been steadily moving over the last 4 years with the majority of sales being made by large chains. Despite the market instability, the Company has succeeded increase its market share with new innovative products, which in combination with special promotional activities enhances its image to consumers.

In the Greek market, Management is expecting low growth rates by investing in new innovative products with higher profitability.

Group Management will continue to focus on exports as it believes there is room for further development of its operations in Cyprus.

	2016	2017	2018
Cyprus Turnover (without intercompany)	743.431	1.165.567	1.586.483
% annual change		56,8%	36,1%

As for the Romanian market is concerned, the Group's Management expects to achieve higher market share as 2019 will be the first full year of operation of its subsidiary.

The Group's management has set itself the objective of achieving at a minimum the profit equivalent to that of 2018.

The Group continues to invest in the improvement of its infrastructure, paying particular attention to the application of technological products in its operational procedures.

Group Management will continue to focus on exports and will continue to seek opportunities for presence in other Balkan countries.

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

The Company's plans for 2018 will focus:

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

Wholesale	**2018**	**2017**	**2016**	**2015**
Kids toys- Domestic Market	23.579.501	21.907.212	21.517.436	17.893.500
% annual change	7,63%	1,81%	20,25%	

As a result of the increase of wholesale sales in recent years, the Company continued to increase its share in the domestic market and its successful product strategy.

Maintaining adequate liquidity. As a result, the proper management of the Company's working capital will continue to be done in the same way that has been done in previous years.

	2018	**2017**	**2016**	**2015**
Stock turnover days	131,11	94,97	91,49	91,07
Customer collection days	115,96	146,12	157,96	150,07
Suppliers payment days	74,72	66,04	68,31	46,26
Business cycle duration	172,36	175,05	181,15	194,88

Through the continuous and effective control of working capital, the Company has succeeded in improving the cash flow cycle.

E. RELATED PARTIES TRANSACTIONS

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

Transactions with related parties during the year 2018, i.e. intercompany sales / purchases and intercompany balances, were all Transactions within the scope of the Company's business operations.

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

Sales	**2018**	**2017**
AS COMPANY CYPRUS LTD	263.098	282.213
AS KIDS TOYS S.R.L	78.460	0
Total	**341.558**	**282.213**

Purchases	2018	2017
AS COMPANY CYPRUS LTD	127.587	30.463
AS KIDS TOYS S.R.L	0	0
Total	**127.587**	**30.463**

Other Transactions	2018	2017
AS COMPANY CYPRUS LTD	39.318	29.069
AS KIDS TOYS S.R.L	7.415	0
Total	**46.733**	**29.069**

Related party Transactions are conducted in accordance with the Company's usual business terms.

Balances from trading Transactions		
Receivables	**2018**	**2017**
AS COMPANY CYPRUS LTD	102.365	143.291
AS KIDS TOYS S.R.L	85.549	0
Total	**187.914**	**143.291**

Payables	**2018**	**2017**
AS COMPANY CYPRUS LTD	0	0
AS KIDS TOYS S.R.L	152.963	0
Total	**152.963**	**0**

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

Remuneration and Transactions of Directors	**Group**		**Company**	
Short – term employee benefits	**2018**	**2017**	**2018**	**2017**
Salaries	784.426	808.300	707.719	734.868
Social Security cost	122.235	125.014	115.426	117.963
Total	**906.662**	**933.314**	**823.145**	**852.831**

Remunerations and Transactions of Board Members	**Group**		**Company**	
Short – term benefits	**2018**	**2017**	**2018**	**2017**
Salaries	275.720	255.220	256.020	235.520
Social Security cost	40.343	35.303	40.343	35.303
Total	**316.063**	**290.523**	**296.363**	**270.823**

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

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

F. CORPORATE GOVERNANCE DECLARATION

This Corporate Governance Declaration has been prepared in accordance with article 152 of Law 4548/2018 (Government Gazette A '104/ 13.06.2018) and is included in the Annual Board of Directors Report for the fiscal year 2018, as a special part of it; and is available through the Company's website.

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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 the administrative, management and supervisory bodies.

Corporate Governance Declaration

I. Corporate Governance Rules

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

II. Corporate Governance Code

The Board of Directors of the Company has voluntarily decided to adopt the Code of Corporate Governance of Hellenic Federation of Enterprises (SEV) for Listed Companies (hereinafter referred to as the "Code") of 2013, which applies with some deviations that are in line with the Company's specific characteristics and make its management more flexible and functional. These deviations are listed below. The BoD has taken a decision and this Code has been applied since 27/07/2018.

The applicable Code is uploaded on the SEV website at:

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

The Company is in the process of drafting and adopting various Policies, in combination with the adoption and the new operating regime of societe anonymes under Law 4548/2018.

The Company may make amendments to the Code and the Corporate Governance Rules it applies in order to serve its rules in the best possible way. If the Company makes any further changes, the amended text will be uploaded on its website and there will be a respective announcement.

III. Corporate Governance Practices in addition to legislation requirements

The Company does not apply additional Corporate Governance practices than those set out in the adopted Code and the applicable legislation. Until timely amendment of the Articles of Association and the adopted Corporate Governance Code to Law 4548/2018, it is possible that the Code refers to provisions of the Codified Law 2190/1920, which was in force until 31.12.2018.

IV. Deviations from the Corporate Governance Code – Justification

Role and responsibilities of the BoD

The Board of Directors has not introduced a Nomination Committee with the objective of the nomination and introduction for the election of new members to the Board of Directors. The policy applied for the nomination of new members in the Board of Directors concerns persons with sufficient qualifications and several years of experience. The nominations of new members of the Board of Directors are proposed by BoD members or Shareholders to the BoD or to the General Meeting (hereinafter referred to as "GM") as appropriate. The Board of Directors has not introduced a Remuneration Committee with the objective of the suggestion of the remuneration for the BoD members and senior executives of the Company. The Company follows a remuneration policy that is adapted to the prevailing conditions of itself and the market in general. The fees of the BoD Members are approved by the GM. Given the non-introduction of the above committees, the Company does not apply any other reference to these committees from the adopted Code.

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 current Board of Directors consists of seven (7) Members. From these members, three (3) members are executive and four (4) non-executive. From the four non-executive members, the three (3) are independent non-executive. This composition proves to be adequate, flexible and effective in its operation. Due to the size of the Company there is no specific diversity policy of the Board of Directors or senior executives. The existing BoD contains (3) Members with a knowledge of the toys industry, two (2) Members with knowledge of the commercial sector and three (3) Members with knowledge in the financial sector. The Company does not follow a specific policy of diversity and genders balance for the members of the Board of Directors or its executives. In the existing BoD both genders (five men and two women) are represented.

Role and required characteristics of the Chairman of the Board

The responsibilities of the Chairman of the BoD are defined by the Law and Company's Articles of Association. Although the Chairman of the BoD acts at the same time as Chief Executive Officer, due to the size of the Company and the necessity of assisting the Chairman in his/ her executive duties the BoD does not appoint an Independent Executive Vice President, coming from its Independent Members.

Duties and behaviour of the members of the Board

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

Nomination of Members of the Board of Directors

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

Operation of the Board of Directors

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

Evaluation of the Board of Directors

- There is no specific procedure for the evaluation of the effectiveness of the Board of Directors and Committees every two years. There is a three year term of the Board of Directors and the Audit Committee and their evaluation takes place in practice, within the framework of their election every three years by the General Meeting. Also, the Board of Directors does not evaluate the performance of the Chairman of the Board of Directors during the course of a process under the chairmanship of an independent Vice-Chairman or other Non-Executive Member of the Board. The relevant provision is deemed unnecessary as the Board, including its Chairman, is constantly evaluated and takes care of the withdrawal of the identified weaknesses.
- The Non-Executive Members do not meet without the presence of Executive BoD members in order to evaluate the performance of the Executive Members and to determine their remuneration.
- Given the above, the Board of Directors does not include in the Annual Corporate Governance Declaration a brief description of the evaluation process of itself and its Committees.

Internal Control System

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

Remuneration

- The remuneration of all members of the Board of Directors, Executive and Non-Executive, and their form, are approved by the General Meeting, following a recommendation by the Board of Directors, in accordance with the Articles of Association of the Company and Article 109 para.1 of L.4548/2018. The method of calculation and the level of remuneration are adapted to the prevailing economic conditions of the Company and the general, local and international ones.
- There is no Remuneration Committee, consisting exclusively of Non-Executive Members, most of them independent, whose purpose is to determine the remuneration of the Executive and Non-Executive BoD members.

Relations with Shareholders

General Meeting

- No summary of GM of the shareholders minutes is uploaded on the Company's website. However, the relevant announcement published in the Athens Stock Exchange Bulletin, with all the crucial elements of the decisions taken, is posted within 15 days of the General Meeting. Moreover, according to article 32 of C.L. 2190/1920 (thereafter article 133 L.4548/2018), the Company as a listed company in the Athens Stock Exchange, publishes on its web site, under the responsibility of the Board of Directors, the results of the voting, within five (5) days from the date of the General Meeting specifying for each decision at least the number of shares for which valid votes were casted, the proportion of the share capital represented by such votes, the total number of valid votes, as well as the number of votes in favour and against each decision and the number of abstentions. This information is sufficient to inform the shareholders and the investing public.
- Due to the size of the Company, participation in the General Meeting and voting issues electronically have not been established.

In the GM of the shareholders shall attend at least all Executive Members, the Chairman of the Audit Committee, the internal auditor and the independent statutory auditor, except for extreme difficulties of some of them to attend. Due to the small size of the Company, there is no obligation, but the presence in the General Meeting is encouraged for Non-Executive Members. The above may provide information on all matters within their duty.

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

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

AS Company Cyprus Ltd in the 2018 year has run its third year of operation as its establishment 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 Management of the Subsidiary.

AS KIDS TOYS S.R.L. in the year 2018 covered the first year of its operation, while the company was active in the 4th quarter of 2018. The internal control and risk management systems are currently exercised by Company executives or external associates who assist the Management of the Subsidiary.

- The Company and its Subsidiaries in Cyprus and Romania apply the following internal control procedures for the preparation of the financial statements:
- The Accounting Department carries out periodic reconciliations on receivables, liabilities, cash and short-term investments
- Uniform budgets for the following year are prepared and approved by the Board of Directors of the company
- Condensed profit and loss accounts and statements of financial position are prepared each month under IFRSs and unified accounting applications and procedures
- The subsidiary in Cyprus submits the six-month and annual statement of financial position and income and comprehensive Profit and Loss account according to specific closure and audit procedures
- The Accounting Department carries out the consolidation entries under IFRSs.
- The Financial Statements of the Company and the Group are audited by independent statutory auditors, the Audit Committee and the BoD of the Company

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

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

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

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

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

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

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

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

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

General Meeting Mode of Operation

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

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

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

Basic Powers of the General Meeting

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

The General Meeting of Shareholders of the Company is solely responsible for deciding on all the matters that are provided for in paragraph 1 of article 34 of C.L. 2190/1920, subject to the exceptions listed in paragraph 2 of that Article.

Rights of shareholders and ways of exercising them

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

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

Composition of the Board of Directors

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

The Company is governed by a Board of Directors, which consists of at least five (5) and up to seven (7) members. As Member of the Board of Directors can be assigned a legal entity, which is required to designate a natural person for the exercise of its powers, as a member of the Board of Directors. The members of the Board of Directors are elected by the General Meeting of the shareholders of the Company for a three (3) years term.

The current Board of Directors consists of 3 executive and 4 non-executive members. From the non-executive members the 3 are independent, fulfilling the requirements set by L. 3016/2002 on Corporate Governance.

The persons who make it up are:

1. Efstratios Andreadis of Konstantinou, executive member of the BoD, Chairman and Managing Director.

2. Anastasia Andreadou the genus of Angelos Kozlaclidis, executive member of the BoD, Vice-President.

3. Theodora Koufou of Dimitriou, executive member of the BoD.

4. Petros Iacovou of Nicholaou, independent non-executive member of the BoD

5. Ioannis Apostolakos of Georgios, independent non-executive member of the BoD

6. Apostolos Petalas of Dimitriou, independent non-executive member of the BoD

7. Theofilos Mechteridis of Ioanni, non-executive member of the BoD

The above BoD commenced on 21.06.2018 and expires on 21.06.2021 and is extended until the Annual General Meeting of the year 2021, if it takes place after 21.06.2021.

Short Curriculum Vitae of Board Members:

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

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

ANASTASIA ANDREADOU, Vice Chairman and executive member of the BoD

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

THEODORA KOUFOU, Executive Member of the BoD

Born in 1972 in the United States. She holds a BSc in Financial Studies from New York University and a postgraduate Diploma in Economics from Pace University. She has been appointed General Manager of AS Company A.E. since July 2015, and was also the Internal Control Officer from September 2001 to June 2015. Prior to taking up his duties at AS Company, she worked in the US in the John Kaldor USA, Angelika Films and others companies.

PETROS IAKOVOU, Independent Non-Executive Member of the BoD

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

APOSTOLOS PETALAS, Independent Non-Executive Member of the BoD

Born in 1961 in Soufli, Evros. He holds a Business Administration degree from Piraeus University, certified in special programs: Leadership, Executive Management, Economics and Strategic Analysis, in the Colgate Palmolive and PepsiCo internal training system in the USA. From 1985 to 1990 he worked at Colgate Palmolive in various sectors of Financial Services. From 1990 to 1999 he held management positions in the PepsiCo Economic Sector and until 2007 he was PepsiCo's President and Managing Director in Greece. He is the Managing Director of the listed company "Fourlis A.E. Holdings". He is also Vice-Chairman of the Association of Chief Executive Officers (ACEO) and Member of the BoD of the Association of Business and Retail sales of Greece (HRBA).

IOANNIS APOSTOLAKOS, Independent Non-Executive Member of the BoD

Born in 1964 in Athens. He studied Business Administration at ASOEE and holds an MBA from the University of Cardiff, Wales. Administrator in the Consulting Company ANCIENT OLYNTHEF IKE. Independent Non-Executive Board Member on the listed in Athens Stock Exchange, Thrace Plastics S.A.

THEOFILOS MECHTERIDIS, Non-Executive Member of the BoD

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

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

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

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

How the Board of Directors operates

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

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

The Board of Directors is in quorum and holds a valid meeting if half (1/2) plus one Director are present or represented in it, but in no case the number of the Directors present in person can be less than three (3). In order to find the number of quorum, the fraction that may occur is omitted. The Board of Directors decides validly by an absolute majority of the Directors who are presented in person or represented, except for the cases where the Articles of Association or the Law provide for increased majority. In case of a tie, if the vote is open, it is repeated, if it is secret, the decision is postponed. In the case of personal matters, the Board of Directors decides by secret ballot. Each director has one vote, while when it represents an absent director it has two (2) votes.

A director who is absent for any reason at a meeting is entitled to be represented by another director, but in no case a member of the board can represent more than one directors.

During 2018, the Board of Directors of the Company held fifty-five (55) meetings. The table below shows the attendance of each member to the meetings of the Board:

Member	Attending Meetings
Efstratios Andreadis, Chairman & CEO, executive member	55
Anastasia Andreadou, Vice-Chairman, executive member	55
Theodora Koufou, executive member	55
Petros Iacovou, independent non-executive member	50
Ioannis Apostolakos, independent non-executive member	48
Apostolos Petalas, independent non-executive member (from 21.06.2018)	25
Theofilos Mechteridis, non-executive member	55

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

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

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

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

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

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

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

Chairman of the Audit Committee is Mr. Petros Iacovou.

The term of the Audit Committee under Article 44 of L.4449/2017 is three years. The term of this Audit Committee commenced on 21.06.2018 and expires on 21.06.2021 and is automatically extended until the Annual General Meeting of the year 2021, if it is held after 21.06.2021.

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

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

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

During the year 2018, the Audit Committee held in total 11 meetings. With its new composition (from 21.6.2018), for the same year, the Audit Committee met 5 times. The attendance of members in meetings is shown in the table below.

Member of the Audit Committee	Attending Meetings
Petros Iacovou	11
Ioannis Apostolakos	11
Apostolos Petalas (from 21.06.2018)	5
Theofilos Mechteridis	11

X. Diversity policy in administrative, management and supervisory bodies

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

Members of Management Bodies have experience (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 involved in the work of the bodies as they have experience in areas related to the business environment of Company and the Group such as trade, imports/exports, finance, audit procedures.

The Board of Directors of the Company elected by the General Meeting of 21.06.2018 consists in the majority of men. The Audit Committee consists only of men.

The objective of the Group is to add other representatives from the female gender to the Board of Directors or to the Audit Committee or any other committees or other management bodies set up in the future in accordance with the needs of the Company and the Group in general. It is noted that Mrs. Koufou, apart from a BoD member, is the General Manager of the Company and was appointed Administrator of the recently established subsidiary in Romania, "AS KIDS TOYS S.R.L".

In the Company there are three other women holding positions of Manager, Head and In-charge of Department.

G. CORPORATE SOCIAL RESPONSIBILITY

Generally

Safety and product quality are the basic principles governing the operation of the Company and its Subsidiaries. On this basis, the course of the Group is formed from first day of its operation continues the same way for the future. These values are of particular importance to a Group dealing with kids and their entertainment. In practice, this means that AS toys have a safety and quality guarantee to provide carefree hours of entertainment and joy to kids and parents. The Customer Services department takes care of responding promptly to all requests it receives, always in line with the family and its needs concerning the kid and the toy.

In addition, AS, through a series of donations and benefits throughout the year, is constantly by the side of vulnerable social groups in our country. Its main priority is the practical support of organizations and clubs that through their actions support mainly children and families. Each smile given to children is for AS's people a testimony and a confirmation of its perfect work and social contribution. In this context, AS responded with special pleasure to the call of beloved artists to visit the oncology department of the Panayiotis and Aglaia Kyriakou hospital that is accommodated in the "Elpida - Marianna Vardinoyannis" unit and to share gifts, smiles and Easter wishes to the children and their parents. Furthermore, it was next to “ELEPAP – Rehabilitation for the Disabled” with a donation of products that helped in the treatment and rehabilitation of children with disabilities and developmental difficulties.

For the contribution of AS to making wishes for children aged 3-18 years who suffer from life-threatening illnesses, the Make A Wish of Greece, has awarded AS the honorary praise for dedication and support company in the work of the Agency.

At the same time, in order to support the actions of the charitable association of "Honorary Society of Athens - Nursing Home", which offers its services in the elderly, AS assisted at regular intervals throughout the year the provision of assistance in food, consumables and personal belongings, in order for the decent living of people hosted in the nursing home. Finally, AS continued during 2018 to respond to as many requests for help as possible with the peak season to be on Christmas, a period when it receives the largest amount of aid requests each year. Overall, the Company responded to 115 different requests and distributed more than 10.800 products to donations.

Environmental & Work Issues

The operations of the Company and its Subsidiaries have no impact on the environment as no processing is taken place at in the countries of operation while the goods sold are environmental friendly. In addition, the operation of the Group's facilities is of low nuisance.

The profile of people with the Group's employees is mixed as it employees by men (42,7%) and women (57,3%) and people with experience according to Company’s needs. The Company provides an additional health and life insurance program, the cost of which amounted to € 36.148,24 in the current year.

The Group's relationships with its staff are excellent and there are no labor problems. As a consequence of these relationships, there is a lack of court cases concerning labor issues.

H. DIVIDEND POLICY – SHARE CAPITAL RETURN

The Company's management does not intend to distribute a dividend but will proceed to a share capital return.

The Company's Management 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 € 0,07, ie a total amount of share capital reduction of nine hundred and eighteen thousand and eight hundred twenty-one euros and forty cents (€ 918.821,40).

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

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

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

a. Share capital structure

The Company's share capital amounts to seven million three hundred fifty thousand five hundred seventy one euro and twenty cents (€ 7.350.571,20), divided into thirteen million one hundred twenty six thousand and twenty (13.126.020) common registered shares, nominal worth fifty six cents (€ 0,56) of the euro each. The Company's shares are listed for trading as a whole on the Athens Stock Exchange.

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

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

The transfer of the Company's shares is effected in accordance with the Law and there are no restrictions on the transfer on the Company's Articles of Association, especially as they are intangible shares listed on the Athens Stock Exchange. There was no change during the year 2018 until the date of drafting this report.

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

The shareholders (natural persons or legal entities) that held at 31 December 2018 directly or indirectly more than 5% of the total number of shares and the relevant voting rights of the Company are listed in the table below.

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

There were no changes from 31.12.2018 up to the date of preparation of this report regarding the shareholders (natural person or legal entity) holding directly or indirectly of the total number of shares and the relevant voting rights of the Company.

d. Shares providing special control rights and description of these

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

There was no change during the year 2018 and the date of drafting this report.

e. Restrictions on voting rights

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

There was no change during the year 2018 and the date of drafting this report.

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

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

There was no change during the year 2018 and the date of drafting this report.

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

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

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

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

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

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

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

There was no change during the year 2018 and the date of drafting this report.

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

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

There was no change during the year 2018 and the date of writing this report.

k. Significant events after the end of 2018

The Company has entered into a special negotiation contract with Eurobank Equities with a commencement date on 1 April 2019.

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

l. Alternative performance measurement indicators ("EDMA")

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

EBITDA ratio

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

The ratio for the corresponding years of 2016, 2017 & 2018 was as follows:

	31.12.2018	**31.12.2017**	**31.12.2016**
% Sales	19,17%	18,92%	16,13%
EBIDTA	5.177.961	4.910.800	4.154.095

Leverage Factor Ratio

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

The ratio for the corresponding years of 2016, 2017 & 2018 was as follows:

	31.12.2018	**31.12.2017**	**31.12.2016**
% net debt/equity	-47,91 %	-35,74%	-22,21%
Net debt	-13.631.543	-9.260.672	-5.196.654

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

Thessaloniki, 12 April 2019

THE CHAIRMAN OF BOARD OF DIRECTORS

& MANAGING DIRECTOR

EFSTRATIOS K. ANDREADIS

III. Independent Auditors’ Report
(Translated from the original in Greek)

To the Shareholders of
AS COMPANY S.A.

Report on the Audit of the Separate and Consolidated Financial Statements Opinion

We have audited the attached Separate and Consolidated Financial Statements of AS COMPANY S.A. (the “Company”) which comprise the Separate and Consolidated Statement of Financial Position as at 31 December 2018, the Separate and Consolidated Statements of Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting principles and methodology and other explanatory information.

In our opinion, the attached Separate and Consolidated Financial Statements present fairly, in all material respects, the financial position of AS COMPANY S.A. as at 31 December 2018 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants, as it has been incorporated into Greek legislation, and the ethical requirements that are relevant to our audit of the separate and consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters, that, in our professional judgment, were of most significance in our audit of the Separate and Consolidated Financial Statements of the current period. These matters and the relevant significant assessed risks of material misstatement were addressed in the context of our audit of the Separate and Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventories Valuation

Key audit matter	How the matter was addressed in our audit
As stated in Note 7.5 of the Financial Statements the Company's and the Group's inventories amount approximately to EUR 4 931 thousand and EUR 5 126 thousand respectively, as valued after the impairment provision of EUR 623 thousand. Inventories are valued at the lower of cost and net realizable value. The net realizable value is determined based on the selling prices after the year end of the year of reference. Management's estimation concerning the provision for impairment of inventories is based on the estimations for slow moving and obsolete inventories, the seasonality of inventories and selling prices of the above. Inventories valuation is an important key audit matter due to the significant balance of inventories and the subjective judgement required from management in the assessment of the provision for impairment of inventories. Disclosures of the Group and the Company concerning inventories and and the accounting principle and method applied for their valuation are included in notes 4.6 and 7.5 of the Financial Statements.	Our audit procedures in relation to this matter included the following: We evaluated the design and the operating effectiveness of the internal controls of the Company regarding the warehouse monitoring process. We performed substantive audit procedures regarding the movement of inventories to identify slow-moving inventories, so as to evaluate the appropriateness of the assumptions made by management for the inventories valuation process. In order to evaluate the inventory valuation in comparison with the net realizable value, we compared on a sample basis the accounting value of inventories with their sale prices after the year end of the year of reference. We examined, on a sample basis, the correct calculation of the inventories acquisition cost. We attended year-end inventory count in order to examine the physical condition of inventories, as well as their probable impairment. We considered the adequacy of disclosures, in the Financial Statements.

Impairment of Trade Receivables

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>As stated in Note 7.6 of the Financial Statements the Company's and the Group's Trade Receivables amount approximately to EUR 10 133 thousand and EUR 10 684 thousand respectively, against which an impairment provision of EUR 94 thousand was made.

In the application of IFRS 9 as of 1 January 2019, management evaluates the recoverability of the Company’s and the Group’s trade receivables and proceeds to the assessment of the appropriate provision for impairment for the expected credit losses.

In determining the expected credit losses of trade receivables, the Group and the Company uses a table of provisions for credit losses based on ageing analysis of the balances, and historical data of the Group and the Company for credit losses, adjusted to future factors in relation to debtors and the economic environment.

Impairment of trade receivables is an important key audit matter due to the significant balance of trade receivables and the subjective judgment required l from management in the assessment of the recoverability of trade receivables.</td><td>Our audit procedures in relation to this matter included the following:

We evaluated the design and the operating effectiveness of the internal controls of the Company and the Group regarding the credit control process, the monitoring and collection of trade receivables and the formation of provision for impairment.

For a representative sample of trade receivables we received letters to confirm year end balances.

We also reviewed collections took place subsequent to year end for a sample of trade receivables.

We evaluated the ageing analysis of trade receivables and examined significant balances of customers as regards to the time analysis of their maturity, if they became overdue as well as the financial position of these customers.

We examined the adequacy of the provision for doubtful debts of the Company and the Group assessing management’s estimates. We reviewed lawyers’letters as regards to their assessment of pending litigation for the collection of trade receivables.

We assessed the impact of the adoption of IFRS 9 in the current fiscal year, which led to a corresponding change of the Company’s and the Group’s accounting principle and methodology for dealing with impairment losses on trade receivables.

We considered the adequacy of disclosures, in the Financial Statements.</td></tr>
</table>

Other Matter

The Separate and Consolidated Financial Statements of the Company for the year ended 31 December 2017 were audited by another Audit Firm who expressed an unmodified opinion on those Separate and Consolidated Financial Statements on 25 April 2018.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, for which reference is made in the "Report on Other Legal and Regulatory Requirements" and the Declarations of the Members of the Board of Directors included in the Annual Report as required by the L. 3556/2007 but does not include the Separate and Consolidated Financial Statements and our Auditors' Report thereon.

Our opinion on the Separate and Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Separate and Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Separate and Consolidated Financial Statements or our knowledge obtained in the audit, or otherwises appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these Separate and Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Separate and Consolidated Financial Statements, management is responsible for assessing the Company's 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 or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (Article 44 of L. 4449/2017) are responsible for overseeing the Company's and Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Separate and Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Separate and Consolidated Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.

- Evaluate the appropriateness of accounting principles and methodology 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Separate and Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company 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 included in the Company's Consolidated Financial Statements in order to express an opinion on these Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of these consolidated financial statements. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Separate and Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements Board of Directors' Report

Management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement that is included in this report. Pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

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

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

(c) Based on the knowledge acquired during our audit, relating to the Company and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Additional Report to the Audit Committee

Our audit opinion on the Separate and Consolidated Financial Statements is consistent with the Additional Report to the Audit Committee of the Company dated 12 April 2019, pursuant to the requirements of article 11 of the Regulation 537/2014 of the European Union (EU).

Provision of non-Audit Services

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

For the year ended 31 December 2018, we have not provided any non-audit services to the Company and its subsidiaries.

Appointment of Auditor

We were appointed for the first time as Certified Auditors of the Company based on the decision of the Annual General Shareholders' Meeting dated 21 June 2018.

Athens, 12 April 2019

KPMG Certified Auditors S.A.
AM SOEL 114

Nikolaos Vouniseas, Certified Auditor Accountant
AM SOEL 18701

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

ANNUAL FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED) AS OF 31 DECEMBER 2018

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

It is ascertained that the attached Separate and Consolidated Financial Statements of 31 December 2018 are those approved by the Board of Directors of "**AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTER AND TOYS S.A."** on 12 April 2019 and have been made public by posting on the Internet at **www.ascompany.gr** where they will remain available to the public for a period of at least ten (10) years.

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

IV. ANNUAL FINANCIAL STATEMENTS

A. ANNUAL STATEMENT OF FINANCIAL POSITION

(Amounts in Euros)

		GROUP		COMPANY	
	Note	31.12.2018	31.12.2017	31.12.2018	31.12.2017
ASSETS					
Non-current assets					
Property,plant and equipment	7.1	5.261.550	5.828.102	5.248.834	5.825.390
Intangible assets	7.2	132.797	24.725	121.599	24.725
Participations in subsidiaries	7.3	0	0	550.000	150.000
Other non-current assets	7.4	31.178	29.182	30.117	29.182
		5.425.525	**5.882.010**	**5.950.549**	**6.029.298**
Current assets					
Inventories	7.5	5.126.114	3.590.166	4.930.601	3.558.397
Accounts receivables	7.6	10.589.434	12.935.707	10.038.833	12.383.981
Investments at fair value through P&L	7.7	5.336.434	5.609.968	5.336.434	5.609.968
Other current assets	7.8	276.280	517.758	239.686	512.698
Cash and cash equivalents	7.9	8.392.027	5.671.381	7.743.872	5.370.705
		29.720.290	**28.324.979**	**28.289.426**	**27.435.749**
Total assets		**35.145.815**	**34.206.989**	**34.239.975**	**33.465.046**
EQUITY AND LIABILITIES					
Equity					
Share capital	7.10	7.350.571	8.006.872	7.350.571	8.006.872
Share premium		74.509	74.509	74.509	74.509
Other reserves		1.726.214	1.587.106	1.726.623	1.587.106
Retained earnings		19.302.971	16.245.795	18.682.462	15.899.002
Equity attributable to shareholders of the Company		**28.454.265**	**25.914.282**	**27.834.165**	**25.567.489**
Total Equity	7.10	**28.454.265**	**25.914.282**	**27.834.165**	**25.567.489**
Long-Term Liabilities					
Deferred tax liabilities	7.11	90.082	306.467	90.082	306.467
Staff leaving benefits	7.12	356.766	341.249	356.766	341.249
Other long-term liabilities	7.13	97.922	99.447	97.922	99.447
		544.770	**747.163**	**544.770**	**747.163**
Current liabilities					
Account payables	7.14	2.862.121	2.709.760	2.809.696	2.474.374
Short-term borrowings	7.15	96.919	2.020.677	14.516	2.020.205
Other short-term liabilities	7.16	3.187.739	2.815.107	3.036.828	2.655.815
		6.146.779	**7.545.544**	**5.861.040**	**7.150.394**
Total Liabilities		**6.691.549**	**8.292.707**	**6.405.810**	**7.897.557**
Total Equity and Liabilities		**35.145.815**	**34.206.989**	**34.239.975**	**33.465.046**

The accompanying notes set out on pages 41 to 78 form an integral part of these Separate and Consolidated Financial Statements for the year ended 31 December 2018.

B. ANNUAL PROFIT AND LOSS ACCOUNT

(Amounts in euro)

		GROUP		COMPANY	
	Note	1.1. - 31.12.2018	1.1. - 31.12.2017	1.1. - 31.12.2018	1.1. - 31.12.2017
Turnover	7.17	27.015.626	25.954.044	25.609.118	25.070.689
Cost of Sales	7.18	-14.215.563	-13.888.132	-13.537.871	-13.488.518
Gross Profit		**12.800.064**	**12.065.913**	**12.071.247**	**11.582.171**
Other operating income	7.19	248.446	34.191	294.652	63.260
Administrative expenses	7.20	-1.968.589	-1.818.616	-1.806.562	-1.693.567
Distribution costs	7.21	-5.773.551	-5.227.736	-5.604.807	-5.115.540
Research and development expenses	7.22	-128.408	-142.952	-128.408	-142.952
Profit before interest, taxes, depreciation and amortization		**5.177.961**	**4.910.800**	**4.826.121**	**4.693.372**
Depreciation-Impairments	7.23	-649.086	-395.539	-645.094	-395.011
Profits before taxes, financing and investment results		**4.528.875**	**4.515.261**	**4.181.027**	**4.298.361**
Financial expenses-net	7.24	-35.907	-271.492	-19.082	-267.554
Profits before tax total		**4.492.968**	**4.243.769**	**4.161.945**	**4.030.808**
Less: taxes	7.25	-1.292.111	-1.259.131	-1.234.804	-1.232.404
Profits after taxes (A)		**3.200.857**	**2.984.638**	**2.927.141**	**2.798.404**
Other comprehensive income					
Items that will never be reclassified to P&L					
Actuarial (losses)/ profit	7.12	-5.552	83.210	-5.552	83.210
Deferred tax		1.388	-24.131	1.388	-24.131
Comprehensive income (B)		**-4.164**	**59.079**	**-4.164**	**59.079**
Total Comprehensive income (A) + (B)		**3.196.693**	**3.043.717**	**2.922.977**	**2.857.483**
Net profit attributable to:					
- Shareholders of the Company		3.196.693	3.043.717	2.922.977	2.857.483
Earnings per share - (in €)	12	0,2435	0,2319	0,2227	0,2177
Profits before interest, taxes, depreciation and amortization		**5.177.961**	**4.910.800**	**4.826.121**	**4.693.372**

The accompanying notes set out on pages 41 to 78 form an integral part of these Separate and Consolidated Financial Statements for the year ended 31 December 2018.

C. ANNUAL STATEMENT OF CHANGES OF EQUITY

(Amounts in Euros)

Company	**Share capital**	**Share premium**	**Other Reserves**	**Retained earnings**	**Total Equity**
Equity as of 01.01.2017	**8.531.913**	**74.509**	**1.472.421**	**13.156.204**	**23.235.047**
Profit for the year	0	0	114.685	2.683.719	2.798.404
Actuarial (losses)/ Profit	0	0	0	83.210	83.210
Deferred tax	0	0	0	-24.131	-24.131
Total comprehensive income	**0**	**0**	**0**	**59.079**	**59.079**
Reduction and return of share capital	-525.041	0	0	0	-525.041
Transactions with shareholders	**-525.041**	**0**	**0**	**0**	**-525.041**
Equity as of 31.12.2017	**8.006.872**	**74.509**	**1.587.106**	**15.899.002**	**25.567.489**
Equity as of 01.01.2018	**8.006.872**	**74.509**	**1.587.106**	**15.899.002**	**25.567.489**
Profit for the year	0	0	139.517	2.787.624	2.927.141
Actuarial (losses)/ Profit	0	0	0	-5.552	-5.552
Deferred tax	0	0	0	1.388	1.388
Total comprehensive income	**0**	**0**	**0**	**-4.164**	**-4.164**
Reduction and return of share capital	-656.301	0	0	0	-656.301
Transactions with shareholders	**-656.301**	**0**	**0**	**0**	**-656.301**
Equity as of 31.12.2018	**7.350.571**	**74.509**	**1.726.623**	**18.682.462**	**27.834.165**

Group	**Share capital**	**Share premium**	**Other Reserves**	**Retained earnings**	**Total Equity**
Equity as of 01.01.2017	**8.531.913**	**74.509**	**1.472.421**	**13.316.762**	**23.395.606**
Profit for the year	0	0	114.685	2.869.953	2.984.638
Actuarial (losses)/ Profit	0	0	0	83.210	83.210
Deferred tax	0	0	0	-24.131	-24.131
Total comprehensive income	**0**	**0**	**0**	**59.079**	**59.079**
Reduction and return of share capital	-525.041	0	0	0	-525.041
Transactions with shareholders	**-525.041**	**0**	**0**	**0**	**-525.041**
Equity as of 31.12.2017	**8.006.872**	**74.509**	**1.587.106**	**16.245.795**	**25.914.282**
Equity as of 1.01.2018	**8.006.872**	**74.509**	**1.587.106**	**16.245.795**	**25.914.282**
Profit for the year	0	0	139.517	3.061.340	3.200.857
Exchange differences & other reserves			-409		-409
Actuarial (losses)/ profit	0	0	0	-5.552	-5.552
Deferred tax	0	0	0	1.388	1.388
Total comprehensive income	**0**	**0**	**0**	**0**	**-4.164**
Reduction and return of share capital	-656.301	0	0	0	-656.301
Transactions with shareholders	**-656.301**	**0**	**0**	**0**	**-656.301**
Equity as of 31.12.2018	**7.350.571**	**74.509**	**1.726.214**	**19.302.971**	**28.454.265**

The accompanying notes set out on pages 41 to 78 form an integral part of these Separate and Consolidated Financial Statements for the year ended 31 December 2018.

D. ANNUAL CASH FLOW STATEMENT

(Amounts in Euro)

	Note	GROUP		COMPANY	
		1.1. έως 31.12.2018	**1.1. έως 31.12.2017**	**1.1. έως 31.12.2018**	**1.1. έως 31.12.2017**
Operating activities					
Profit before tax		4.492.968	4.243.769	4.161.945	4.030.808
Adjustments for:					
Depreciation	7.23	649.086	395.539	645.094	395.011
Provisions		54.608	34.953	54.608	34.953
Exchange differences		-67.264	200.545	-66.855	200.545
Results (Gain/loss) from investing activities		-110.869	-204.168	-110.737	-204.058
Interest and related expenses		108.094	280.689	106.780	274.433
Plus/Minus Working Capital Adjustments:					
(Increase)/ decrease in inventories		-1.535.949	1.896.007	-1.372.204	1.834.309
Decrease/ (increase) in receivables		2.025.716	-899.711	2.617.226	-984.199
(Increase)/in payables (except loans)		2.248.611	428.230	1.884.899	365.634
Minus :					
Interest and related expenses paid		-108.094	-280.689	-106.780	-274.433
Income tax paid		-2.650.430	-1.418.867	-2.599.170	-1.380.907
Net cash flows from operating activities (α)		**5.106.477**	**4.676.297**	**5.214.806**	**4.292.096**
Investing Activities					
Acquisition of subsidiary	7.3	0	0	-400.000	0
Purchase of tangible and intangible assets	7.1-7.2	-191.666	-51.976	-165.411	-51.976
Sales / (Purchase of securities of financial assets)		155.988	-2.900.520	155.988	-2.900.520
Interest received		229.907	2.534	229.775	2.424
Net cash flows from operating activities (β)		**194.229**	**-2.949.961**	**-179.648**	**-2.950.071**
Financing Activities					
Reduction and return of share capital	7.10	-656.301	-525.041	-656.301	-525.041
Proceeds from loans issued/withdrawn	7.15	81.931	2.000.000	0	2.000.000
Repayment of loans	7.15	-2.005.690	-2.227.516	-2.005.690	-2.049.637
Repayment of finance lease		0	-37.798	0	-37.798
Net cash flows from financing activities (c)		-2.580.060	-790.354	-2.661.991	-612.476
Net increase / (decrease) in cash and cash equivalents		2.720.646	935.981	2.373.167	729.549
Cash and cash equivalents at the beginning of the year	7.9	5.671.381	4.735.400	5.370.705	4.641.156
Cash and cash equivalents at the end of the year	7.9	8.392.027	5.671.381	7.743.872	5.370.705

The accompanying notes on pages 41 to 78 are an integral part of these Separate and Consolidated Financial Statements for the year ended 31 December 2018.

E. NOTES TO THE SEPARATE AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1. General Information

THE COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. is a Hellenic Societe Anonyme Trading Company founded on 8 November 1990 (Official Government Gazette 4222 / 03.12.1990). The Company is registered with the Registry of Societes Anonymes of the Ministry of Economy, Development and Tourism, with GEMI number 057546304000 and Registry Number 22949/06/B/90/107. Its web site is www.ascompany.gr and is listed on the Athens Stock Exchange. The Financial Statements of 31 December 2018 were approved by the Board of Directors on 12 April 2019 and are subject to the final approval of the AS Annual General Assembly of Shareholders.

The Company's number of employees as of 31 December 2018 was 78 persons and for the Group 81 persons.

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

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

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

2. Basis of preparation of the Financial Statements

The Financial Statements have been prepared with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the application of which is mandatory for the years ending 31 December 2018.

The financial statements have been prepared in accordance under the historical cost principle, except for the financial assets at fair value through profit or loss, which, based on IFRSs, are measured at fair value.

The amounts of the Financial Statements (Separate and Consolidated) are expressed in Euro, unless otherwise stated. Where necessary, comparative information has been reclassified to match any changes in the presentation of the respective information for the current period (see Note 4.17).

The preparation of the Financial Statements requires the management of the Company to make significant assumptions and accounting estimates that affect the values of assets, liabilities, disclosure of contingent assets and liabilities at the date of preparation of the Financial Statements, as well as the presentation income and expenses for the period under review. Although these calculations are based on management's best experience of current circumstances, the actual results may ultimately differ from those estimates.

These estimates, assertions and judgments are reviewed periodically in order to meet the available data and include the potential risks.

Significant accounting estimates and assumptions are as follows:

Income tax provision – Note 4.11: The income tax provision based on IAS 12 is calculated by estimating the taxes to be paid to the tax authorities and includes the current income tax for each fiscal year and provision for the additional taxes that may arise in future tax audits. The final settlement of income tax is likely to deviate from the relevant amounts recorded in the Financial Statements.

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

Employee retirement benefit obligations – Note 4.9: Employee benefits obligations are calculated using actuarial methods that require management to assess specific assumptions such as future employee salary increases, discount rates, employee dismissal rates, etc. Management seeks to: every Financial Position date when this provision is reviewed, to assess these assumptions in the best possible way.

Provision for impairment of inventories – Note 4.5: The Company proceeds with impairment of its inventories when there are indications that either the cash flows from their sale will be lower than their current value or that due to their situation it is not possible to be sold or to be used in production. Management periodically reassesses the adequacy of the provision for obsolete inventories and any impairments that arise are recognized in the Profit and Loss Account.

Provisions for bad and doubtful debts – Note 4.4 (iii): The Company proceeds with an impairment of its trade receivables on the basis of expected credit losses for trade receivables when there is evidence indications that it is unlikely that a debt is collected in whole or in part. The Company's Management periodically reassesses the adequacy of the provision for doubtful receivables based on factors such as its credit policy, reports from the lawyers on recent developments in cases handled by them and their assessment / judgment of the effect of other factors on the recoverability of the receivables.

3. Important Accounting Principles and Methods

3a. Generally

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

The accounting principles and methods and calculation methods used in the preparation of the Financial Statements, the significant accounting estimates adopted by Management and the main sources of uncertainty that affect these estimates are the same as those adopted in the published annual Financial Statements for the year ended 31 December 2017 (as posted on the Company's website), after taking into account the new and amended changes in the standards and interpretations listed below.

3b. New and amended standards

IAS 40, Amendment-Transfers of Investment Property

The amendment clarifies that a transfer of property, including property under construction or development, into or out of investment property should be made only when there has been a change in use of the property. Such a change in use occurs when the property meets, or ceases to meet, the definition of investment property and should be supported by evidence.

The adoption of the amendment had no impact on the Company's and Group's Financial Statements.

IFRS 2, Amendment-Classification and Measurement of Share-based Payment Transactions

The amendment addresses (a) the measurement of cash-settled share-based payments, (b) the accounting for modifications of a share-based payment from cash-settled to equity-settled and (c) the classification of share-based payments settled net of tax withholdings.

Specifically, the amendment clarifies that a cash-settled share-based payment is measured using the same approach as for equity-settled share-based payments. It also clarifies that the liability of cash- settled share-based payment modified to equity-settled one is derecognized and the equity-settled share-based payment is recognized at the modification date fair value of the equity instrument granted and any difference is recognized in profit or loss immediately.

Furthermore, a share-based payment net by withholding tax on the employee's behalf (a net settlement feature) is classified as equity settled in its entirety, provided it would have been classified as equity-settled had it not included the net settlement feature.

The adoption of the amendment had no impact on the Company's and Group's Financial Statements.

IFRS 4, Amendment-Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendment is not relevant to the Group's operations and has no impact on the Group's and Company's Financial Statements.

Annual Improvements to IFRSs 2014-2016 Cycle

IAS28 "Investments in Associates and Joint Ventures": It is clarified that venture capital organizations, mutual funds, unit trusts and similar entities are allowed to elect measuring their investments in associates or joint ventures at fair value through profit or loss. Such election can be performed on an investment-by-investment basis in associates or joint ventures.

The adoption of the amendment had no impact on the Company's and Group's Financial Statements.

IFRIC 22, Foreign Currency Transactions and Advance Consideration

IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency Transactions that involve an advance payment or receipt. The interpretation clarifies that in this case, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date of the advance consideration, i.e. when the entity initially recognized the non-monetary asset (prepayment asset) or non-monetary liability (deferred income liability) arising from the advance consideration. If there are multiple payments or receipts in advance, the entity must determine a date of transaction for each payment or receipt.

The adoption of the amendment had no impact on the Company's and Group's Financial Statements.

IFRS 15, Revenue from Contracts with Customers and IFRS 15 Amendments

IFRS 15 establishes a single, comprehensive revenue recognition model for determining when and how much revenue to recognize and replaced existing revenue recognition guidance, including IAS 18 "Revenue", IAS 11 "Construction Contracts" and IFRIC 13 "Customer Loyalty Programs".

IFRS 15 applies to all contracts with customers, except those in the scope of other standards such as:

— Financial instruments and other contractual rights or obligations within the scope of IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures";

— Lease contracts within the scope of IAS 17 "Leases" (or IFRS 16 "Leases"); and

— Insurance contracts within the scope of IFRS 4 "Insurance Contracts".

Therefore, interest and commission income that form an integral to financial instruments will continue to be act of the scope of IFRS 15.

IFRS 15 specifies that revenue should be recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services. It introduces the concept of recognizing revenue for performance obligations as they are satisfied and the control of a good or service (i.e. the ability to direct the use of and obtain the benefits from them), is obtained by the customer. For services provided over time, such as management fee income earned for asset management services provided and variable performance fee income based on the return of the underlying asset at a particular date, consideration is recognized as the service is provided to the customer provided that it is probable that a significant reversal of consideration will not occur.

Extensive disclosures will be required in relation to recognized revenue and what is expected to be recognized by existing contracts.

IFRS 15 was amended in April 2016 to provide several clarifications, including that in relation to the identification of the performance obligations within a contract.

The adoption of the Standard has no impact on the Group's and Company's Financial Statements, as contracts with customers consist of one performance obligation or provision of services and prices are fixed and result from price lists. For the change in accounting principle and method, see 3d "Changes in accounting policies and methods".

IFRS 9, Financial Instruments

On 1 January 2018, the Company adopted IFRS 9 “Financial Instruments”, which replaced IAS 39, “Financial Instruments: Recognition and Measurement”. The adoption of IFRS 9 in 2018 resulted in changes in accounting principle and method in two principal areas, classification and measurement of financial assets and liabilities and impairment of financial assets.

The adoption of the standard did not have a significant impact on the Group's and Company's Financial Statements. For the change in accounting principle and method, see 3d "Changes in accounting policies and methods".

3c. New Standards and Interpretations effective for annual periods beginning on or after 01.01.2019

IFRS 16, Leases (effective 1 January 2019)

The IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that reasonably discloses the substance of the Transactions relating to leases. The IFRS 16 introduces a single model for the accounting treatment on the part of the lessee requiring the lessee to recognize assets and liabilities for all lease agreements with a maturity of more than 12 months unless the underlying asset is of low value. Regarding the accounting treatment by the lessor, IFRS 16 substantially integrates the requirements of IAS 17. Therefore, the lessor continues to categorize the lease contracts in operating and finance leases, and to follow different accounting treatment for each type of contract.

The date of initial application of IFRS 16 for the Group will be 1 January 2019. The transition method elected is the simplified approach under which there is no need to restate previous comparative amounts. Based on this approach, the Group and the Company will recognize right of use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of the future lease payments.

The Group and the Company will make use of the exemptions-criteria with a lease term of 12 months or less on the original date of application of the standard and for low value leases.

Based on the available information Management has determined that the Group and the Company will have an increase in total assets due to the capitalization of the assets with a right to use in the range of € 450 thousand - € 480 thousand and a corresponding increase in the lease liabilities.

Annual Improvements to IFRSs 2015-2017 Cycle (effective 1 January 2019)

The improvements introduce key changes to several standards as set out below:

The amendments to IFRS 3 ‘Business Combinations’ and IFRS 11 “Joint Arrangements” clarified how an entity accounts for increasing its interest in a joint operation that meets the definition of a business. Specifically, when an entity obtains control of a business that is a joint operation, then the transaction constitutes a business combination achieved in stages and the acquiring party re-measures the entire previously held interest in the assets and liabilities of the joint operation at fair value. Conversely, if a party obtains joint control, of a business that is a joint operation then the previously held interest is not re-measured.

The improvement to IAS 12 “Income Taxes” clarified that all income tax consequences of dividends, including payments on financial instruments classified as equity, should be recognized in profit or loss, other comprehensive income or equity, according to where the originating transaction or event that generated distributable profits giving rise to the dividend, was recognized. IAS 23 “Borrowing costs” clarified that any borrowing originally performed to develop a qualifying asset should be treated as part of the funds that the entity borrowed generally, when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The adoption of the above amendment is not expected to have an impact on the Company's and Group's Financial Statements.

IAS 28, Amendment – Long Term Interests in Associates and Joint Ventures (effective 1 January 2019)

The amendment clarifies that IFRS 9 “Financial Instruments” including its impairment requirements, applies to long term interests in associates or joint ventures that form part of the entity’s net investment in the associate or joint venture but are not accounted for using equity accounting.

According to the amendment, an entity should not take into account any adjustments to the carrying amount of long term interests (net investment in the associate or joint venture), resulting from the application of IAS 28 “Investments in Associates and Joint Ventures” when applying IFRS 9.

The adoption of the above amendment does not apply to the Financial Statements of the Company and the Group.

IFRS 9, Amendment–Prepayment Features with Negative Compensation (effective 1 January 2019)

The amendment changes IFRS 9 requirements in order to allow measurement of a financial asset at amortized cost or at FVOCI, depending on the business model, even in the case of prepayment options which could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). Therefore, measurement of these financial assets will be regardless of the event or circumstance that caused the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination. Applying IFRS 9 before the amendment would probably result in the measurement of these financial assets at FVTPL.

The amendment also confirms the modification accounting of financial liabilities under IFRS 9. Specifically, when a financial liability measured at amortized cost is modified without this resulting in derecognition, a gain or loss, calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, should be recognized in profit or loss.

The adoption of the above amendment is not expected to have an impact on the Company's and Group's Financial Statements.

IFRIC 23, Uncertainty over Income Tax Treatments (effective 1 January 2019)

The interpretation clarifies the application of the recognition and measurement requirements in IAS 12 “Income Taxes” when there is uncertainty over income tax treatments. In such a circumstance, recognition and measurement of current or deferred tax asset or liability according to IAS 12 is based on taxable profit (tax loss), tax bases, unused tax losses and tax credits and tax rates determined applying IFRIC 23.

According to the interpretation, each uncertain tax treatment is considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty and the entity should assume that a tax authority with the right to examine tax treatments will examine them and will have full knowledge of all relevant information.

If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, it should determine its accounting for income taxes consistently with that tax treatment. If it concludes that it is not probable that the treatment will be accepted, the effect of the uncertainty in its income tax accounting should be reflected in the period in which that determination is made, using the method that best predicts the resolution of the uncertainty (i.e. the most likely amount or the expected value method).

Judgments and estimates made for the recognition and measurement of the effect of uncertain tax treatments should be reassessed whenever circumstances change or new information that affects those judgments arise (e.g. actions by the tax authority, evidence that it has taken a particular position in connection with a similar item or the expiry of its right to examine a particular tax treatment).

The adoption of the interpretation is not expected to have impact on the Company's and Group's Financial Statements.

IFRS 17, Insurance Contracts (effective 1 January 2021)

The above standard does not apply to the Financial Statements of the Company and the Group.

IAS 19, Amendment – Plan Amendment, Curtailment or Settlement (effective 1 January 2019)

The amendment clarifies that when a change to a defined benefit plan i.e. an amendment, curtailment or settlement takes place and a remeasurement of the net defined benefit liability or asset is required, the updated actuarial assumptions from the remeasurement should be used to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Additionally, the amendment includes clarifications about the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The adoption of the amendment is not expected to have impact on the Company's and the Group's Financial Statements.

Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020, not yet endorsed by EU)

In March 2018, the IASB issued its revised Conceptual Framework. This replaces the previous version of the Conceptual Framework issued in 2010. Revisions performed by IASB introduced a new chapter of measurement, updated definitions of an asset/liability and recognition criteria, as well as clarifications on important areas.

The amendment has not been adopted yet by the European Union.

Amendment to IFRS 3 Business Combinations (effective 1 January 2020, not yet endorsed by EU)

The IASB issued amendments to the definition of a business in IFRS 3 "Business Combinations" to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, and add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendment has not been adopted yet by the European Union.

Amendments to IAS 1 and IAS 8: Definition of Material (effective 1 January 2020, not yet endorsed by EU)

The amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" aim to align the definition of 'material' across the standards and to clarify certain aspects of the definition. According to the new definition an information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both.

The amendments have not yet been adopted by the European Union

There are no other standards or interpretations that are mandatory for subsequent periods and are expected to be significant in the Group's and Company's Financial Statements.

3d. Changes in accounting principles and methods

There are no changes in the accounting principles and methods used in relation to those used for the preparation of the Financial Statements as of 31 December 2017, except the new standards and interpretations adopted, the application of which became mandatory for the periods after 1 January 2018:

IFRS 15, Revenue from Contracts with Customers

IFRS 15 establishes a single, comprehensive revenue recognition model for determining when and how much revenue to recognize and replaced existing revenue recognition guidance, including IAS 18 "Revenue", IAS 11 "Construction Contracts" and IFRIC 13 "Customer Loyalty Programs".

IFRS 15 applies to all contracts with customers, except those in the scope of other standards such as:

— Financial instruments and other contractual rights or obligations within the scope of IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures";

— Lease contracts within the scope of IAS 17 "Leases" (or IFRS 16 "Leases"); and

— Insurance contracts within the scope of IFRS 4 "Insurance Contracts".

The new standard establishes a five-step model for determining revenue from customer contracts:

1. Determination of contracts with a client
2. Determination of performance obligations under the contract
3. Determine the transaction price
4. Allocation of the transaction price to the performance obligations of the contract
5. Revenue recognition when (or as) an entity meets a performance obligation

IFRS 15 specifies that revenue should be recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services. It introduces the concept of recognizing revenue for performance obligations as they are satisfied and the control of a good or service (i.e. the ability to direct the use of and obtain the benefits from them), is obtained by the customer. For services provided over time, such as management fee income earned for asset management services provided and variable performance fee income based on the return of the underlying asset at a particular date, consideration is recognized as the service is provided to the customer provided that it is probable that a significant reversal of consideration will not occur.

Extensive disclosures are required in relation to the revenue recognized and what is expected to be recognized under existing contracts.

IFRS 15 was amended in April 2016 to provide several clarifications, including that in relation to the identification of the performance obligations within a contract.

The adoption of this standard had no impact on the Financial Statements of the Group and the Company as the Group operates in the toys industry marketing and customer contracts consist of one performance obligation or provision of services and prices are fixed, resulting from price lists. As a result, there is no impact on the Group's or Company's profitability or financial position at the time of the first IFRS application 15. Therefore, no adjustment was made to the "Retained Earnings Balance" on 1 January 2018.

IFRS 9, Financial Instruments

On 1 January 2018, the Group adopted IFRS 9 "Financial Instruments", which replaced IAS 39, "Financial Instruments: Recognition and Measurement". The adoption of IFRS 9 in 2018 resulted in changes in accounting policy in two principal areas, classification and measurement of financial assets and liabilities and impairment of financial assets.

The adoption of IFRS 9 had no significant impact on the Group's and Company's Financial Statements.

The IAS 39 categories of financial assets (fair value through profit or loss (FVTPL), available for sale (AFS), held-to-maturity (HTM) and Loans and Receivables) have been replaced by:

— Debt instruments measured at amortized cost

— Debt instruments measured at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition

— Financial assets measured at FVTPL

In order to determine the classification and measurement, IFRS 9 requires all financial assets except equity instruments and derivatives to be assessed based on a combination of the entity's business model for managing the assets and the instruments contractual cash flows characteristics. Reclassifications between categories are made only in rare cases.

In order to transit to IFRS 9, the Group conducted an assessment of the business model in the debt securities portfolios in order to identify possible changes in their classification and measurement. The assessment was carried out on the basis of the facts and circumstances prevailing at the date of the original application, i.e. 1 January 2018.

The new classification and measurement of the financial assets of the Group is as follows:
- Financial assets measured at amortized cost

Financial assets held within the business model are classified as held for the purpose of holding and collecting contractual cash flows that meet the "SPPI" criterion. Included in this category are all financial assets of the Group and the Company, except for investments in equities listed on the ATHEX, as well as in mutual funds that are measured at fair value through profit or loss.
- Financial assets measured at fair value through profit or loss

This includes investments in equities listed on the ATHEX, as well as in mutual funds and bonds. According to IAS 39, the Group's investments in equities listed on the ATHEX as well as in mutual funds and bonds were also classified as financial assets at fair value through profit or loss. Consequently, there is no impact on their profitability or financial position at the time of the first application of the IFRS 9. Therefore, no adjustment was made to the "Retained Earnings Balance" on 1 January 2018.

Impairment of financial instruments

The IFRS 9 requires the Group and the Company to recognize impairment losses for expected credit losses for all of the aforementioned financial assets other than those measured at fair value through profit or loss.

Expected credit losses are based on the difference between all contractual cash flows that are payable under the contract and all cash flows that the Group and the Company expects to receive. The difference is discounted using an estimate of the initial effective interest rate of the financial asset.

The Group and the Company in accordance with IFRS 9 provides for provision for expected credit losses on trade receivables from customers. The provision for impairment is measured on the basis of expected credit losses over the life of these receivables.

To determine the expected credit losses in relation to customer receivables, the Group and the Company use a provision for credit losses in accordance with the ageing analysis these balances, based on the historical data of the Group and the Company for credit losses, adjusted for future relationship factors for the borrowers and the economic environment.

The provision for impairment of receivables from customers for the Group and the Company did not materially change on 1 January 2018. Therefore, no adjustment of the 'Retained Earnings Balance' was made.

Cash and cash equivalents, including cash, cash at banks and short-term time deposits of up to 3 months, are also subject to the impairment requirements of IFRS 9. The impairment loss on them, however, was insignificant. Cash and cash equivalents are of high liquid and low risk.

4. Important Accounting Principles and Methods

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

4.1 Consolidation and Participations in subsidiaries

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

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

4.2 Property, plant and equipment

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

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

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

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

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

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

4.3 Intangible Assets

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

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

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

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

4.4 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets of the Group or the Company are tested for impairment when there are indications that their carrying amounts are not recoverable. In this case, the recoverable amount of the assets is determined and if the carrying amount exceeds the estimated recoverable value, an impairment loss is recognized directly in the Profit and Loss

Account. The recoverable value of assets is define as the higher of fair value less costs to sell and value in use. For assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks associated with these assets . For an asset that does not generate independent cash inflows, the recoverable value is determined by the cash-generating unit to which the asset belongs. At each reporting date, the Group and the Company assesses whether there is an indication that the previous recognized impairment loss do not continue to exist. In this case, the recoverable amount of the asset is reassessed and the impairment loss is reversed by returning the carrying amount of the asset to its recoverable amount to the extent that it does not exceed the carrying amount of the asset that would have been determined (net of depreciation or amortization) if the impairment loss was not recognized in prior years. In the current year there was a need to impair the fixed assets of the retail sector (Note 7.1).

4.5 Financial Instruments

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

(i) Recognition and initial measurement

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

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

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

(ii) Classification and subsequent measurement

After initial recognition, financial assets are classified into three categories

— At amortized cost

— Fair value through other comprehensive income directly to equity (FVOCI);

— Fair value through profit or loss (FVTPL)

The Group and the Company do not have assets that are measured at fair value through other comprehensive income at 31 December 2018.

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

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

— Financial assets measured at amortized cost

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

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

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

(iii) Impairment of financial assets

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

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

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

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

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

(iv) De-recognition

Financial Assets

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

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

Financial liabilities

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

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

(iv) Offset

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

4.6 Inventories

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

4.7 Cash and Cash Equivalents

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

4.8 Share Capital

Common shares are classified in Equity.

Each share of the Company incorporates all the rights and obligations set out in CL 2190/1920 as replaced by L.4548/2018 and the Company's Articles of Association. The distribution of dividends to the Company's shareholders is recognized as a liability in the Financial Statements when the distribution is approved by the General Meeting of Shareholders. The cost of acquiring own shares is deducted from Equity, until own shares are sold or canceled.

4.9 Government grants

Government grants are recognized at their fair value when there is reasonable assurance that the grant will be received and the Company and the Group will comply with all the applicable terms. Government grants relating to expenses are postponed and recorded in the Profit and Loss Account within a period such that they are matched with the expenses they are intended to compensate.

Government grants related to the purchase of tangible fixed assets are included in long-term liabilities as deferred government grants and are carried as income in the Profit and Loss Account using the straight-line method over the estimated useful life of the related assets.

4.10 Employee Benefits

a) Short-term benefits

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

b) Defined contribution plans

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

c) Defined benefit plans

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

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

d) Termination benefits

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

4.11 Provisions

Provisions are recognized when the Company and the Group have a present legal or constructive obligation as a result of past events and if it is a probable that an outflow of resources which embeds economic benefits in order to settle the obligation and the amount of the settlement can be reliably estimated. Provisions are reviewed at each date of Financial Position and if it is no longer probable that an outflow of resources which creates financial benefits to settle the obligation exists, provisions are reversed. Provisions are used only for the purpose for which they were originally created. Provision are not recognized for future operating losses. Contingent liabilities are not recognized in the financial statements but are disclosed. Contingent assets are not recognized in the financial statements but are disclosed when the inflow of economic benefits is probable.

4.12 Deferred tax

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

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

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

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

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

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

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

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

Country	Income Tax Rate
Greece	29,0%
Cyprus	12,5%
Romania	16,0%

4.13 Recognition of Revenue

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

Sales of goods (wholesale and retail)

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

Financial Income

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

Income from Royalties

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

Dividend income

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

4.14 Dividends

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

4.15 Leases

The Company and the Group as lessee

Leases, in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are changed as expenses on a straight line basis over the period of the lease.

Leases relating to tangible assets for which the Company and the Group have substantially all the rewards and risks of the leased property are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower between the fair value of the asset and the present value of the minimum lease payments. Each lease payment is split into the principal and the interest expense in order to achieve a fixed interest rate throughout the remaining period of the financial liability. Finance lease liabilities are recognized in liabilities without including any financial expense. The part of the financial expense (interest rate) is charged to the Profit and Loss Account for the entire period of the lease. Tangible assets acquired through finance leases are depreciated according to the shorter period between the useful life of the assets or the terms of the lease.

4.16 Foreign Currency Translation

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

4.17 Reclassifications of Balances

In the Consolidated and Company Statement of Financial Position for the year 2017, an amount of € 916.632 has been reclassified from "Other Current Assets" to "Inventories" for the purpose of a more accurate presentation.

Following the reclassification, the "Stock Turnover Ratio" has been adjusted accordingly.

5. Other Information

5.1 Consolidated Financial Statements

The Consolidated Financial Statements for 2018, which include the subsidiaries AS COMPANY CYPRUS LTD and AS KIDS TOYS S.R.L., using the full consolidation method. The corresponding financial information for the year 2017 referred to as the Group refer to the information of the Company and its subsidiary "AS COMPANY CYPRUS LTD", since the start-up of the subsidiary in Romania started in 2018.

5.2 Seasonality of activities

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

6. Operating Segments

The following information refers to the Company's Operating Segments, which are reported separately in the Financial Statements.

The Operating Segments are defined in accordance with the Company's and Group's structure and refer mainly to the separation of the Group's activity in Greece and abroad. Based on this separation those responsible for the financial decision making, monitor the financial information separately as disclosed by the Company and each of its subsidiaries included in the consolidation respectively.

The responsible bodies for taking and monitoring the relevant decisions are the Managing Director and the General Manager.

Primary sector of information - business sectors

AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. is operating in the import, manufacture and trading of toys industry for the Greek market. The Company currently owns approximately 1.500 game codes in the Bebe, School, Preschool, Table, Puzzle, Season, Sports, Pulp, Electronics, Computer, Outdoor and Wagon categories.

The Company collaborates with the best international manufacturers and suppliers of toys, such as Clementoni, Silverlit, Famosa, Ty, IMC, HTI, Golliath, Piatnik, etc. as the safety and quality of products are key principles governing its business operations.

These principles are utmost importance in a Company that deals with kids and their entertainment. The Company is committed to safety and quality and with care for kids and their needs, the Company will continue to create innovative products that will contribute to their balanced growth, childcare and entertainment.

Secondary information sector – geographical segments

The turnover from the toy and computer operations for kids and the turnover as the exclusive distributor for imported kids clothing of the Italian IDEXE Company is analysed by geographical area as follows:

	Group		Company	
	1.01 έως 31.12.2018	1.01 έως 31.12.2017	1.01 έως 31.12.2018	1.01 έως 31.12.2017
Sales of goods local	24.051.577	23.116.577	24.051.577	23.116.577
Sales of goods abroad	2.964.049	2.837.468	1.557.541	1.954.112
Total	**27.015.626**	**25.954.044**	**25.609.118**	**25.070.689**

Sales abroad represent 10,97% of total consolidated sales for the current year, compared to 10,93% the previous year.

7. Other Explanatory Information

7.1 Property, plant and equipment

Property, plant and equipment are analysed as follows :

	Group		Company	
Account Description	**2018**	**2017**	**2018**	**2017**
Land	1.947.228	1.947.228	1.947.228	1.947.228
Buildings and building installations	3.186.719	3.731.086	3.186.719	3.731.086
Machinery and technical installations	261	772	261	772
Transportation	33.004	44.031	33.004	44.031
Furniture and Fixtures	94.338	104.985	81.621	102.273
	5.261.550	**5.828.102**	**5.248.834**	**5.825.390**

The investments of the Group and Company in fixed assets during the year amounted to € 65.604 and € 53.455 respectively.

There are no encumbrances on the Company's property.

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

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

Fixed assets table for the period 31 December 2018 and 31 December 2017:

GROUP

Acquisition Values	Land	Buildings and building installations	Machinery, and Technical installations	Transportation	Furniture and fixtures	TOTAL
Balance at 31.12.2016	**1.947.228**	**8.061.409**	**60.019**	**181.745**	**1.227.822**	**11.478.224**
Additions of the period 1.01 - 31.12.2017	0	0	1.755	0	27.871	29.626
Disposals of the period 1.01 - 31.12.2017	0	1.050	0	0	0	1.050
Balance at 31.12.2017	**1.947.228**	**8.060.359**	**61.774**	**181.745**	**1.255.693**	**11.506.800**
Additions of the period 1.01 - 31.12.2018	0	4.151	0	0	61.453	65.604
Balance at 31.12.2018	**1.947.228**	**8.064.510**	**61.773**	**181.745**	**1.317.147**	**11.572.404**

Accumulated Depreciation	Land	Buildings and building installations	Machinery, and Technical installations	Transportation	Furniture and fixtures	TOTAL
Balance at 31.12.2016	**0**	**4.008.837**	**58.552**	**126.180**	**1.093.572**	**5.287.141**
Depreciation of the period 1.01 - 31.12.2017	0	321.049	2.450	11.534	57.136	392.169
Disposals of the period 1.01 - 31.12.2017	0	613	0	0	0	613
Balance at 31.12.2017	**0**	**4.329.273**	**61.002**	**137.714**	**1.150.708**	**5.678.698**
Depreciation of the period 1.01 - 31.12.2018	0	328.038	510	11.027	46.662	386.237
Impairment of the period 1.01 - 31.12.2018	0	220.480	0	0	25.439	245.919
Balance at 31.12.2018	**0**	**4.877.791**	**61.512**	**148.742**	**1.222.810**	**6.310.854**
Net book value at 31.12.2016	1.947.228	4.052.572	1.467	55.565	134.250	6.191.083
Net book value at 31.12.2017	1.947.228	3.731.086	772	44.031	104.985	5.828.102
Net book value at 31.12.2018	**1.947.228**	**3.186.719**	**261**	**33.004**	**94.338**	**5.261.550**

COMPANY

Acquisition Values	Land	Buildings and building installations	Machinery, and Technical installations	Transportation	Furniture and fixtures	TOTAL
Balance at 31.12.2016	**1.947.228**	**8.061.409**	**60.019**	**181.745**	**1.224.054**	**11.474.456**
Additions of the period 1.01 - 31.12.2017	0	0	1.755	0	27.871	29.626
Disposals of the period 1.01 - 31.12.2017	0	1.050	0	0	0	1.050
Balance at 31.12.2017	**1.947.228**	**8.060.359**	**61.774**	**181.745**	**1.251.925**	**11.503.032**
Additions of the period 1.01 - 31.12.2018	0	4.151	0	0	49.304	53.455
Balance at 31.12.2018	**1.947.228**	**8.064.510**	**61.773**	**181.745**	**1.301.230**	**11.556.487**

Accumulated Depreciation	Land	Buildings and building installations	Machinery, and Technical installations	Transportation	Furniture and fixtures	TOTAL
Balance at 31.12.2016	**0**	**4.008.837**	**58.552**	**126.180**	**1.093.044**	**5.286.613**
Depreciation of the period 1.01 - 31.12.2017	0	321.049	2.450	11.534	56.608	391.641
Disposals of the period 1.01 - 31.12.2017	0	613	0	0	0	613
Balance at 31.12.2017	**0**	**4.329.273**	**61.002**	**137.714**	**1.149.652**	**5.677.642**
Depreciation of the period 1.01 - 31.12.2018	0	328.038	510	11.027	44.517	384.092
Impairment of the period 1.01 - 31.12.2018	0	220.480	0	0	25.439	245.919
Balance at 31.12.2018	**0**	**4.877.791**	**61.512**	**148.742**	**1.219.609**	**6.307.653**
Net book value at 31.12.2016	1.947.228	4.052.572	1.467	55.565	131.010	6.187.843
Net book value at 31.12.2017	1.947.228	3.731.086	772	44.031	102.273	5.825.390
Net book value at 31.12.2018	**1.947.228**	**3.186.719**	**261**	**33.004**	**81.621**	**5.248.834**

In the current year, the net book value of the fixed assets related to the 4 retail stores was impaired with the amount of € 245.919, due to Management's decision to terminate their operation at the end of July 2019 (Note 7.23).

7.2 Intangible assets

Intangible assets are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Acquisition value of software programs	651.074	526.074	638.030	526.074
Accumulated amortization of software programs	-518.277	-501.348	-516.431	-501.348
	132.797	**24.725**	**121.599**	**24.725**

The intangible assets include the acquisition value and the accumulated amortization expenses of the Computer software programs. The additions of the year amounted to € 111.956 for the Company and € 123.154 for the Group, whereas the respective amount in the previous year amounted to € 22.349 for the Company.

7.3 Participations in subsidiaries

Participations in subsidiaries are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
AS COMPANY CYPRUS LTD.	0	0	150.000	150.000
AS KIDS TOYS S.R.L	0	0	400.000	0
	0	**0**	**550.000**	**150.000**

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

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

7.4 Other non-current assets

Other non-current assets are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Guarantees given	31.178	29.182	30.117	29.182
	31.178	**29.182**	**30.117**	**29.182**

7.5 Inventories

Inventories are analysed as follows:

		Group		Company
Account description	**2018**	**2017**	**2018**	**2017**
Merchandises	4.363.632	3.013.824	4.168.118	2.982.055
Less: Provisions for inventory obsolescence	-623.225	-431.456	-623.225	-431.456
Raw and auxiliary materials – Packing materials	13.507	21.293	13.507	21.293
Advances for inventory purchases	1.372.201	986.504	1.372.201	986.504
	5.126.114	**3.590.166**	**4.930.601**	**3.558.397**

The inventory obsolescence of € 623.255 covered the Company's slow moving and low sales level inventory of the Company. The advances for inventory purchases refer to orders of imported goods from abroad.

7.6 Accounts receivables

Accounts receivables are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Trade Debtors	3.158.688	4.145.488	2.608.087	3.593.763
Cheques Receivable	7.341.735	8.985.714	7.341.735	8.985.714
Notes Receivable	183.394	48.630	183.394	48.630
	10.683.817	**13.179.833**	**10.133.216**	**12.628.107**
Less : Provisions for impairment	-94.384	-244.126	-94.384	-244.126
	10.589.434	**12.935.707**	**10.038.833**	**12.383.981**

The total Accounts receivables for 2018 is analysed as follows:

	Group	Company
Not Outstanding balances	9.999.915	9.570.726
Outstanding balances	683.902	562.490
Total accounts receivables	**10.683.817**	**10.133.216**

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

	Group	Company
Up to 90 days	123.258	19.410
91 – 180 days	448.823	431.258
> 180 days	111.822	111.822
Total	**683.902**	**562.490**

As of 1 January 2018, the Group applies the simplified approach of IFRS 9 and calculates the expected credit losses over the duration of its receivables.

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

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

Group 2018	**Up to 90 days**	**91 – 180 days**	**>180 days**	**Total**
Total receivables	7.894.163	2.677.832	111.822	10.683.817
Expected credit losses	6.898	2.493	105	9.496

Company 2018	**Up to 90 days**	**91 – 180 days**	**>180 days**	**Total**
Total receivables	7.361.127	2.660.268	111.822	10.133.216
Expected credit losses	6.898	2.493	105	9.496

The provisions for impairment of accounts receivables of € 94.384 cover all potential losses of the Company from non-collection of doubtful debts. At year end the Company's Management considered that there is no material credit risk on accounts and cheques receivable that is not covered by the provision for impairment of accounts receivables.

The provision for doubtful debts 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 impairment of accounts receivables is as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Opening balance	244.126	603.241	244.126	603.241
Additional provisions for the year (reversal)	9.496	-307.301	9.496	-307.301
Reversal of provisions	-159.238	-51.813	-159.238	-51.813
Closing Balance	**94.384**	**244.126**	**94.384**	**244.126**

The movement in the provision for doubtful debts has been recorded in the Profit and Loss Account under distribution expenses.

7.7 Investments at fair value through P&L

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
Shares listed on the Athens Stock Exchange	17.406	17.406	17.406	17.406
Mutual Funds	141.000	0	141.000	0
Other local securities	715.305	520.305	715.305	520.305
Foreign Mutual Funds	1.475.915	3.020.781	1.475.915	3.020.781
Other investments – structured products	3.192.797	2.187.970	3.192.797	2.187.970
Provisions for impairment of investments	-205.989	-136.494	-205.989	-136.494
	5.336.434	**5.609.968**	**5.336.434**	**5.609.968**
Account description				
Short-term investments in EUR	2.654.447	3.445.746	2.654.447	3.445.746
Short-term investments in USD	2.681.987	2.164.222	2.681.987	2.164.222
	5.336.434	**5.609.968**	**5.336.434**	**5.609.968**

The valuation of bonds and securities as at 31.12.2018 amounted to € 39.229 which was charged against the Profit and Loss Account and the accrued interest income amounted to € 8.093.

7.8 Other current assets

Other current assets are analysed as follows:

	The Group		The Company	
Account description	**2018**	**2017**	**2018**	**2017**
Other debtors	177.207	368.759	140.614	363.699
Advances	1.040	1.600	1.040	1.600
Prepaid expenses	73.943	98.028	73.943	98.028
Accrued income	24.089	49.372	24.089	49.372
	276.280	**517.758**	**239.686**	**512.698**

The decrease in “Other debtors” is due to the fact that on 31.12.2017 there was a debit balance of VAT amounted to € 281.930.

7.9 Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Cash in hand	32.510	39.209	32.510	39.209
Deposits and time deposits	8.359.518	5.632.172	7.711.362	5.331.496
	8.392.027	**5.671.381**	**7.743.872**	**5.370.705**

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

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
EUR	6.717.106	4.291.622	6.330.589	3.990.946
Other currencies	1.674.921	1.379.759	1.413.283	1.379.759
	8.392.027	**5.671.381**	**7.743.872**	**5.370.705**

7.10 Share capital

By the decision dated 05.05.2017 of the Ordinary General Meeting of Shareholders of the Company it was decided the reduction of its share capital by € 525.040,80 and the respective amendment of the article 5 of the Company's Articles of Association concerning share capital. The share capital reduction took place through the decrease 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 and the return of the through cash payment to the shareholders. Following the above mentioned decrease, the Company's share capital as at 31.12.2017 amounted to € 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 one cents (€ 0,61) each. The decrease of the Company's share capital by € 525.040,80 was completed within September 2017.

By the decision dated 21.06.2018 of the Ordinary General Meeting of Shareholders of the Company it was decided the reduction of its share capital by € 656.301,00 and the respective amendment of the article 5 of the Company's Articles of Association concerning share capital. The share capital reduction took place through the decrease of the nominal value of each common registered share by the amount of five cents (€ 0,05) per share, from € 0,61 to € 0,56 and the return of the capital by cash payment to the shareholders. Following the above mentioned reduction, the Company's share capital as at 31.12.2018 amounted to € 7.350.571,20 divided into thirteen million one hundred twenty six thousand and twenty (13.126.020) common registered shares of a nominal value of fifty six cents (€ 0,56) each.

The Corporate Actions Committee of the Athens Stock Exchange was informed at the meeting on 20.07.2018 for the share capital reduction and the returning capital through cash payment to the shareholders amounting to € 0.05 per share and for the respective amendment of Article 5 of the Company's Articles of Association.

The decrease of the Company's share capital by € 656.301,00 was completed during September 2018.

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

Account description	Group 2018	Group 2017	Company 2018	Company 2017
Share capital – paid-in (13.126.020 shares 0,56€ each)	7.350.571	8.006.872	7.350.571	8.006.872
Share premium reserve	74.509	74.509	74.509	74.509
Legal reserve	1.605.572	1.466.055	1.605.572	1.466.055
Reserve for the translation of share capital to EUR	33.064	33.064	33.064	33.064
Tax-free reserves	372.719	373.128	373.128	373.128
Subsidiary absorption losses	-285.141	-285.141	-285.141	-285.141
Retained earnings carried forward	19.302.971	16.245.795	18.682.462	15.899.002
	28.454.265	**25.914.282**	**27.834.165**	**25.567.489**

7.11 Deferred Tax liabilities

According to the current tax regime in Greece, companies are subject to a tax rate of 29% (2017: 29%) on their total profits. Following the introduction of Law 4579/2018 (No. 23), for the years 2019 and thereafter the tax rate gradually declines to twenty-eight percent (28%) for the income earned in 2019, to twenty-seven percent (27%) for the income earned in 2020, to twenty-six percent (26%) for the income earned in 2021 and to twenty-five percent (25%) for the income earned in 2022 and onwards.

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

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

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

	2017	Amounts recognised in the Profit and Loss Account	Amounts recognised in Other Comprehensive Income	2018
Deferred tax (liabilities)				
Land	263.007	-36.277	0	226.730
Buildings	318.326	-83.412	0	234.914
Total Deferred tax (liabilities)	**581.334**	**-119.690**	**0**	**461.644**
Deferred tax (assets)				
Valuation of receivables – liabilities in foreign currency	17.335	-14.052	0	3.283
Write off of establishment and initial installation expenses	405	-106	0	299
Termination of retail stores operation – impairment	0	69.557	0	69.557
Provision for inventory obsolescence	87.328	74.193	0	161.521
Provision for impairment of doubtful debts	43.117	-34.697	0	8.420
Provision for impairment of securities	26.046	13.245	0	39.291
Provision for staff leaving benefits	98.962	-11.159	1.388	89.192
Other	1.674	-1.674	0	0
Total Deferred tax (assets)	**274.867**	**95.307**	**1.388**	**371.562**
Total Deferred Tax	**306.467**	**-214.996**	**-1.388**	**90.082**

	2016	Amounts recognised in the Profit and Loss Account	Amounts recognised in Other Comprehensive Income	2017
Deferred tax (liabilities)				
Land	263.007	0	0	263.007
Buildings	330.305	-11.979	0	318.326
Total Deferred tax (liabilities)	**593.312**	**-11.979**	**0**	**581.333**
Deferred tax (assets)				
Valuation of receivables – liabilities in foreign currency	-29.292	46.627	0	17.335
Write off of establishment and initial installation expenses	463	-58	0	405
Termination of retail stores operation – impairment	0	0	0	0
Provision for inventory obsolescence	108.072	-20.744	0	87.328
Provision for impairment of doubtful debts	132.235	-89.118	0	43.117
Provision for impairment of securities	60.060	-34.014	0	26.046
Provision for staff leaving benefits	112.957	10.136	-24.131	98.962
Other	25.804	-24.130	0	1.674
Total Deferred tax (assets)	**410.299**	**-111.302**	**-24.131**	**274.866**
Total Deferred Tax	**183.013**	**99.323**	**24.131**	**306.467**

The effect of the change in tax rates amounts to € 52.782 for the Group and the Company.

7.12 Staff leaving benefits

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

The movement of the net obligation in the Financial Statements as at 31.12.2018 is as follows:

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

The details and the main assumptions of the actuarial valuation as at 31 December 2017 and 31 December 2018 are analysed as follows:

Changes in Net Obligation	Group 2018	Group 2017	Company 2018	Company 2017
Net Obligation at the beginning of the year	341.249	389.507	341.249	389.507
Benefits paid by the employer	-824	-9.080	-824	-9.080
Expense recognized in the income statement	10.789	44.033	10.789	44.033
Result recognized in Other Comprehensive Income	5.552	-83.210	5.552	-83.210
Net Obligation at the Statement of Financial Position	**356.766**	**341.249**	**356.766**	**341.249**

Reconciliation of total obligation	Group 2018	Group 2017	Company 2018	Company 2017
Net Obligation at the beginning of the year	341.249	389.507	341.249	389.507
Current service costs	28.401	36.746	28.401	36.746
Interest cost	6.143	6.622	6.143	6.622
Termination Benefits / curtailments	-23.755	665	-23.755	665
Less Benefits Paid	-824	-9.080	-824	-9.080
Actuarial losses/(gains) for the year	5.552	-83.210	5.552	-83.210
Total obligation at year end	**356.766**	**341.249**	**356.766**	**341.249**

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

1. Discount Rate : 1,8% on 31.12.2018
2. Average Annual rate of long-term growth of inflation : 1,75%
3. Average annual long-term increase of salaries : 1,75%
4. Valuation date : 31.12.2018
5. Estimated Retirement Benefit the application of L. 2112/1920 as amended by L. 4093/2012 was estimated upon retirement

Sensitivity analysis	2018	2017
Present value of Defined Benefit Obligations	356.766	341.249
Calculation with Discount rate +0,5%	331.593	316.632
Calculation with Discount rate -0,5%	384.695	368.672

Sensitivity analysis of current service cost	2018	2017
Current service cost	28.401	36.746
Calculation with Discount rate +0,5%	26.125	34.999
Calculation with Discount rate -0,5%	30.961	38.668

7.13 Other long-term liabilities

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

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Fixed asset investments grants	97.922	99.447	97.922	99.447
	97.922	**99.447**	**97.922**	**99.447**

7.14 Accounts payables

Accounts payables are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Suppliers	2.623.668	2.471.306	2.229.317	2.235.921
Checks Payable	238.453	238.453	580.378	238.453
	2.862.121	**2.709.760**	**2.809.696**	**2.474.374**

7.15 Short-term borrowings

Short-term borrowings are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Loans - short-term liabilities	96.919	3.483	14.516	3.011
Short-term portion of long term loans payable in the next financial year	0	2.017.194	0	2.017.194
	96.919	**2.020.677**	**14.516**	**2.020.205**

In the Group level it is included an amount of € 82.403 which refers to loan of the subsidiary «AS COMPANY CYPRUS LTD».

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 40).

	Group	Company
Opening Balances 1.1.2018	2.020.677	2.020.205
New Loans	81.931	0
Repayments	-2.005.690	-2.005.690
Closing Balances 31.12.2018	**96.919**	**14.516**

The Company repaid its loan liability to the National Bank of Greece due to the high liquidity levels in the 4th quarter of 2018.

7.16 Other short-term liabilities

Other short-term liabilities are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Customer advances	579.122	624.087	579.122	624.087
Liabilities from taxes - duties	560.578	459.403	448.428	342.488
Social security	177.953	168.954	176.946	167.288
Accrued expenses	636.395	200.751	626.280	161.038
Sundry creditors	1.233.692	1.361.911	1.206.053	1.360.913
	3.187.739	**2.815.107**	**3.036.828**	**2.655.815**

Accrued expenses includes an amount of € 493.534 concerning the provision to customers for rebates made within 2018.

7.17 Turnover

Turnover is analysed as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Domestic wholesales of merchandises	22.941.806	21.826.395	22.941.806	21.826.395
Wholesales of merchandises in EU	2.353.828	1.973.562	947.320	1.090.207
Wholesales of merchandises in Third Countries	610.221	863.905	610.221	863.905
Retail sales of merchandises	1.061.689	1.244.696	1.061.689	1.244.696
Sales of other stock and scrap	48.082	45.486	48.082	45.486
	27.015.626	**25.954.044**	**25.609.118**	**25.070.689**

Sales of AS COMPANY Cyprus Ltd come 100% from the wholesales channel and in the table above they have been included in the Wholesales of merchandises in EU.

The Company is operating in the wholesale trade of toys, computers for kids and is the exclusive distributor for the imported kids clothing of the well-known Italian company IDEXE. The Company will terminate its collaboration with IDEXE within 2019.

The turnover of the retail sales represents 4,11% of the Company's total sales as compared to 4,96% of the previous year.

The subsidiaries in Cyprus and Romania are operating in the wholesale trade of toys, computers for kids.

7.18 Cost of Sales

Cost of sales is analysed as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Cost of Goods Sold	13.978.271	13.690.519	13.339.897	13.319.975
Cost of consumed materials	61.572	49.440	61.572	49.440
Cost of Self-Consumed goods	-39.643	-185.056	-39.643	-185.056
Provisions - Impairment of inventory – Foreign Exchange Differences	215.363	333.228	176.045	304.159
	14.215.563	**13.888.132**	**13.537.871**	**13.488.518**

7.19 Other income

Other income is analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Income from transportation of goods sold	13.522	8.177	13.522	8.177
Subsidies	1.593	9.823	1.593	9.823
Other income	8.656	1.872	54.863	30.941
Income from written off liabilities	224.674	14.319	224.674	14.319
	248.446	**34.191**	**294.652**	**63.260**

The income from written off liabilities of € 224.684 contains written off trade payable balances approved by the Board of Directors for which no legal actions has been exercised by the creditors.

7.20 Administrative expenses

Administrative expenses are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Personnel expenses	978.445	960.278	895.577	882.064
Third party fees and expenses	502.704	384.211	451.559	356.339
Utilities	102.931	99.418	91.263	90.764
Taxes and duties	103.672	96.011	103.443	96.011
Miscellaneous expenses	276.346	245.880	260.230	235.570
Other expenses	4.490	32.817	4.490	32.817
	1.968.589	**1.818.616**	**1.806.562**	**1.693.567**

7.21 Distribution expenses

Distribution expenses are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Personnel expenses	2.073.405	1.920.241	2.002.995	1.864.144
Third party fees	1.187.024	981.377	1.151.748	981.377
Utilities	396.156	368.692	387.213	368.692
Taxes and duties	59.807	61.097	59.807	61.097
Miscellaneous expenses	2.110.741	2.043.076	2.056.626	1.986.977
Other operating provisions	6.817	-307.301	6.817	-307.301
Other income - expenses	-60.399	160.554	-60.399	160.554
	5.773.551	**5.227.736**	**5.604.807**	**5.115.540**

Miscellaneous expenses contains advertising and promotional costs.

7.22 Research and development expenses

Research and development expenses are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Personnel expenses	119.687	130.372	119.687	130.372
Utilities	4.052	8.631	4.052	8.631
Taxes and duties	126	786	125,69	786
Miscellaneous expenses	4.544	3.162	4.544	3.162
	128.408	**142.952**	**128.408**	**142.952**

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

Payroll costs

The payroll costs included in the Financial Statements of the Company and the Group as at 31 December 2018 and 31 December 2017 are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Salaries and wages	2.559.949	2.410.143	2.413.927	2.284.959
Employer contributions	544.410	526.898	537.155	519.647
Other staff costs	67.178	73.851	67.178	71.975
	3.171.538	**3.010.892**	**3.018.260**	**2.876.581**

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

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Administrative Expenses	978.445	960.278	895.577	882.064
Distribution Expenses	2.073.405	1.920.241	2.002.995	1.864.144
Research and Development Expenses	119.687	130.372	119.687	130.372
	3.171.538	**3.010.892**	**3.018.260**	**2.876.581**

7.23 Depreciation – Impairment

Depreciation – impairment expenses are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Depreciation of Buildings	548.517	321.049	548.517	321.049
Depreciation of Mechanical equipment	510	2.450	510	2.450
Depreciation of Vehicles	11.027	11.534	11.027	11.534
Depreciation of furniture and other equipment	72.101	57.136	69.957	56.608
Depreciation of Intangible assets	16.929	3.369	15.082	3.369
	649.086	**395.539**	**645.094**	**395.011**

The above depreciation expenses are allocated to the Company's operations as below, but subsequently, for IFRS purposes, they are presented separately in the Profit and Loss Account.

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Administration Expenses	119.201	319.822	119.201	319.294
Distribution Expenses	526.102	3.411	522.111	3.411
Research and Development costs	3.782	72.306	3.782	72.306
	649.086	**395.539**	**645.094**	**395.011**

Current year's depreciation has been charged with the write off, due to impairment, of the net book value of the fixed assets of 4 retail stores, the operation of which is planned to be terminated by the end of July 2019, amounted to € 220.480 for leasehold improvements and to € 25.439 for furniture and fixtures.

7.24 Financial expenses

The net financial expenses/income are analysed as follows:

	Group		Company	
Account description	**2018**	**2017**	**2018**	**2017**
Long-term liabilities' interests and expenses	123	66.741	123	66.741
Short-term liabilities' interests and expenses	43.863	41.794	43.863	41.794
Other related expenses	79.618	86.854	62.793	82.915
Interest income and Income from securities	-180.332	-115.189	-180.332	-115.189
Losses from the sale of securities	138.907	14.732	138.907	14.732
(Gains)/Losses from the valuation of financial instruments	-46.273	176.561	-46.273	176.561
	35.907	**271.493**	**19.082**	**267.554**

7.25 Taxes

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

	Group		Company	
Account Description	**2018**	**2017**	**2018**	**2017**
Income tax for the year	1.507.108	1.209.808	1.449.801	1.183.081
Deferred taxes recognized in the Profit and Loss Account	-214.997	99.323	-214.997	99.323
Reversal of tax provision for unaudited years	0	-50.000	0	-50.000
Total taxes recognized in the Income Statement (a)	**1.292.111**	**1.259.131**	**1.234.804**	**1.232.404**
Deferred taxes recognized in Other Comprehensive Income (b)	-1.388	24.131	-1.388	24.131
Total (a)+(b)	**1.290.723**	**1.283.262**	**1.233.416**	**1.256.535**

The table below shows the reconciliation of Income Tax:

	Group		Company	
Account Description	**2018**	**2017**	**2018**	**2017**
Profits before taxes	4.492.968	4.243.769	4.161.945	4.030.808
Tax rate of parent company	29%	29%	29%	29%
Income tax	1.302.961	1.230.693	1.206.964	1.168.934
Effect of tax rates in foreign jurisdictions	-58.123	-35.139	0	0
Tax on permanent differences	127.452	43.468	127.259	43.361
Effect of changes in tax rates	-52.782	0	-52.782	0
Tax of other differences	-27.397	20.109	-46.638	20.109
Deferred taxes recognized in Other Comprehensive Income	-1.388	24.131	-1.388	24.131
Total	**1.290.723**	**1.283.262**	**1.233.416**	**1.256.535**
Effective tax rate	**28,7%**	**30,2%**	**29,6%**	**31,2%**

The corporate income tax rate for legal entities is 29% and did not change compared to the previous period.

According to Article 23 of the recent Law 4579, voted in December 2018, the tax rates on corporate profits gradually declines by 1% per year, as follows: 28% for the tax year 2019, 27% for the tax year 2020, 26% for the tax year 2021 and 25% for the tax year 2022 onwards.

The Company has received unqualified tax compliance reports from its statutory auditor for each year from 2011 to 2017 in accordance with the Greek tax legislation (2011-2013 in accordance with the provisions of article 82 of Law 2238/1994 and 2014-2017 according to the provisions of article 65A of Law 4174/2013). The Company does not expect any additional taxes to be incurred in the context of the tax audit from Greek tax authorities for the years from 2013 to 2018. In addition, on the basis of risk analysis criteria, Greek tax authorities may select the Company for a tax audit in the context of audits carried out on companies that have received unqualified tax compliance certificate from its Statutory Auditor. In this case, the Greek tax authorities have the right to carry out tax audits for the years that they will select, taking into account the work for the issuance of the tax compliance certificate. The Company has not received any audit mandate from the Greek tax authorities for the years 2013 to 2018.

It should be noted that as at 31.12.2018 the years up to 31.12.2012 were statutorily barred according to the provisions of paragraph 1 of article 36 of Law 4174/2013.

For the year 2018, tax audit is still in progress and the Management does not expect a material change in the tax liabilities of the respective year. The audit is expected to be completed after the publication of the Financial Statements for the period. Upon completion of this tax audit, the Management of the Company does not expect that tax liabilities will arise other than those recorded and reflected in the Financial Statements.

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

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

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

8. Related Parties Transactions

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

Transactions with related parties during the year 2018, i.e. intercompany sales / purchases and intercompany balances, were all Transactions within the scope of the Company's business operations.

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

Sales	**2018**	**2017**
AS COMPANY CYPRUS LTD	263.098	282.213
AS KIDS TOYS S.R.L	78.460	0
Total	**341.558**	**282.213**

Purchases	2018	2017
AS COMPANY CYPRUS LTD	127.587	30.463
AS KIDS TOYS S.R.L	0	0
Total	**127.587**	**30.463**

Other Transactions	2018	2017
AS COMPANY CYPRUS LTD	39.318	29.069
AS KIDS TOYS S.R.L	7.415	0
Total	**46.733**	**29.069**

Related party Transactions are conducted in accordance with the Company's usual business terms.

Balances from trading Transactions		
Receivables	**2018**	**2017**
AS COMPANY CYPRUS LTD	102.365	143.291
AS KIDS TOYS S.R.L	85.549	0
Total	**187.914**	**143.291**

Payables	**2018**	**2017**
AS COMPANY CYPRUS LTD	0	0
AS KIDS TOYS S.R.L	152.963	0
Total	**152.963**	**0**

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

Remuneration and Transactions of Directors	**Group**		**Company**	
Short – term employee benefits	**2018**	**2017**	**2018**	**2017**
Salaries	784.426	808.300	707.719	734.868
Social Security cost	122.235	125.014	115.426	117.963
Total	**906.662**	**933.314**	**823.145**	**852.831**

Remunerations and Transactions of Board Members	**Group**		**Company**	
Short – term benefits	**2018**	**2017**	**2018**	**2017**
Salaries	275.720	255.220	256.020	235.520
Social Security cost	40.343	35.303	40.343	35.303
Total	**316.063**	**290.523**	**296.363**	**270.823**

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

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

9. Main Risks and Uncertainties

The activities of the Company and the Group are exposed to a number of risks. The risks and uncertainties are described in detail in this Annual Financial Report for the year 2018.

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

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

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

(f) Exchange rate

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

The Group carries out a significant part of its imports from China - Hong Kong which are invoiced in US dollars (USD). In 2018, purchases in dollar comprised for 69,6% of total purchases, compared to 63,7% of the previous year's purchases. The value of imports in dollar (USD) is 38,4% higher than the same period last year.

The Group retains cash and investment products in dollars (USD), which cover 24,6% of the imports value in dollars made within 2018.

The average exchange rate between euro/dollar the last 5 years is as follows:

	2014	**2015**	**2016**	**2017**	**2018**
Average exchange rate	1,3286	1,1102	1,1068	1,1297	1,1810
Annual change %		-16,44%	-0,31%	2,07%	-4,54%

The Group in 2018 did not use financial instruments to reduce its exposure from foreign exchange risk arising from the markets.

(g) Interest rate risk

The bank borrowing of the Company and the Subsidiary in Cyprus is exclusively in euros and is subject to floating interest rates.

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

Due to its significant liquidity, the Company has not proceeded to bank borrowing and all its working capital needs is financed from own funds. Management estimates that the aforementioned risk is not expected to substantially affect the financial position of the Company and the Group.

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

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

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

With regards to kids clothing under the trade name Idexe, the Company has agreed to cease cooperation with this particular supplier and proceed to the closure of retail stores, except its retail outlet store located in the Company’s premises, which will continue to operate with other suppliers' products.

(i) Credit risk and liquidity risk

It concerns the risk that the Company or the Group may face if a customer fails to fulfil its contractual obligations. The Group and the Company, in order to reduce their credit risk, apply a rational credit policy, taking into account any market information collected from data banks for the credibility of their customers. The receivables of the Group and the Company derive mainly from wholesale, while a significant part of the receivables derive from large customers.

The financial status of its customers is continuously monitored by the Group and the Company by controlling credit limits provided. If deemed necessary additional collaterals and guarantees are obtained.

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

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

Group	**31.12.2018**	**31.12.2017**
Current Assets / Short Term Liabilities	483,51%	375,39%

Company	**31.12.2018**	**31.12.2017**
Current Assets / Short Term Liabilities	482,67%	383,70%

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 positive cash flows as mentioned above, b) the high credit rating with the banking institutions, c) the financial assets of the Company, whose carrying amount in the financial statements does not deviate from their fair value, d) maintaining cash at credible banks e) placing cash to trading investments.

The subsidiary in Romania as of 31/12/2018 had € 261.638 in cash and has secured a finance line of € 700.000 which has not been used as of to date.

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

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

Group	**Total**		**Up to 1 year**		**From 1 to 5 years**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Short Term Bank Loans	96.919	2.020.677	96.919	3.011	0	2.017.666
Accounts payables	2.862.121	2.709.760	2.862.121	2.709.760		
Other short-term liabilities	3.187.739	2.815.107	3.187.739	2.815.107		
Total	**6.146.779**	**7.545.544**	**6.146.779**	**5.527.877**	**0**	**2.017.666**

Company	**Total**		**Up to 1 year**		**From 1 to 5 years**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Short Term Bank Loans	14.516	2.020.205	14.516	3.011	0	2.017.194
Accounts payables	2.809.696	2.474.374	2.809.696	2.474.374		
Other short-term liabilities	3.036.828	2.655.815	3.036.828	2.655.815		
Total	**5.861.040**	**7.150.394**	**5.861.040**	**5.133.200**	**0**	**2.017.194**

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

(j) Insurance Risk

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

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

The subsidiary of Cyprus in 2018 did not have its own warehouse and cooperated with a logistics company that carried out all the supply chain operations. For the cooperation with the logistic an adequate insurance cover for the products was required on behalf of the latter. In 2019, the trading operations are carried out through the warehouse facilities of the parent company.

The Romanian subsidiary does not have its own warehouse and the trading of merchandise takes place through the warehouse facilities of the parent Company.

Macroeconomic conditions in Greece-Cyprus-Romania

Greece

The macroeconomic and financial environment in Greece shows continues signs of stability as evidenced by the official exit from the international bailout programme on August 20, 2018. However, uncertainties exist since the country is under a “post surveillance programme” where it will have to show its progress in meeting budget and reform targets while economy remains very sensitive to fluctuations in the external environment. The capital controls continue to be in place, but have been eased over time. The most recent related amendment came into force on 1 October 2018.

Management continually assess the possible impact in the macroeconomic and financial environment in Greece, so as to ensure that all the necessary actions and measures are taken in order to minimize any impact on the operations in Greece. Based on the information available to date, the Management has concluded that no additional impairment provisions are required for the Group's financial and non-financial assets at 31 December 2018.

Cyprus

The Cyprus economy in 2018 achieved for the third consecutive year strong growth, with Cypriot GDP growing by 3,9% despite the deceleration in the global economy. In an announcement on the completion of the third review, the IMF notes that the growth potential is expected to slow down gradually but remain robust, with growth rates expected to fall to the still strong – 3,0% to 3,5% in the two years 2019 - 2020 from 3,9% in 2018, driven by foreign investments. The main feature of the economy is strong growth, supported by construction, tourism and the professional services sector, while unemployment has fallen further. The State budget continues to show a big surplus, while bank balance sheets are boosted as non-performing loans NPLs declined sharply following the large portfolios outside banks.

Romania

The country's economy is in a recovery phase with GDP rising by about 4% in 2018. Romania's National Strategy and Budgetary Committee maintains - in its latest report - the estimate for GDP growth of 5,5% in 2019 and adjusting inflation to 2,8%. The trade deficit will continue its upward trend and will reach € 16,9 billion euros in 2019 from € 15 billion in 2018. Imports in 2019 are expected to show an increase of 7,8%, compared to 6,9% of exports. For 2020, the Commission's forecast for the imports trend "places" on the positive territory as it expects an increase of 7,9%. Similarly, with a positive sign it will close in 2020 and exports (7,1%). Romania is expected to have adopted the euro by 2024.

Other risks

The demand of Company’s products is influenced by external factors such as economic uncertainty, reduced consumption and consumers preference for low-priced products. In this context, Management has made a selection of quality products with low retail price, which are attractive to consumers.

The Company proceeds to short-term investments (mainly bonds) having first evaluated the relevant ratings from international firms.

10. Fair value and hierarchy of fair values

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

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

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

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

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

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

It is noted that "Other current assets" contain prepaid expenses and accrued income for the Group and the Company (2018: € 98.032, 2017: € 147.400), which are not assumed as financial instruments. Respectively in the year 2017 the amount of € 281.930 for the Group and the Company which is included in the account "Other debtors" refers to debit balance of VAT which is also assumed as a non-financial instrument.

"Other short-term liabilities" contain liabilities on taxes and duties, social securities and accrued expenses of the Company for 2018 and 2017 which amount to €1.251.654 and € 670.814 respectively and of the Group for 2018 and 2017 amount to €1.394.926 and € 829.108 respectively which are not assumed as financial instruments.

11. Commitments and contingent liabilities – Guarantees granted

(a) The Company's commitments refer to letter of guarantees issued by Banks.

The subsidiary AS KIDS TOYS S.R.L. concluded a credit line agreement with ALPHA BANK ROMANIA S.A., under the terms of the Romanian Bank System. The Company provided guarantee over the subsidiary by the form of a letter of guarantee issued by ALPHA BANK AE, amounted to € 700.000 to ALPHA BANK ROMANIA S.A.. Until the date of the Financial Statements publication, the credit line has not been used by the subsidiary.

(b) As at 31 December 2018 the Company and the Group had active operating lease agreements for the rental of transportation means and buildings.

The future obligations based on the already signed lease agreements as at 31 December 2018 are analyzed as follows:

	Group		Company	
	Up to 1 year	Up to 5 years	Up to 1 year	Up to 5 years
Lease of transportation means	48.840	172.066	48.840	172.066
Lease of Buildings	61.200	239.700	48.000	232.000
Total	**110.040**	**411.766**	**96.840**	**404.066**

The Company provides guarantee amount to € 1.000.000 over its subsidiary in Cyprus for the funding of its working capital if needed. The subsidiary in Cyprus did not make use of this borrowed funds during 2018.

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

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

Legal cases

(1) Dispute of the Company with the foreign Company SMOBY (already in liquidation as of 2007): After the Company's Board of Directors decision on 31 December 2018, the Company proceeded to the necessary accounting entries and the case is assumed to be closed from the tax scope due to the lapse of the time for both parties to claim their rights.

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

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

12. Earnings per share

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
Total Comprehensive Income after taxes attributable to the shareholders of the Parent Company	3.196.693	3.043.717	2.922.977	2.857.483
Weighted average number of shares	13.126.020	13.126.020	13.126.020	13.126.020
Earnings per share	**0,2435**	**0,2319**	**0,2227**	**0,2177**

13. Share capital decrease

The Company's Management will propose to the Annual Ordinary General Meeting of the Shareholders the return of the share capital through the reduction of the nominal value of the share by 7 cents, ie a total share capital decrease of nine hundred, eighteen thousand and eight hundred twenty-one euros and forty cents (€ 918.821,40). The proposed the shares capital return is subject to the approval of the Ordinary General Meeting of the Shareholders.

14. Audit Fees

The audit of the Financial Statements of the Company for the current year was assigned by the Ordinary Annual General Meeting of the Shareholders to the audit firm KPMG Certified Auditors S.A. with the fees amounted to € 23.000 for the statutory audit and € 15.000 for the tax compliance assurance services. The auditors' fees regarding the audit of the Financial Statements of 2018 for the two subsidiaries amount to a total of € 13.000.

15. Subsequent events after the date of the Financial Position

The Company has signed a contract of special negotiation of its shares with Eurobank Equities with a commencement date on 1 April 2019.

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

Thessaloniki, 12 April 2019

CHAIRMAN OF B.O.D. & MANAGING DIRECTOR

EFSTRATIOS K. ANDREADIS
Identity Card No AB 691316

VICE-CHAIRMAN OF B.O.D

ANASTASIA E. ANDREADOU
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