AS COMPANY S.A.
GROUP OF COMPANIES

ANNUAL FINANCIAL REPORT

of the financial year from
1 January 2019 to 31 December 2019

According to article 4 of Law 3556/2007

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I. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

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

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

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

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

a) The accompanying Separate and Consolidated Financial Statements for the period 1 January 2019 to 31 December 2019, of the Company "AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A.", as well as the companies that are included in the consolidation taken as a whole, which were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, present in a true manner the Assets and Liabilities, Equity and Profit and Loss statement of the year for the twelve-month period ended 31 December 2019.

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

Thessaloniki, 9 April 2020

PRESIDENT of the BoD & C.E.O. MANAGING DIRECTOR	VICE-PRESIDENT of the BoD
EFSTRATIOS K. ANDREADIS ID No AB 691316	**ANASTASIA E. ANDREADOU** ID No AH 181790

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

II. ANNUAL REPORT OF THE BOARD OF DIRECTORS (SEPARATE AND CONSOLIDATED) FOR THE FINANCIAL YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019 (in accordance with article 4 of Law 3556/2007).

Dear Shareholders,

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

This Report includes the actual depiction for the period from 1 January 2019 to 31 December 2019, the major events that took place in 2019, the description of the main risks and uncertainties, the major events that took place after the end of 2019, the material transactions of the Company and the Group of AS Company S.A. (the "Group") with the related parties as well as the Corporate Governance Declaration.

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

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

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

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

A. FINANCIAL INFORMATION 2019

In 2019 the Group's key financial figures shown decreased compared to the prior year, however maintaining high levels of liquidity.

The most significant figures of the Company and the Group in relation to 2018 were as follows:

	Group			Company		
	2019	2018	V %	2019	2018	V %
Turnover	23.308.010	27.015.626	-13,7%	22.149.704	25.609.118	-13,5%
% Gross Profit margin	48,1%	47,4%		46,0%	47,1%	
EBIDTA	4.060.292	5.177.961	-21,6%	3.685.397	4.826.121	-23,6%
% of sales	17,4%	19,2%		16,6%	18,8%	
Profit before tax	4.184.899	4.492.968	-6,9%	3.838.990	4.161.945	-7,8%
Profit after tax	3.098.251	3.200.857	-3,2%	2.808.175	2.927.141	-4,1%
Total inflows from operating activities	3.081.439	5.106.477	-39,7%	2.107.854	5.214.806	-59,6%
Cash & Investments	16.300.025	13.728.462	18,7%	14.769.391	13.080.306	12,9%

The Group's turnover decreased by 1.7% compared to the prior year and amounted to € 23,3 million. The decreased sales stem mainly from the Company and the decreased wholesales in Greece which showed a decrease of 15.5% compared to the corresponding period last year.

The global toys market in 2019 was characterized by recession, with the market in Greece following the global trend especially in the last month of the year which is primarily the main one for Toy sales.

The Company had set as its target for 2019 the maximization of their presence at every point of sale. This was achieved with advanced merchandising services which guaranteed the continuous "shelf space" in the customers stores. This action resulted in increased sell-through rate in the stores and has been improved customer stock levels which saw decreases making it easier to place new products in the market.

At the same time, in order to respond to this new recessionary environment that the industry was facing worldwide and to the intense competition, it applied reductions in the selling prices for specific items. As a result, AS has maintained its market share in retail stores and created the right conditions for 2020 to correspond to the new requirements in the children's toy market, with the ultimate goal of increasing its market share.

Also, the closure of the 4 retail stores in Greece on 31.07.2019 resulted in the reduction of the relevant turnover from their retail sector by 35.2%, i.e. € 374 thousand.

The Group's activity abroad through the two subsidiaries in Cyprus and Romania and exports by the Company increased by 7.6%.

For the Group, the gross profit margin improved by 0.7 percentage points at 48.1% from 47.4% last year despite the appreciation of the Dollar against the Euro. We note that the purchases in Dollars for 2019 had an average exchange rate of 1,124 EUR/USD against 1,172 EUR/USD in 2018. The increase in gross profit is mainly due to the product mix in 2019.

For the Company, the gross profit margin decreased from 47.1% to 46% in 2019 due to the centralization of the Group's purchases by the Company in the context of better inventory management.

Despite the significant constraint of expenses and increased gross profit, the decrease in revenues resulted in EBITDA to decrease by 17.4% as a percentage to sales against 19.2% in the previous year.

The effective management of the Company's cash and investments contributed significantly to the Group's profitability, constraining the decrease in profit before tax to 6.9%.

As a result of the above, the profit before tax of the Group and the profit after tax of the Group of the fiscal year 2019 are reduced in relation to the fiscal year 2018 in absolute figures, by € 308 thousand and € 103 thousand respectively.

The total inflows of the Group from operating activities decreased by € 2,025 thousand compared to the previous year, i.e. € 3,081 thousand in the current year compared to € 5,106 thousand, which is mainly due to the decrease in the sales volume.

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

Company (A)	
A. Decrease in sales volume	-1.590.863
B. Decrease in gross profit margin %	-294.507
C. Decrease in operating costs	894.975
D. Increase of financial income	686.381
E. Decrease in other income	-150.329
F. Decrease in depreciation	131.388
Total change in Profits before taxes	-322.955
Subsidiaries Activities (B)	14.866
Total Change (A + B)	-308.070

With the implementation of IFRS 16, the EBITDA for the Group increased by € 121,917 (Company: € 102,394). This is due to the payments from operating leases that were included in EBITDA, but the depreciation of the right-of-use assets and the interest from lease liabilities are not included in its calculation. The above depreciations amounted to € 112,364 for the Group (Company: € 93,045), while the aforementioned interest accruals amounted to € 18,600 (Company: € 16,561).

Bank Debt: The situation of Bank Borrowings on 31.12.2019 excluding IFRS 16 is as follows:

	Group			Company		
	2019	2018	V %	2019	2018	V %
Bank loans	644	96.919		0	14.516	
less: cash and investments	-16.300.025	-13.728.462		-14.769.391	-13.080.306	
Net Debt	**-16.299.381**	**-13.631.543**	19,6%	**-14.769.391**	**-13.065.790**	13,0%
Equity	30.658.198	28.454.265	7,7%	29.754.891	27.834.165	6,9%
Gearing ratio	-53,16%	-47,91%		-49,6%	-46,9%	

The gearing ratio appears to be improved compared to 2018 and is still negative. Cash plus short-term investments, is higher than bank debt by € 14.8 million and € 16.3 million (Company and Group respectively), a fact that certifies the healthy financial situation of the Company and Group.

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

	Group			Company		
	2019	2018	V %	2019	2018	V %
Bank loans	428.578	96.919		393.294	14.516	
less: cash and investments	-16.300.025	-13.728.462		-14.769.391	-13.080.306	
Net Debt	**-15.871.447**	**-13.631.543**	16,4%	**-14.376.097**	**-13.065.790**	10,0%
Equity	30.658.198	28.454.265	7,7%	29.754.891	27.834.165	6,9%
Gearing ratio	-51,77%	-47,91%		-48,3%	-46,9%	

The Company with the adoption of IFRS 16 for the first time in 2019 shows a lease liability from buildings and vehicles totaling € 393 thousand and the group € 428 thousand.

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

	Group			Company		
	2019	2018	V %	2019	2018	V %
Current assets	31.822.411	29.720.290		29.942.253	28.289.426	
Current liabilities	-5.796.529	-6.146.779		-5.341.185	-5.861.040	
Working capital	**26.025.882**	**23.573.510**	10,4%	**24.601.068**	**22.428.386**	9,7%

With the adoption of IFRS 16 for the first time in 2019, the Short-Term Liabilities include Lease Liabilities of € 91,263 for the Company and € 105,148 for the Group that were not included in 2018. Without those obligations the Working Capital for the Company would amount to € 24.692.332 and for the Group € 26.131.030.

The Group's inventories amounted to € 4,955 thousand compared to € 5,126 thousand in the previous year and represent 13.2% of total assets, compared to 14.6% in the same period last year. The inventories of 2019 include stock in transit of € 2,147 thousand compared to € 1,372 thousand of the previous year.

Respectively, the receivables from the customers of the Group decreased compared to the previous year by € 848 thousand, meaning 8% while the turnover decreased by 13.7% compared to the previous year.

	Group			Company		
	2019	2018	V %	2019	2018	V %
Inventory and Receivables from Customers & Other receivables	15.522.386	15.991.828		15.172.862	15.209.120	
Less: Trade payable and other short term liabilities	-5.690.737	-6.049.860		-5.249.922	-5.846.524	
Net Working Capital	**9.831.649**	**9.941.968**	-1,1%	**9.922.940**	**9.362.596**	6,0%
% of sales	42,2%	36,8%		44,8%	36,6%	

Earnings per share: Earnings per share of the Company based on the weighted number of shares amounted to € 0,216 compared to € 0,223 of the previous year, showing a decrease of 2,9%.

Capital expenditure: The Company's investments amounted to € 225,209 in the period from 1.1.2019 to 31.12.2019, compared to € 565,411 of the respective comparative period. The Group's investments amounted to € 225,209 in the period from 1.1.2019 to 31.12.2019 compared to € 191,666 in the corresponding comparative period.

Research and development costs: Within 2019, the Company incurred increased costs by 21,9% compared to the previous year, meaning € 156 thousand compared to € 128 thousand.

Key Financial Ratios: The main financial ratios as of 31.12.2019 and 31.12.2018 were as follows taking into account the effect of IFRS 16 first implemented in 2019:

Group	**31.12.2019**	**31.12.2018**
a. Financial Structure ratios		
Current Assets / Total Assets	85,0%	84,6%
Equity / Total Liabilities	452,0%	425,2%
Equity / Fixed Assets	591,4%	527,5%
Current Assets / Current Liabilities	549,0 %	483,5%
b. Performance and Efficiency ratios		
EBITDA / Turnover	17,4%	19,2%
Gross Profit / Turnover	48,1%	47,4%
Turnover / Equity	76,0%	94,9%

Company	**31.12.2019**	**31.12.2018**
a. Financial Structure ratios		
Current Assets / Total Assets	83,0%	82,6%
Equity / Total Liabilities	471,8%	434,5%
Equity / Fixed Assets	575,7%	518,3%
Current Assets / Current Liabilities	560,6%	482,7%
b. Performance and Efficiency ratios		
EBITDA / Turnover	16,6%	18,8%
Gross Profit / Turnover	46,0%	47,1%
Turnover / Equity	74,4%	92,0%

Excluding the IFRS 16 impact the respective rates for the fiscal year 2019 are as follows:

Group	**31.12.2019**	**31.12.2018**
Equity / Total Liabilities	459,1%	425,2%
Current Assets / Current Liabilities	559,1%	483,5%

Company	**31.12.2019**	**31.12.2018**
Equity / Total Liabilities	478,7%	434,5%
Current Assets / Current Liabilities	570,3%	482,7%

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

The Company maintained until 31.7.2019, in respective leased premises, four branches for retail sales of children's clothing - toys, three in the regional unit of Thessaloniki and one in Larissa.

Personnel: The number of employees at the end of the audited fiscal year 2019 amounted to 74 employees in the Group, specifically 69 in the parent company and 5 in the subsidiaries in Cyprus and Romania. At the end of the previous year, the number of employees in the Group was 81 employees, specifically 78 in the parent company and 3 in the subsidiaries in Cyprus and Romania.

Investments: The Group structure as at 31.12.2019 is as follows:

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

In the fiscal year ended 31 December 2019, Consolidated Financial Statements included the financial information of the subsidiaries of «AS COMPANY CYPRUS LTD» and «AS KIDS TOYS S.R.L.».

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

B. IMPORTANT EVENTS OF 2019

1. General Meeting of Shareholders decisions

The General Meeting of the Company's Shareholders held on 21.6.2019 took the following decisions:

a) approved the Separate and Consolidated Annual Financial Statements for the fiscal year 1.1.2018 – 31.12.2018 accompanied with the relevant reports of the Board of Directors and the Auditor's.

b) approved the non-distribution of dividends for the fiscal year 2018,

c) approved the overall management of the Board of Directors for the fiscal year 1.1.2018 - 31.12.2018 according to article 108 of Law 4548/2018 and the discharge of the Auditors for the same fiscal year, according to article 117 par. 1 case c ' Law 4548/2018.

d) approved the remuneration and compensation paid to the members of the Board of Directors during the year 1.1.2018–31.12.2018.

e) approved the remuneration and compensation to the members of the Board of Directors for the fiscal year 2019 and until the regular general meeting of 2020.

f) the election of the Firm of Certified Auditors under the name "KPMG Certified Auditors SA" (AM SOEL: 114), to carry out the mandatory audit of the annual and interim Financial Statements and the granting of the annual tax certificate for the fiscal year 2019 (1.1.2019 – 31.12.2019), through the following members, who will act as: 1) Regular Auditor: Mr. Nikolaos Vouniseas, with AM SOEL 18701, 2) Alternate Auditor: Mr. Charalambos Sirounis, with AM SOEL 19071.

g) the decrease of the Company's share capital by nine hundred and eighteen thousand eight hundred and twenty-one euro and forty cents (€ 918,821.40), with a decrease in the nominal value of each share, from 0.56 euro to 0.49 euro, i.e. by 0.07 euro, the return of the above amount to the shareholders and the corresponding amendment of article 5 of the Company's articles of association, regarding the share capital.

h) the amendment of the articles of association in compliance and harmonization with Law 4548/2018, with supplementation, abolition, reprinting and renumbering of all its articles.

i) the revocation of the existing one and the election of a new Board of Directors, due to an increase in the number of its members from seven (7) to eight (8) and the appointment of its independent members, according to article 3 par. 1 of Law 3016/2002.

j) the revocation of the existing Audit Committee, the election of a new one, in accordance with article 44 of Law 4449/2017 and the appointment of its President.

k) the approval of the purchase of own shares in accordance with the provisions of Article 49 of Law 4548/2018 within a period of twenty four (24) months from the date of the decision taken from the General Meeting of Shareholders, with a maximum percentage of 5% of all existing shares today, with a range of purchase prices from € 0.50 / share (minimum limit) to € 4.00 / share (maximum limit).

l) the delegation to the new member of the Board of Directors Mr. Konstantinos Andreadis, to perform the duties of administrator in the subsidiary of Cyprus under the name AS Company Cyprus Ltd, as well as in Mrs. Theodora Koufou, member of the Board of the Company, for the exercise of the managerial duties of the subsidiary established in Romania under the name "AS KIDS TOYS S.R.L.".

2. Participation in exhibitions

In 2019 the Company had presence in several national & international exhibitions.

Specifically, it participated in the following exhibitions:

a. Parousies in Greece b. Spielwarenmesse in Nuremberg c. Annual Corporate 'Exhibition in Greece d. Distoy in London and e. Hong Kong Toy Exhibition. The presence of the Company in exhibitions abroad is considered to be of utmost importance for the efforts to open new markets and for this reason it plans its active participation in subsequent exhibitions within the industry throughout the year.

3. Retail stores

The activity of the retail sector achieved sales of € 690 thousand compared to € 1,064 thousand of the corresponding period 2018, marking a decrease of 35%, which is due to the closure of the 4 leased retail stores maintained by the Company until 31.7.2019. This activity had a low contribution to the profitability of the Company and for this reason Management proceeded, as it had announced, in the closure of the four stores on 31.7.2019, in order to focus on its main activity. It maintained only the wholesale/ retail store that operates in Oreokastro, Thessaloniki, in the privately owned facilities of its headquarters.

4. Tax compliance assurance certificate for the year 2018

The tax audit of the Company for the year 2018, carried out by the Certified Public Accountant according to article 65A of Law 4174/2013, was completed on 2 August 2019, and the corresponding Tax Compliance Report was issued with unqualified conclusion.

5. Decision Approving Share Capital Reduction by the Competent Authorities

On 24.07.2019, the decision No. 77591 / 24.07.2019 of the Ministry of Development and Investments was registered in the General Commercial Register, which approved the amendment of article 5 of the Company's Articles of Association.

The Corporate Action Committee of the Athens Stock Exchange was informed at the meeting of 31.07.2019 for the reduction of the share capital in order to return the capital by paying cash to the shareholders, amounting to € 0.07 per share, as well as for the relevant amendment of Article 5 of the Articles of Association of the company. From 6.9.2019 (cut-off date) the Company's shares were traded on the ATHEX with the new nominal value of € 0.49 per share, without the right to participate in the share capital return with payment of cash to the shareholders amounting to € 0.07 per share. From the same date, the starting price of the Company's shares in the ATHEX was formulated in accordance with the Regulation of the Athens Stock Exchange in conjunction with the decision No. 26 of the Board of Directors of ATHEX as it applies. Beneficiaries of share capital return were the shareholders registered in the records of D.S.S. (Dematerialized Securities System) as at 9.9.2019 (date of determination of the beneficiaries - record date). The start date for the payment of the share capital return was set on Friday, 13.09.2019 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 € 918.321,40 was completed in September 2019. After the above reduction, the Company's share capital is now € 6.431.749,80, divided into 13.126.020 common registered shares, of a nominal value of € 0,49 each.

6. Decisions of the Extraordinary General Meeting

The Extraordinary General Meeting of the Company's shareholders, held on 18 December 2019, on the subject of the agenda "Approval of the Company's Remuneration Policy in accordance with Law 4548/2018" approved the proposed by the Company's Board of Directors Remuneration Policy in accordance with the articles 110 and 111 of Law 4548/2018. Based on the approved Policy, the Remuneration Committee was elected and formed by the Board of Directors, consisted of the non-executive members of the BoD A. Petalas, as President, P. Iakovou and T. Mehteridis, as members.

C. FINANCIAL RISK MANAGEMENT AND FINANCIAL ASSETS

The activities of the Company and the Group are exposed to a number of risks. The risks and uncertainties are described in detail in this Annual Financial Report for the year 2019.

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

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

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

(a) Foreign Exchange risk

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

The Group carries out a significant part of its imports from China which are invoiced in US Dollars (USD). In 2019, purchases in dollars comprised 69,9% of the total purchases, compared to 69,6% of the previous year's purchases. The value of imports in dollars (USD) is 30,8% higher than the same period last year.

The Group maintains cash and investment products in dollars (USD), which cover 62% of the imports value in dollars made within 2019.

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

	2016	2017	2018	2019
Average exchange rate	1,1068	1,1297	1,1810	1,1195
Annual change %	-0,31%	2,07%	4,54%	-5,21%

The Group in 2019 did not use financial instruments to reduce its exposure from foreign exchange risk arising from the markets.

(b) Interest rate risk

The Group's companies have credit limits in banks, but due to the significant liquidity, they have not resorted to bank lending in 2019 and all their needs in working capital are financed by own available cash .

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

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

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

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

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

Regarding the children's clothing with the brand name IDEXE, the Company on 31.7.2019 proceeded to the closure of the retail stores that operated under this name. It now maintains a retail store at its premises in Oreokastro, Thessaloniki, which continues to operate, with goods from various suppliers.

(d) Credit risk and liquidity risk

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

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

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	**31.12.2019**	**31.12.2018**
Current Assets / Current Liabilities	549,0%	483,5%

Company	**31.12.2019**	**31.12.2018**
Current Assets / Current Liabilities	560,6%	482,7%

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

The subsidiary in Romania as of 31-12-2019 had € 201.542 in cash and has secured a funding line of € 700.000 which has not been used as of to date.

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

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

Group	**Total**		**Up to 1 year**		**From 1 to 5 years**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Short Term Bank Loans	644	96.919	644	96.919	0	0
Accounts payables	3.525.488	2.862.121	3.525.488	2.862.121	0	0
Lease liabilities	427.934	0	105.148	0	322.786	0
Other short-term liabilities	2.165.249	3.187.739	2.165.249	3.187.739	0	0
Total	**6.119.315**	**6.146.779**	**5.796.529**	**6.146.779**	**322.786**	**0**

Company	**Total**		**Up to 1 year**		**From 1 to 5 years**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Short Term Bank Loans	0	14.516	0	96.919	0	0
Accounts payables	393.294	0	91.263	0	302.031	0

Lease liabilities	3.253.218	2.809.696	3.253.218	2.862.121	0	0
Other short-term liabilities	1.996.704	3.036.828	1.996.704	3.187.739	0	0
Total	**5.643.216**	**5.861.040**	**5.341.185**	**5.133.200**	**302.031**	**0**

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

(e) Insurance Risk

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

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

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

Macroeconomic conditions in Greece-Cyprus-Romania

Greece

The macroeconomic and financial environment in Greece has improved with a growth rate of + 1.9% in 2019. The initial estimates by the Bank of Greece before the COVID-19 crisis estimated a growth rate of 2.4% for 2020 and 2.5% for 2021. The economic environment indicators and expectations had improved significantly and indicated the continuation of growth dynamics with confidence in the banking sector to be strengthened by the complete abolition of capital movements from 1 September 2019. Greek economy continued to face very limited fiscal and financial conditions compared to all other eurozone member states, while the risks from the external environment have also increased significantly due to the decreased global growth.

With the recent forecasts from international financial institutions, and their estimates for recession that the pandemic will bring, estimating a -5.3% which stem from the extraordinary governmental financial measures and the suspension of market operation.

Cyprus

The Cypriot economy in 2019, based on the latest available data, is estimated to have achieved growth that will reach approximately 3.2%. The retail sales index rose + 4.2% compared to 2018. Initial estimates predicted a sluggish growth rate of 2.9% for 2020 and 2.6% for 2021. This relatively flat growth rate is due to the fact that the growth in key sectors of the economy began to "balance-out" after the significant growth in previous years, but also has to do with the uncertainty that prevails in the external environment. Uncertainties related to Brexit and the decreased activity in tourism, combined with the impact of Covid-19, are key risks for the subsidiary's growth for 2020.

Romania

Financial Analyst viewed a stagnant 2020 for the Romanian economy, while estimating the decline of the Romanian currency in relation to the Euro.

In 2019, imports increased by + 4.2% compared to 2018 and amounted to € 117.23 billion with the retail sales index increasing by + 7.2% compared to 2018.

Based on the latest estimates before the impact of COVID-19, the Romanian economy had a relatively pessimistic outlook for 2020, placing the economic growth rate at 2.6% compared to the initially estimated 4.2%. Until recently, the Romanian economy was among the fastest growing economies in the European Union, but this economic boom began to weaken in 2018 (4.1%) and 2019 (4.0%). The country's financial difficulties have forced Romania to seek financial assistance from the International Monetary Fund, the European Commission and the World Bank. In 2019, the increase in minimum wages in both the private and public sectors boosted public consumption, which will remain the main growth factor in 2020. Based on the latest published financial data, the impact of Covid-19 will affect growth with the real change in GDP ranging from + 1.7% to -1.5%.

The Management of the Group evaluates the changes in the macroeconomic and financial environment in Greece and abroad in order to minimize any effects on its activities. A very important part of the Company's sales takes place in the months of September - December and the Company, due to its zero exposure to borrowing, has sufficient funds to finance its smooth supply of goods from foreign companies.

Based on the data available so far, Management has estimated that no additional impairment provisions are required for the Financial and non-financial assets of the Group on 31 December 2019.

Other risks

The demand of Company's products is influenced by external factors such as economic uncertainty, reduced consumption and consumers preference for low-priced products. In this context, Management has made a selection of quality products with reasonable retail price, which are attractive to consumers throughout the year.
The Company continues to proceed with short-term investments (mainly bonds) having first evaluated the relevant ratings from international firms.

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

For 2020, the Company's Management initially set their goal for increased sales turnover throughout the three countries in which it operates - Greece, Cyprus and Romania - by introducing innovative products in its main product categories.

By implementing modern activation methods via Social Media, Merchandising & Promotional Activities, the Group had prepared the launch of new products for the new year. As a result, in the first two months of 2020, the Group showed an improvement in sales on a consolidated basis of about 15% compared to the corresponding period of 2019.

However, since the beginning of March 2020, due to the pandemic of COVID-19, there has been a reversal of this improved course, a trend that is expected to continue in the coming months.

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

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

Due to the above regulations in the retail trade, from 18 March of 2020, the products of our Company are available in limited distribution channels. However, the Company did not cease operations and continued to invoice its customers who did not have their operations suspended, responding to a demand clearly much lower than normal levels. Expecting that the special conditions of the retail trade are expected to affect the operation of the market throughout the second quarter of 2020, Management estimates that the negative impact on sales will be approximately -30% on an annual basis compared to last year provided that the duration of the emergency measures (closed retail stores) does not exceed 10 weeks.

As for the investments of the Company, the current impact on the portfolio as a whole is approximately -8%.

The government, via the Legislative Content Act of 30 March 2020, for all companies whose operations have been suspended or have been affected by COVID-19 restrictions extended the deadline of postdated checks and notes receivable which had expiration dates from 30 March to 31 May 2020 by 75 days.

Our Company is in constant communication with all its customers, trying in good faith to ensure the widest possible retention of the agreed repayment period. Until the date of writing this report, the majority of our customers have complied with the agreed repayment period. In any case, the Management estimates that the delayed payment of postdated checks and notes receivables at the end of April and May will have an impact on cash flows but will not affect the Company's sound financial position.

Despite the prevailing uncertainty, Management believes that – even in extremely unfavorable scenarios – the Company is able to cope with the challenges of the crisis for the following reasons:

- The Company has strong liquidity, at 31.3.2020 approximately € 13,000 thousand.
- The Group is able to fully meet its obligations since the Acid Ratio remains at very high levels (31.12.2018: 4.0 and 31.12.2019: 4.6). On 31.12.2019 the working capital was € 24.6 million for the Company and € 26 million for the Group.
- There is no Bank Debt.
- There are available bank credit limits that can be used, if deemed necessary.
- There is currently no issue of bad debt that the Management is aware of.
- The Company has Strategic Partners/ Suppliers with a global presence.
- The crisis in China did not affect the supply of the Company and the Group for the goods of the first half of the year as the relevant orders and shipments were made before the closing of the factories in China. These goods can be sold throughout the year.
- No significant issues are expected in the supply of the Company for the goods of the second half of the year as the factories in China are gradually reopening.
- The ties of the Company with all its staff (Management & Employees) are very strong.

The overall impact on the Group's size will depend on the extent of the spread and the duration of the pandemic, but also on the general conditions that will have been created throughout the economy.

Under the current conditions, with the underlying market uncertainty that will continue after the crisis, AS Company has defined that the Group's liquidity is its first priority.

MANAGEMENT OF COVID-19 PANDEMIC CONSEQUENCES

Always up to date on all the current events regarding the pandemic Management has additionally focused on the following main points:

Safety of Employees, Partners, Customers and IT Systems.

Following faithfully the instructions, directions and recommendations provided from the competent Authorities and experts, all the necessary measures have been taken for the safety of the staff and those who cooperate with the Group.

Supply chain. Continuous contacts are made with Suppliers and Strategic Partners to manage the orders of the second half of 2020 to ensure the highest possible level of flexibility.

Operating cost retention. A plan has been drawn out to reduce overall operating costs. The Company based on its Business Codes (KAD) falls under the COVID-19 affected companies and may, if and to the extent it deems necessary, utilize these measures created to support companies, such as those mentioned in the Legislative Acts that apply or will apply in the future.

E. RELATED PARTIES TRANSACTIONS

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

Transactions with related parties during the year 2019, i.e. intercompany sales / purchases and intercompany balances, were all transactions within the scope of the Company's business operations.

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

Sales	2019	2018
AS COMPANY CYPRUS LTD	803.775	263.098
AS KIDS TOYS S.R.L	324.599	78.460
Total	**1.128.374**	**341.558**

Purchases	2019	2018
AS COMPANY CYPRUS LTD	157.520	127.587
AS KIDS TOYS S.R.L	40.437	0
Total	**197.957**	**127.587**

Other Transactions	2019	2018
AS COMPANY CYPRUS LTD	76.490	39.318
AS KIDS TOYS S.R.L	34.962	7.415
Total	**111.452**	**46.733**

Balances from trading transactions

Receivables	2019	2018
AS COMPANY CYPRUS LTD	575.897	102.365
AS KIDS TOYS S.R.L	224.580	85.549
Total	**800.477**	**187.914**

Payables	2019	2018
AS COMPANY CYPRUS LTD	0	0
AS KIDS TOYS S.R.L	0	152.963
Total	**0**	**152.963**

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

Remuneration and Transactions of Management	Group		Company	
Short – term employee benefits	2019	2018	2019	2018
Salaries	768.704	784.426	695.590	707.719
Social Security cost	139.916	122.235	132.036	115.426
Total	**908.620**	**906.662**	**827.626**	**823.145**

Remunerations and Transactions of Board of Directors Members	Group		Company	
Short – term benefits	2019	2018	2019	2018
Salaries	282.800	275.720	264.800	256.020
Social Security cost	41.516	40.343	41.516	40.343
BoD Remuneration Stamp	3.130	0	3.130	0
Other fees	26.910	37.230	26.910	37.230
Total	**354.356**	**353.293**	**336.356**	**333.593**

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

The fees paid during the fiscal year 2019 to the Chairman of the Board of Directors Mr. Efstratios Andreadis, the Vice President of the Board of Directors Mrs. Anastasia Andreadou and the non-executive members Mr. Ioannis Apostolakos, Petros Iakovou, Theofilos Mehteridis and Apostolos Petalas, concern remuneration of their position as members of the Board of Directors. To the non-executive member of the Board of Directors Theofilos Mehteridis fees also paid for the provision of customs services, in the context of his professional cooperation with the Company, based on a relevant evaluation of the Board of Directors. The fees paid to the executive member of the Board of Directors Mr. Theodora Koufou, concern the provision of dependent work services to the Company throughout the year, as well as fees as a member of the Board for the months of January to May 2019. The non-executive member Mr. Konstantinos Andreadis did not receive remuneration from the Company, but from the subsidiary of Cyprus, to which he provides his services. The management personnel who are not members of the Board of Directors, received remuneration based on the employment contracts they have with the Company.

F. Corporate Governance Declaration

This Corporate Governance Declaration has been prepared in accordance with article 152 of Law 4548/2018 (Government Gazette A '104/ 13.06.2018) and is included in the Annual Board of Directors Report for the fiscal year 2019, as a special part of it; and is available through the Company's website.

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I. Corporate Governance Rules

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

II. Corporate Governance Code

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

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

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

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

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

III. Corporate Governance Practices in addition to legislation requirements

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

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

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

Size and composition of the Board of Directors

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

Role and required characteristics of the Chairman of the Board

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

Duties and behaviour of the members of the Board

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

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

Nomination of Members of the Board of Directors

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

Operation of the Board of Directors

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

Evaluation of the Board of Directors

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

Internal Control System

- The Board of Directors does not carry out an annual evaluation of the Internal Control System because the Audit Committee reviews and expresses its opinion on the Internal Audit Department on a regular basis to the Board of Directors of the Company.

- No specific funds have been allocated to the Audit Committee for its use of external consultancy services. If required, the Audit Committee recommends respectively to the Board of Directors, which decides accordingly.

Remuneration

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

Relations with Shareholders

General Meeting

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

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

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

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

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

2019 was AS Company Cyprus Ltd's fourth year of operation from its establishment in May 2016. The internal control and risk management systems are currently exercised on a case by case basis by executives of the Company or external associates who assist the Management of the Subsidiary.

AS KIDS TOYS S.R.L. in the year 2019 covered its second year of operation, while the company's sales activity officially began in the 4th quarter of 2018. The internal control and risk management systems are currently exercised by Company executives or external associates who assist the Management of the Subsidiary.

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

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

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

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

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

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

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

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

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

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

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

General Meeting Mode of Operation

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

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

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

Basic Powers of the General Meeting

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

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

Rights of shareholders and ways of exercising them

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

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

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

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

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

The persons who make up the current BoD are:

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

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

Short Curriculum Vitae of Board Members:

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

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

ANASTASIA ANDREADOU, Vice Chairman and executive member of the BoD

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

THEODORA KOUFOU, Executive Member of the BoD

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

PETROS IAKOVOU, Independent Non-Executive Member of the BoD

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

APOSTOLOS PETALAS, Independent Non-Executive Member of the BoD

Born in 1961 in Soufli, Evros. He holds a Business Administration degree from Piraeus University, certified in special programs: Leadership, Executive Management, Economics and Strategic Analysis, in the Colgate Palmolive and PepsiCo internal training system in the USA. From 1985 to 1990 he worked at Colgate Palmolive in various sectors of Financial Services.

From 1990 to 2007 he held management positions in the PepsiCo Hellas, among which the one of Financial Controller for more than five years, the Finance Director and Managing Director. He is currently the Chief Executive Officer of the listed company "Fourlis A.E. Holdings". He is also Vice-Chairman of the Association of Chief Executive Officers (ACEO) and Member of the BoD of the Association of Business and Retail sales of Greece (HRBA).

IOANNIS APOSTOLAKOS, Independent Non-Executive Member of the BoD

Born in 1964 in Athens. He studied Business Administration at ASOEE and holds an MBA from the University of Cardiff, Wales. For many years he has worked as an executive in banks, in financial services companies, commercial and industrial companies. He is a special associate of the audit firm Deloitte Greece, in matters of raising funds for businesses. In this context, he has extensive experience in the analysis, understanding and control of financial statements, as well as the financial and creditworthiness of companies. He has participated in the Board of Directors of listed and non-listed companies in stock markets. Administrator in the Consulting Company ANCIENT OLYNTHEF IKE. He is also an Independent Non-Executive Board Member and member of the Audit Committee 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 T.E.I. of Kavala and speaks English. He received his degree as a customs agent in 1989 and since then he has been practicing this profession until today.

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

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

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

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

How the Board of Directors operates

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

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

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

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

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

Member	Attending Meetings
Efstratios Andreadis, Chairman & CEO, executive member	29
Anastasia Andreadou, Vice-Chairman, executive member	29
Theodora Koufou, executive member	29
Petros Iakovou, independent non-executive member	29
Ioannis Apostolakos, independent non-executive member	29
Apostolos Petalas, independent non-executive member (from 21.06.2018)	29
Konstantinos Andreadis, non-executive member (from 21.06.2019)	16
Theofilos Mechteridis, non-executive member	29

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

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

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

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

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

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

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

Chairman of the Audit Committee is Mr. Petros Iakovou.

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

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

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

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

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

During 2019, the Audit Committee held in total 6 meetings. The attendance of members in meetings is shown in the table below.

Member of the Audit Committee	Attending Meetings
Petros Iakovou, independent non-executive member	6
Ioannis Apostolakos, independent non-executive member	6
Apostolos Petalas, independent non-executive member	6
Theofilos Mechteridis, non-executive member	6

During the fiscal year 2019, the Audit Committee held two meetings with the independent certified public accountants of the audit firm KPMG. In addition to the meetings, there were also telephone communications, whenever necessary.

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

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

The current Remuneration Committee consists of the following members:

a) Apostolos Petalas, independent non-executive member of BoD
b) Petros Iakovou, independent non-executive member of BoD
c) Theofilos Mechteridis, non-executive member of BoD

The Chairman of the Remuneration Committee is Mr. Apostolos Petalas

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

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

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

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

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

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

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

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

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

The Members of the Board have experience covering a relatively wide age range (ages 40-65) while at the same time several of them have studied abroad. They actively contribute to the work of the bodies as they have experience in areas related to the business of the Company and the Group such as trade, imports / exports, financial, accounting and audit procedures.

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

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

In addition to the Vice President and Executive Member of the Board Mr. Anastasia Andreadou, the executive member of the Board Ms. Th. Koufou holds the position of General Manager of the Company, as well as that of Managing Director of the subsidiary in Romania, "AS KIDS TOYS S.R.L"

Managerial positions in the Company are held by 5 other women, three Directors and two heads of departments .

Z. CORPORATE SOCIAL RESPONSIBILITY

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

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

In addition, AS Company carries out actions and initiatives of Corporate Social Responsibility to support vulnerable social groups. In this context, it created the "Put the Screen Down" campaign and the hashtag #asekatotinothoni in order to prompt parents with a more active role, setting limits to protect children from the risk of screen addiction. It suggests a return to real life, the joy of group board games, quality time with family and friends, and enhanced human contact. In the context of the campaign, which started in 2019 and will continue in the following years, the Company will donate part of its proceeds from the sale of board games to support organizations that treat internet pathogens preventively and therapeutically. Specifically, it will support the operation of the specialized detoxification clinic for children & adolescents addicted to electronic devices, the child psychiatric unit of the Ippokratio Hospital of Thessaloniki, as well as the Hackathon Athens program of the Adolescent Health Unit of the 2nd Pediatric Clinic of the Athens Children's Hospital "P & A Kyriakou".

At the same time, it carries out a series of product and financial donations and benefits throughout the year, actively supporting institutions and associations that through their actions mainly support children and families. Every smile AS can give to the children of families in need of support is a seal of approval and confirmation for the people of AS Company for its excellent work and social contribution. In total, the Company in 2019 responded to more than 90 different requests and distributed more than 3.000 products through donations.

H. Environmental & Work Issues

The Company and its subsidiaries, in their countries of operation, are not active in the manufacturing of the products they distribute. Also, the operation of the Group's facilities is of low nuisance. The Company believes that environmental and the eco system is a concern of all, it makes sure that the products it distributes are as environmentally friendly as possible. In addition, in 2020, the Company plans to include products from recyclable materials in its range. Its purpose is to combine its corporate goals with its wider contribution to sustainability, while also meeting the needs of its consumers. With respect and responsibility towards the environment, it paves the way for a sustainable future for children and family.

The profile of employees for the Group is mixed as it employees are split - men (48,6%) and women (51,4%), they are people with experience according to the Company's needs. The Company provides an additional health and life insurance program, the cost of which amounted to € 33.484 in the current year.

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

I. OTHER ISSUES-OWN SHARES

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

In the fiscal year 2019, the Ordinary General Meeting of the shareholders as of 21.06.2019 decided on the purchase of own shares from the Stock Exchange. Within the fiscal year 2019, the Company did not make any purchases of its own shares.

Following a decision of the Board of Directors, in the fiscal year 2020 and until 31.3.2020, 19.306 own shares had been purchased, with a nominal value of 0.49 per share and a total nominal value of € 9.460, representing 0.15% of the share capital, compared to a total of € 34.500. The company therefore owns a total of 19.306 own shares, representing 0.15% of its own capital.

K. DIVIDEND POLICY – SHARE CAPITAL RETURN

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

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

In addition, the Board of Directors will propose an increase in the nominal value of the share by 1 cent, with a. capitalization of tax-free reserves totaling € 94,927.68 using article 27, Law 4646/2019 which reduces the time of capitalization subject to tax of 5% by exhaustion of the tax liability both at the level of the legal entity and at the shareholder level and b. by capitalizing the remaining amount from Retained Earnings.

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

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

a. Share capital structure

The Company's share capital amounts to six million four hundred and thirty one thousand seven hundred and forty-nine € and eighty cents (€ 6,431,749.80), divided into thirteen million one hundred and twenty six thousand and twenty (13,126,020) common registered shares, with nominal value worth forty-nine cents (€ 0.49) 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 2019 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 2019 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 31.12.2019 up to the date of preparation of this report regarding the shareholders (natural person or legal entity) holding directly or indirectly the total number of shares and the relevant voting rights of the Company.

d. Shares providing special control rights and description of these

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

There was no change during the year 2019 and up until the date of drafting this report.

e. Restrictions on voting rights

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

There was no change during the year 2019 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 2019 and the date of drafting this report.

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

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

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

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

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

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

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

There was no change during the year 2019 and the date of writing this report.

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

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

There was no change during the year 2019 and the date of writing this report.

ID. SIGNIFICANT EVENTS AFTER THE END OF 2019

In December 2019, the COVID-19 virus appeared in China with the main feature of its great ease of transmission, mild symptoms in the vast majority of patients, but also relatively high mortality in the elderly and vulnerable groups. The virus then spread rapidly worldwide, prompting the World Health Organization (WHO) to declare a pandemic.

In Greece, the first case was identified on 26 February of 2020. The Greek government immediately took action to limit social and economic activities to prevent the rapid spread of the virus, which includes, among other things, closing stores, sealing borders, banning traffic for no significant reason. The expiration of those measures, to which more may be added, is not yet known.

Almost all EU countries, as well as many others, have taken similar measures globally. The states that have taken similar measures include Cyprus and Romania, where the Group has its subsidiaries.

The rapid spread of the pandemic and its emerging effects have resulted in a sharp drop in stock market indices around the world and great pressure on economic activity. To confront with the crisis economically, the Greek government, with Legislative Decisions, has taken steps to support affected businesses.

The Company based on the Codes of Activity (CAD) falls under the companies affected by COVID-19 and can, if necessary, use the measures to support the companies legislated by the government.

The result of the measures is the utilization of teleworking and e-commerce platforms.

According to the decisions of the Ordinary General Meeting of Shareholders as of 21/06/2019 and the decision of the Board of Directors as of 06/03/2020, in the framework of the Own Shares Acquisition Program, the Company announced on 9/3/2020 the start of the implementation of the Program purchasing of own shares, according to which the purchase is allowed up to the number of 656,301 shares of the Company until 21.06.2021, with a range of purchase prices from 0.50 € / share (minimum limit) to 4.00 € / share (maximum limit).

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

IE. ALTERNATIVE PERFORMANCE MEASUREMENT INDICATORS ("APMI")

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

EBITDA ratio

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

The evolution of the ratio for the corresponding years of 2017, 2018 & 2019 was as follows:

	31.12.2019	31.12.2018	31.12.2017
EBIDTA	4.060.292	5.177.961	4.910.800
% in sales	17,42%	19,17%	18,92%

Leverage Factor Ratio and Net Debt

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

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

The evolution of the ratio for the corresponding years of 2017, 2018 & 2019 was as follows:

	31.12.2019	31.12.2018	31.12.2017
% net debt/equity	-51,77%	-47,91%	-35,74%
Net Debt	-15.871.447	-13.631.543	-9.260.672

Net Working Capital ratio

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

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

Thessaloniki, 9 April 2020

THE CHAIRMAN OF BOARD OF DIRECTORS
& MANAGING DIRECTOR

EFSTRATIOS K. ANDREADIS

Independent Auditors' Report (Translated from the original in Greek)

To the Shareholders of
AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the attached Separate and Consolidated Financial Statements of AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A (the "Company") which comprise the Separate and Consolidated Statement of Financial Position as at 31 December 2019, the Separate and Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Separate and Consolidated Financial Statements present fairly, in all material respects, the financial position of AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A (Company name) and its subsidiaries (the "Group") as at 31 December 2019 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the 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 the audit of the separate and consolidated financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Inventories Valuation

See Note 7.5 to the Separate and Consolidated Financial Statements.

The key audit matter	How the matter was addressed in our audit
The Company's and the Group's inventories amount approximately to Euro 4 955 thousand respectively, as valued after the impairment provision of Euro 666 thousand. Inventories are valued at the lower of cost and net realizable value. The net realizable value is determined based on the selling prices after the year end of the year of reference. Management's estimation concerning the provision for impairment of inventories is based on the estimations for slow moving and obsolete inventories, the seasonality of inventories and selling prices of the above. Inventories valuation is an important key audit matter due to the significant balance of inventories and the subjective judgment required from management in the assessment of the provision for impairment of inventories. Disclosures of the 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, among others, 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.

2. Impairment of Trade Receivables

See Note 7.6 to the Separate and Consolidated Financial Statements.

The key audit matter	How the matter was addressed in our audit
The Company's and the Group's Trade Receivables amount approximately to Euro 9 398 thousand and Euro 9 835 thousand respectively, against which an impairment provision of Euro 94 thousand was made. Management evaluates the recoverability of the Company's and the Group's trade receivables and proceeds to the assessment of the	Our audit procedures in relation to this matter included, among others, 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

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 I from management in the assessment of the recoverability of trade receivables.	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 considered the adequacy of disclosures, in the Financial Statements.

3. Impact of COVID-19 outbreak

See Note 14 to the Separate and Consolidated Financial Statements.

The key audit matter	How the matter was addressed in our audit
As part of the preparation of the Financial Statements, the Management is responsible for assessing the possible effects of the COVID-19 outbreak on the liquidity of the Company and the Group, and on their ability to continue as a going concern as well as to disclose the results of this assessment to Separate and Consolidated Financial Statements. The COVID-19 outbreak is an unprecedented challenge for humanity and the economy worldwide and on the date of Separate and Consolidated Financial Statements its impact are subject to significant levels of uncertainty. The Management examined the effect of the COVID-19 outbreak on the future operational results of the Company and the Group and specifically on their cash flows. The Management conducted a financial and liquidity risk analysis, which concerned, among other things, the adequacy of cash and cash equivalents in order to ensure the ability of the Company and the Group to continue as a going concern.	Our audit procedures in relation to this matter included, among others, the following: We considered management's assessment of COVID-19 outbreak with respect to business operations and the Company's/Group's liquidity. We discussed with management the basic assumptions used and assessed the reliability of the forecasts by comparing these with the historical performance and market expectations. In this respect we assessed the conclusions reached by the management regarding the adequacy of the financial assets of the Company/Group and its liquidity. We examined the effect on the future results of the Company taking into account management assumptions with respect to the impact of COVID-19 outbreak on their future revenues of the Company/ Group. We evaluated the management's conclusion that no material uncertainty exist as regards

	to the going concern assumption used. We assessed the appropriateness and adequacy of the disclosures included in the financial statements regarding the effects of COVID-19 outbreak.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, for which reference is made in the "Report on Other Legal and Regulatory Requirements" and the Declarations of the Members of the Board of Directors but does not include the Separate and Consolidated Financial Statements and our 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 otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

— Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Separate and Consolidated Financial Statements or, if such 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 within the Group to express an opinion on these Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report [and the Corporate Governance Statement that is included in this report [for listed entities], pursuant to the provisions of paragraph 5 of Article 2 of Law 4336/2015 (part B), we note that:

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

(b) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 150 and 153 and of paragraph 1 (cases c and d) of article 152 of L. 4548/2018 and its contents correspond with the accompanying Separate and Consolidated Financial Statements for the year ended 31 December 2019.

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

2. Additional Report to the audit Committee

Our audit opinion on the Separate and Consolidated Financial Statements is consistent with the Additional Report to the Audit Committee of the Company dated 9 April 2020, pursuant to the requirements of article 11 of the Regulation 537/2014 of the European Union (EU).

3. Provision of non Audit Services

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

The permissible non-audit services that we have provided to the Company and its subsdiaries during the year ended 31 December 2019 are disclosed in Note 14 of the accompanying Separate and Consolidated Financial Statements.

4. Appointment of Auditors

We were appointed for the first time as Certified Auditors of the Company based on the decision of the Annual General Shareholders' Meeting dated 21June 2018. From then onwards our appointment has been renewed uninterruptedly for a total period of 2 years based on the annual decisions of the General Shareholders' Meeting.

Athens, 9 April 2020

KPMG Certified Auditors S.A.
AM SOEL 114

Harry Sirounis, Certified Auditor AM SOEL 19071

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

ANNUAL FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED) AS OF 31 DECEMBER 2019

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

It is ascertained that the attached Annual Separate and Consolidated Financial Statements of 31 December 2019 are those approved by the Board of Directors of "**AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTER AND TOYS S.A.**" on 9 April 2020 and have been made public by posting on the Internet at **www.ascompany.gr** where they will remain available to the public for a period of at least ten (10) years.

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

IV. ANNUAL FINANCIAL STATEMENTS
A. ANNUAL STATEMENT OF FINANCIAL POSITION
(Amounts in Euro)

		GROUP		COMPANY	
	Note	31.12.2019	31.12.2018	31.12.2019	31.12.2018
ASSETS					
Non-current assets					
Property, plant and equipment	7.1	5.058.562	5.261.550	5.049.801	5.248.834
Intangible assets	7.2	125.659	132.797	119.012	121.599
Right-of-use assets	7.1	418.887	0	386.083	0
Participation in subsidiaries	7.3	0	0	550.000	550.000
Other non-current assets	7.4	15.395	31.178	14.359	30.117
		5.618.503	**5.425.525**	**6.119.255**	**5.950.549**
Current assets					
Inventories	7.5	4.955.343	5.126.114	4.955.343	4.930.601
Accounts receivables	7.6	9.740.465	10.589.434	9.303.253	10.038.833
Investments at fair value through P&L	7.7	7.456.849	5.336.434	7.456.849	5.336.434
Other current assets	7.8	826.578	276.280	914.266	239.686
Cash and cash equivalents	7.9	8.843.176	8.392.027	7.312.542	7.743.872
		31.822.411	**29.720.290**	**29.942.253**	**28.289.426**
TOTAL ASSETS		**37.440.914**	**35.145.815**	**36.061.508**	**34.239.975**
EQUITY AND LIABILITIES					
Equity					
Share capital	7.10	6.431.750	7.350.571	6.431.750	7.350.571
Share premium		74.509	74.509	74.509	74.509
Other reserves		1.853.916	1.726.214	1.861.193	1.726.623
Retained Earnings		22.298.023	19.302.971	21.387.438	18.682.462
Equity attributable to shareholders of the Company		**30.658.198**	**28.454.265**	**29.754.891**	**27.834.165**
Total equity	7.10	**30.658.198**	**28.454.265**	**29.754.891**	**27.834.165**
Long-Term Liabilities					
Long-term lease liabilities	7.11	322.786	0	302.031	0
Deferred tax liabilities	7.12	245.370	90.082	245.370	90.082
Staff leaving payments	7.13	321.634	356.766	321.634	356.766
Other long-term liabilities	7.14	96.397	97.922	96.397	97.922
		986.187	**544.770**	**965.432**	**544.770**
Current Liabilities					
Account payables	7.15	3.525.488	2.862.121	3.253.218	2.809.696
Short-term borrowings	7.16	644	96.919	0	14.516
Short-term lease liabilities	7.11	105.148	0	91.263	0
Other short-term liabilities	7.17	2.165.249	3.187.739	1.996.704	3.036.828
		5.796.529	**6.146.779**	**5.341.185**	**5.861.040**
Total Liabilities		**6.782.716**	**6.691.549**	**6.306.617**	**6.405.810**
Total Equity and Liabilities		**37.440.914**	**35.145.815**	**36.061.508**	**34.239.975**

The accompanying notes set out on pages 46 to 82 form an integral part of these Separate and Consolidated Financial Statements for the year ended 31 December 2019.
The Company and the Group have implemented IFRS 16 on 1 January 2019 by applying the simplified approach. According to this approach, there is no need to restate previous comparative figures.

B. ANNUAL STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euro)

	Note	GROUP 1.1. to 31.12.2019	GROUP 1.1. to 31.12.2018	COMPANY 1.1. to 31.12.2019	COMPANY 1.1. to 31.12.2018
Turnover	7.18	23.308.010	27.015.626	22.149.704	25.609.118
Cost of sales	7.19	-12.101.100	-14.215.563	-11.963.828	-13.537.871
Gross Profit		**11.206.910**	**12.800.064**	**10.185.876**	**12.071.247**
Other operating income	7.20	33.160	248.446	144.323	294.652
Administrative expenses	7.21	-2.072.095	-1.968.589	-1.915.783	-1.806.562
Distribution costs	7.22	-4.951.068	-5.773.551	-4.572.404	-5.604.807
Research and development expenses	7.23	-156.615	-128.408	-156.615	-128.408
Profits before interest, taxes, depreciation and amortization		**4.060.292**	**5.177.961**	**3.685.397**	**4.826.121**
Depreciation-Impairments	7.24	- 541.057	-649.086	-513.706	-645.094
Profits before taxes, financing and investment results		**3.519.235**	**4.528.875**	**3.171.691**	**4.181.027**
Income/ (expenses) from financing activity – net	7.25	665.664	-35.907	667.299	-19.082
Profits before tax		**4.184.899**	**4.492.968**	**3.838.990**	**4.161.945**
Less: Taxes	7.26	-1.086.648	-1.292.111	-1.030.815	-1.234.804
Profits after taxes (A)		**3.098.251**	**3.200.857**	**2.808.175**	**2.927.141**
Other comprehensive income					
Actuarial gains / (losses) from defined benefits plan	7.13	40.625	-5.552	40.625	-5.552
Deferred tax		-9.253	1.388	-9.253	1.388
Comprehensive income (B)		**31.372**	**-4.164**	**31.372**	**-4.164**
Total Comprehensive income (A) + (B)		**3.129.623**	**3.196.693**	**2.839.547**	**2.922.977**
Net profit attributable to:					
- Shareholders of the Company		3.129.623	3.196.693	2.839.547	2.922.977
Earnings per share - basic (in €)	12	0,2384	0,2435	0,2163	0,2227
Earnings before interest, taxes, depreciation and amortization		**4.060.292**	**5.177.961**	**3.685.396**	**4.826.121**

The accompanying notes set out on pages 46 to 82 form an integral part of these Separate and Consolidated Financial Statements for the year ended 31 December 2019.
The Company and the Group have implemented IFRS 16 on 1 January 2019 by applying the simplified approach. According to this approach, there is no need to restate previous comparative figures.

C. ANNUAL STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro)

Company	**Share capital**	**Share premium**	**Other Reserves**	**Retained earnings**	**Total Equity**
Equity as of 01.01.2018	**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 gains / (losses) from defined benefits plan	0	0	0	-5.552	-5.552
Deferred tax	0	0	0	1.388	1.388
Total comprehensive income				**-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**
Equity as of 01.01.2019	**7.350.571**	**74.509**	**1.726.623**	**18.682.462**	**27.834.165**
Profit for the year	0	0	0	2.808.175	2.805.175
Legal Reserves	0	0	134.571	-134.571	0
Actuarial gains / (losses) from defined benefits plan	0	0	0	40.625	40.625
Deferred tax	0	0	0	-9.750	-9.750
Deferred tax – change of rate	0	0	0	497	497
Total comprehensive income	**0**	**0**	**0**	**31.372**	**31.372**
Reduction and return of share capital	-918.821	0	0	0	-918.821
Transactions with shareholders	**-918.821**	**0**	**0**	**0**	**-918.821**
Equity as of 31.12.2019	**6.431.750**	**74.509**	**1.861.194**	**21.387.438**	**29.754.891**

Group	**Share capital**	**Share premium**	**Other Reserves**	**Retained earnings**	**Total Equity**
Equity as of 01.01.2018	**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	0	0	-409	0	-409
Actuarial gains / (losses) from defined benefits plan	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**	**1.726.214**	**19.302.971**	**28.454.265**

Equity as of 1.01.2019	**7.350.571**	**74.509**	**1.726.214**	**19.302.971**	**28.454.265**
Profit for the year	0	0	0	3.098.251	3.098.251
Legal Reserves	0	0	134.571	-134.571	0
Exchange differences & other reserves	0	0	-6.869	0	-6.869
Actuarial gains / (losses) from defined benefits plan	0	0	0	40.625	40.625
Deferred tax	0	0	0	-9.750	-9.750
Deferred tax – change of rate	0	0	0	497	497
Total comprehensive income	**0**	**0**	**0**	**31.372**	**31.372**
Reduction and return of share capital	-918.821	0	0	0	-918.821
Transactions with shareholders	**-918.821**	**0**	**0**	**0**	**-918.821**
Equity as of 31.12.2019	**6.431.750**	**74.509**	**1.853.916**	**22.298.023**	**30.658.198**

The accompanying notes set out on pages 46 to 82 form an integral part of these Separate and Consolidated Financial Statements for the year ended 31 December 2019.
The Company and the Group have implemented IFRS 16 on 1 January 2019 by applying the simplified approach. According to this approach, there is no need to restate previous comparative figures.

D. ANNUAL CASH FLOW STATEMENT

(Amounts in Euro)

	Note	GROUP 1.1. to 31.12.2019	GROUP 1.1. to 31.12.2018	COMPANY 1.1. to 31.12.2019	COMPANY 1.1. to 31.12.2018
Operating activities					
Profit before tax		4.184.899	4.492.968	3.838.990	4.161.945
Adjustments for:					
Depreciation	7.24	541.057	649.086	513.706	645.094
Provisions		-248.515	54.608	-249.407	54.608
Foreign Exchange differences		-31.126	-67.264	-24.242	-66.855
Results (Gain/loss) from investing activities		-377.587	-110.869	-377.552	-110.737
Interest and related expenses		-1.649	108.094	0	106.780
Plus/Minus Working Capital Adjustments:					
(Increase)/ decrease in inventories		170.771	-1.535.949	-24.742	-1.372.204
Decrease/ (increase) in receivables		-251.367	2.025.716	607.540	2.617.226
(Increase)/in payables (except loans)		1.001.912	2.248.611	-330.481	1.884.899
Minus :					
Interest and related expenses paid		-171.287	-108.094	-164.414	-106.780
Income tax paid		-1.735.670	-2.650.430	-1.681.543	-2.599.170
Net cash flows from operating activities (α)		**3.081.439**	**5.106.477**	**2.107.854**	**5.214.806**
Investing Activities					
Acquisition of subsidiary	7.3	0	0	0	-400.000
Purchase of tangible and intangible assets	7.1-7.2	-225.631	-191.666	-225.209	-165.411
Receivables from disposal of tangible and intangible assets		15.179		15.179	
Disposal/ (Purchases) of financial assets		-1.613.731	155.988	-1.613.731	155.988
Interest received		312.305	229.907	303.748	229.775
Dividends received		0	0	0	0
Net cash flows from operating activities (β)		**-1.511.878**	**194.229**	**-1.520.013**	**-179.648**
Financing Activities					
Inflows from minority rights in the share capital of a subsidiary		0	0	0	0
Reduction and return of share capital	7.10	-918.821	-656.301	-918.821	-656.301
Proceeds from loans issued/ withdrawn	7.16	0	81.931	0	0
Income from government grants		0	0	0	0
Repayment of loans	7.16	-96.275	-2.005.690	-14.516	-2.005.690
Repayment of finance lease		-103.315	0	-85.833	0
Dividends paid		0	0	0	0
Net cash flows from financing activities (c)		-1.118.412	-2.580.060	-1,019.171	-2.661.991
Net increase / (decrease) in cash		**451.149**	**2.720.646**	**-431.330**	**2.373.167**

and cash equivalents (a) + (b) + (c)					
Cash and cash equivalents at the beginning of the year	7.9	**8.392.027**	**5.671.381**	**7.743.872**	**5.370.705**
Cash and cash equivalents at the end of the year	7.9	**8.843.176**	**8.392.027**	**7.312.542**	**7.743.872**

The accompanying notes set out on pages 46 to 82 form an integral part of these Separate and Consolidated Financial Statements for the year ended 31 December 2019.
The Company and the Group have implemented IFRS 16 on 1 January 2019 by applying the simplified approach. According to this approach, there is no need to restate previous comparative figures.

E. NOTES TO THE SEPARATE AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1. General Information

THE COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. is a Hellenic Societe Anonyme Trading Company founded on 8 November 1990 (Official Government Gazette 4222 / 03.12.1990). The Company is registered with the Registry of Societes Anonymes of the Ministry of Economy, Development and Tourism, with GEMI number 057546304000 and Registry Number 22949/06/B/90/107. Its web site is www.ascompany.gr and is listed on the Athens Stock Exchange. The Financial Statements as at 31 December 2019 were approved by the Board of Directors on 09 April 2020 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 2019 was 69 persons and for the Group 74 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 2019.

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

The amounts of the Financial Statements (Separate and Consolidated) are expressed in Euro, unless otherwise stated. It was not necessary to classify the comparative data in order to agree with any changes in the presentation of the data of the current period.

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 presented 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 and judgments are evaluated continuously and are based on empirical data and other factors including expectations for future events that are expected under normal conditions.

Significant accounting estimates and assumptions are as follows:

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

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

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

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

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

3. Important Accounting Principles and Methods

3a. General

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

3b. New and amended standards

The following new standards, amendments to standards and new interpretations, as issued by the International Accounting Standards Board (IASB) and the Interpretation Committee of IFRS and adopted by the European Union (EU), is in force from 1 January 2019:

IFRS 9, Amendment–Prepayment Features with Negative Compensation

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 done 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 did not have an impact on the Company's and Group's Financial Statements.

IFRIC 23, Uncertainty over Income Tax Treatments

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 by 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 did not have impact on the Company's and Group's Financial Statements.

IFRS 16, Leases

The IFRS 16, which replaces IAS 17 "Leases" and related interpretations, introduces a single model for the accounting treatment, in the Statement of financial position, according to which the classification of leases by the lessee as operating or financial leases is abolished and all leases are treated similarly to financial leases under IAS 17.

The definition of lease, according to IFRS 16, mainly concerns the concept of control. This new standard separates the lease contracts from contracts for services based on whether the contract provides the customer the right to control the use of an asset. A contract contains a lease if it gives the customer:

The right to obtain substantially all of the identified asset's economic benefits and
The right to direct the identified asset's use.

IFRS 16 sets out the principles for the recognition of the "right of use asset" and a "lease liability", at the inception of the lease, if there is a contract, or part of a contract, that conveys to the lessee the right to use an underlying asset for a period of time in exchange for a consideration.

The right of use asset will be recognized initially at cost, which consists of initial measurement of the lease liability, the lease payments made at or before the commencement date less any lease incentives received, the initial estimation for dismantling costs and the initial direct costs incurred by the lessee, and subsequently is measured at cost less accumulated depreciation and impairment. The lease liability will be recognized initially at the present value of the lease payments during the lease term that are not paid at that date.

Consequently, the straight line method of recognizing the expense from operating leases under IAS 17 is replaced by the amortization of the "right of use asset" and the interest expense of the "lease liability".

The recognition of assets and liabilities by lessees, as described above, is not required for certain short-term leases and leases of low value assets. The accounting treatment for lessors is not substantially affected by the requirements of IFRS 16.

The date of initial application of IFRS 16 for the Group and the Company was 1st January 2019. The transition method elected was the modified retrospective application of IFRS 16 (simplified approach) and therefore the comparative information was not restated.

According to IFRS 16, at commencement date of the lease, the Group and the Company as a lessee recognizes 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 applied the above initial measurement to all leases, except for those with a term of less than 12 months and leases with an underlying asset of low value (less than €5.000), making 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

The Group and the Company recognized liability, which will be measured at present value as it results from the discounting of the remaining lease payments to be paid using the incremental borrowing rate, and the right to use an asset measured to the amount that equals to the corresponding liability recognized.

For the change of the accounting principle and method refer to **3d « Changes in accounting principles and methods»**

IAS 28, Amendment – Long Term Interests in Associates and Joint Ventures

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 method of 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, which are applied to these long-term interests before the application of the claims for the allocation of the loss and the impairment according to the IAS 28.

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

IAS 19, Amendment – Plan Amendment, Curtailment or Settlement

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 did not have impact on the Company's and the Group's Financial Statements.

Annual Improvements to IFRSs 2015 – 2017 Cycle

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

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

A number of new standards, amendments to existing standards and interpretations will take effect after 2019, as they have not yet been adopted by the European Union. These are analyzed as follows:

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

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

Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7 (effective 1 January 2020)

In September 2019, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures", to address the impact on specific hedge accounting requirements arising from the uncertainty created by the reform of interest rate benchmark across the market range (known as "IBOR Reform").

As a result of the IBOR reform, there may be uncertainties about: a) the interest rate benchmark designated as hedged risk and / or b) the time or amount of cash flows based on interest rate benchmark of the hedged item or of the hedging instrument, during the period until the replacement of the interest rate benchmark with an alternative nearly Risk Free Rate-"RFR".

The amendments provide temporary exemption from the possible effects of uncertainty during this period, by modifying specific criteria for hedging accounting under IAS 39 or IFRS 9. These temporary exemptions are mainly related to the requirement of a high probability of fulfillment in relation to the cash flows that are hedged, the compliance with the criterion of the distinct nature of the risk component and the application of future and retrospective evaluation of the effectiveness of hedge accounting.

IASB addresses IBOR reform and the potential impact on financial information in two phases. These amendments complete the first phase that focused on issues affecting financial information in the period prior to the reform of interest rate benchmark. The second phase focuses on possible issues that may arise when existing interest rates are replaced by RFR.

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

Amendments to Conceptual Framework including the References to the Conceptual Framework in IFRS Standards (effective 1 January 2020)

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 chapters of measurement, presentation, disclosure and derecognition. Additionally, the revised Framework includes updated definitions of an asset/liability and recognition criteria, as well as clarifications on important areas.

Alongside with the revised Conceptual Framework, the IASB published an accompanying document entitled "Amendments to References to the Conceptual Framework in IFRS Standards", which includes subsequent changes to the standards so that they are reported in the new Framework.

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

IAS 1-Amendments: Classification of Liabilities as Current or Non- Current (effective 1 January 2022, not yet endorsed by EU)

The amendments only affect the presentation of liabilities in the Statement of Financial Position and provide clarifications as to the definition of the right to defer settlement of a liability, while at the same time clarify that the classification of liabilities into current or non – current should be based on rights that are in existence at the end of the reporting period. In addition, it is clarified that the assessment carried out at the end of the reporting period about the classification of liabilities is not affected by expectations about whether an entity will exercise its right to defer settlement of a liability. It was also clarified by the IASB that the classification of liabilities into current and non - current by an entity should not take into account those conversion rights that are recognized in Equity.
The adoption of the amendment is not expected to have impact on the Company's and the 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.

3d. Changes in accounting principles and methods

The IFRS 16, which replaces IAS 17 "Leases", introduces a single model for the accounting treatment, in the Statement of financial position, according to which the classification of leases by the lessee as operating or financial leases is abolished and all leases are treated similarly to financial leases according to the IAS 17.

Transition to IFRS 16

The Group implemented the standard, from the mandatory date of its adoption, on 1st January 2019. The method selected was the simplified approach where the previous comparative amounts were not restated. Additionally, the exemptions – criteria for the leases with a lease term of 12 months or less on the original date of application of the standard, and for low value leases, were also used.

Lessee accounting

According to IFRS 16, on the date of commencement of the lease, the Company and the Group as a lessee recognized right to use assets and lease liabilities in the Annual Statement of Financial Position, which are initially measured at the present value of future lease payments.

The Group has implemented a discount rate based on a leases portfolio with similar characteristics.

The following tables summarize the effect of the adoption of IFRS 16 in the Statement of Financial Position of the Group and the Company on 1st January 2019, for each of the affected data:

	GROUP			COMPANY		
	Net book value IAS17	IFRS 16 Adjustment	Net book value IFRS 16	Net book value IAS17	IFRS 16 Adjustments	Net book value IFRS 16
	31.12.2018		1.1.2019	31.12.2018		1.1.2019
Assets						
Non-current Assets						
Property, Plant and Equipment	5.261.550	0	5.261.550	5.248.834	0	5.248.834
Intangible assets	132.797	0	132.797	121.599	0	121.599
Right-of-use assets	0	507.371	507.371	0	455.337	455.337
Participation in subsidiaries	0	0	0	550.000	0	550.000
Other non-current assets	31.178	0	31.178	30.117	0	30.117
	5.425.525	**507.371**	**5.932.896**	**5.950.549**	**455.337**	**6.405.886**
Current Assets						
Inventories	5.126.114	0	5.126.114	4.930.601	0	4.930.601
Accounts receivables	10.589.434	0	10.589.434	10.038.833	0	10.038.833
Investments at fair value through P&L	5.336.434	0	5.336.434	5.336.434	0	5.336.434
Other current assets	276.280	0	276.280	239.686	0	239.686
Cash and cash equivalents	8.392.027	0	8.392.027	7.743.872	0	7.743.872
	29.720.290	**0**	**29.720.290**	**28.289.426**	**-0**	**28.289.426**
Total Assets	**35.145.815**	**507.371**	**35.653.186**	**34.239.975**	**455.337**	**34.695.312**
EQUITY AND LIABILITIES						
Equity						
Share capital	7.350.571	0	7.350.571	7.350.571	0	7.350.571
Share premium	74.509	0	74.509	74.509	0	74.509
Other reserves	1.726.214	0	1.726.214	1.726.623	0	1.726.623
Retained earnings	19.302.971	0	19.302.971	18.682.462	0	18.682.462
Equity attributable to shareholders of the Company	**28.454.265**	**0**	**28.454.265**	**27.834.165**	**0**	**27.834.165**
Total equity	**28.454.265**	**0**	**28.454.265**	**27.834.165**	**-0**	**27.834.165**

Long-term Liabilities						
Long-term lease liabilities	0	408.830	408.830	0	374.326	374.326
Deferred tax liabilities	90.082	0	90.082	90.082	0	90.082
Staff leaving payments	356.766	0	356.766	356.766	0	356.766
Other long-term liabilities	97.922	0	97.922	97.922	0	97.922
	544.770	**408.830**	**953.600**	**544.770**	**374.326**	**919.096**
Current Liabilities						
Accounts payable	2.862.121	0	2.862.121	2.809.696	0	2.809.696
Short-term borrowings	96.919	0	96.919	14.516	0	14.516
Short-term lease liabilities	0	98.541	98.541	0	81.011	81.011
Other short-term liabilities	3.187.739	0	3.187.739	3.036.828	0	3.036.828
	6.146.779	**98.541**	**6.245.320**	**5.861.040**	**81.011**	**5.942.051**
Total Liabilities	**6.691.549**	**507.371**	**7.198.920**	**6.405.810**	**455.337**	**6.861.147**
TOTAL EQUTY AND LIABILITIES	**35.145.815**	**507.371**	**35.653.186**	**34.239.975**	**455.337**	**34.695.312**

The following table shows the agreement between the commitments from operating leases, as disclosed under IAS 17 in the Financial Statements for the year ended 31 December 2018, and the lease liabilities that were recognized in accordance with IFRS 16:

Adjustments recognized during the adoption of IFRS 16

Lease liabilities on 1st January 2019 can come to agreement with the operating leases of 31st December 2018 as shown below:

(Amounts in Euros)	Group	Company
Operating lease liabilities 31.12.2018	521.806	500.906
(Less) Short term leases 01.01.19	0	0
Lease liabilities before discount 01.01.2019	558.063	500.906
Discount rate 01.01.2019	3%-5%	3%-5%
Lease Liabilities 01.01.2019	507.371	455.337

The deviation in the Group is due to the lease of a property in Cyprus that was recognized retrospectively from 1/1/2019 due to the renewal of the lease on 1/10/2019.

4. Significant Accounting Principles and Methods

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

4.1 Consolidation and Participations in subsidiaries

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

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

4.2 Property, plant and equipment

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

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

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

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

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

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

4.3 Intangible Assets

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

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

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

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

4.4 Impairment of Non-Financial Assets

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

4.5 Financial Instruments

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

(i) Recognition and initial measurement

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

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

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

(ii) Classification and subsequent measurement

After initial recognition, financial assets are classified into three categories

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

The Group and the Company do not have assets that are measured at fair value through other comprehensive income at 31 December 2019.

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

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

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

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

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

(iii) Impairment of financial assets

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

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

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

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

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

(iv) De-recognition

Financial Assets

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

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

Financial liabilities

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

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

(iv) Offset

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

4.6 Inventories

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

4.7 Cash and Cash Equivalents

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

4.8 Share Capital

Common shares are classified in Equity.

Each share of the Company incorporates all the rights and obligations set out in 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 Statement of Profit or Loss within a period such that they are matched with the expenses they are intended to compensate. Government grants related to the purchase of tangible fixed assets are included in long-term liabilities as deferred government grants and are carried as income in the Statement of Profit or Loss using the straight-line method over the estimated useful life of the related assets.

4.10 Employee Benefits

a) Short-term benefits

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

b) Defined contribution plans

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

c) Defined benefit plans

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

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

d) Termination benefits

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

4.11 Provisions

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

4.12 Deferred tax

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

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

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

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

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

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

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

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

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

4.13 Recognition of Revenue

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

Sales of goods (wholesale and retail)

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

Financial Income

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

Income from Royalties

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

Dividend income

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

4.14 Dividends

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

4.15 Leases

The Company and the Group as lessee

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

i. Right-of-use assets

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

ii. Lease liabilities

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

4.16 Foreign Currency Translation

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

4.17 Reclassifications of Balances

There are no such cases.

5. Other Information

5.1 Consolidated Financial Statements

In 2019 the Separate and Consolidated Financial Statements were prepared, including the subsidiaries AS COMPANY CYPRUS LTD and AS KIDS TOYS S.R.L., using the full consolidation method.
The corresponding financial information for the year 2019 referred to as the Group refer to these companies.

5.2 Seasonality of activities

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

6. Operating Segments

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

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

	Group		Company	
	1.01 to 31.12.2019	1.01 to 31.12.2018	1.01 to 31.12.2019	1.01 to 31.12.2018
Sales of goods local	20.119.392	24.051.577	20.119.392	24.051.577
Sales of goods abroad	3.188.618	2.964.049	2.030.312	1.557.541
Total	**23.308.010**	**27.015.626**	**22.149.704**	**25.609.118**

Sales abroad represent 13.68% of total consolidated sales for the current year, compared to 10,97% of the previous year.

7. Other Explanatory Information

7.1 Property, plant and equipment

Property, plant and equipment are analysed as follows:

	Group		Company	
Account Description	**2019**	**2018**	**2019**	**2018**
Land	1.947.228	1.947.228	1.947.228	1.947.228
Buildings and building installations	2.896.308	3.186.719	2.896.308	3.186.719
Machinery and technical installations	0	261	0	261
Transportation	101.559	33.004	101.559	33.004
Furniture and Fixtures	113.467	94.338	104.706	81.621
	5.058.562	**5.261.550**	**5.049.801**	**5.248.834**

The investments of the Group and Company in fixed assets during the year amounted to € 197.235.

There are no encumbrances on the Company's property.

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

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

Fixed assets table for the period 31 December 2019 and 31 December 2018:

GROUP

Acquisition Values	Land	Buildings and building installations	Machinery, and Technical installations	Transportation	Furniture and fixtures	TOTAL
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
Disposals of the period 1.01 - 31.12.2018	0	0	0	0	0	0
Balance at 31.12.2018	**1.947.228**	**8.064.510**	**61.774**	**181.745**	**1.317.147**	**11.572.404**
Additions of the period 1.01 - 31.12.2019	0	22.290	0	87.116	87.829	197.235
Disposals of the period 1.01 - 31.12.2019	0	-412.571	0	-16.938	-128.171	-557.680
Other changes in acquisition value	0	0	0	0	-253	-253
Balance at 31.12.2019	**1.947.228**	**7.674.229**	**61.774**	**251.923**	**1.276.550**	**11.211.704**

Accumulated Depreciation	Land	Buildings and building installations	Machinery, and Technical installations	Transportation	Furniture and fixtures	TOTAL
Balance at 31.12.2017	**0**	**4.329.273**	**61.002**	**137.714**	**1.150.708**	**5.678.698**
Depreciation for the period 1.01 - 31.12.2018	0	328.038	510	11.027	46.662	386.237
Disposals 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**	**1.222.809**	**6.310.853**
Depreciation for the period 1.01 - 31.12.2019	0	313.127	262	11.516	68.894	393.800
Disposals of the period 1.01 - 31.12.2019	0	-192.517	0	-9.894	-103.181	-305.592
Reversal of impairment	0	-220.480	0	0	-25.439	-245.919
Balance at 31.12.2019	**0**	**4.777.921**	**61.774**	**150.364**	**1.163.083**	**6.153.142**
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
Net book value at 31.12.2019	**1.947.228**	**2.896.308**	**0**	**101.559**	**113.467**	**5.058.562**

Company

Acquisition Values	Land	Buildings and building installations.	Machinery, and Technical installations	Transportation	Furniture and fixtures	TOTAL
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
Disposals of the period 1.01 - 31.12.2018	0	0	0	0	0	0

Balance at 31.12.2018	**1.947.228**	**8.064.510**	**61.774**	**181.745**	**1.301.229**	**11.556.486**
Additions of the period 1.01 - 31.12.2019	0	22.290	0	87.116	87.829	197.235
Disposals of the period 1.01 - 31.12.2019	0	412.571	0	16.938	128.171	557.680
Balance at 31.12.2019	**1.947.228**	**7.674.229**	**61.774**	**251.923**	**1.260.887**	**11.196.041**

Accumulated Depreciation	**Land**	**Buildings and building installations**	**Machinery, and Technical installations**	**Transportation**	**Furniture and fixtures**	**TOTAL**
Balance at 31.12.2017	**0**	**4.329.273**	**61.002**	**137.714**	**1.149.652**	**5.677.642**
Depreciation for the period 1.01 - 31.12.2018	0	328.038	510	11.027	44.517	384.092
Disposals 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**	**6.307.654**
Depreciation for the period 1.01 - 31.12.2019	0	313.127	262	11.516	65.192	390.097
Disposals of the period 1.01 - 31.12.2019	0	-192.517	0	-9.894	-103.181	-305.592
Reversal of impairment	0	-220.480	0	0	-25.439	-245.919
Balance at 31.12.2019	**0**	**4.777.921**	**61.774**	**150.364**	**1.156.181**	**6.146.240**
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
Net book value at 31.12.2019	**1.947.228**	**2.896.308**	**0**	**101.559**	**104.706**	**5.049.801**

In the previous year, the net book value of the fixed assets related to the 4 retail stores was impaired with the amount of € 245.919. The stores ceased their operation on 31.07.2019 and the corresponding fixed assets were deleted while the provision for impairment was reversed. From the provision, fixed assets of amount € 1,382 were not destroyed and the amount was transferred to other income.

Right-of-use assets

	Group		**Company**	
Account description	**2019**	**2018**	**2019**	**2018**
Buildings	245.927	0	213.123	0
Transportation means	172.960	0	172.960	0
	418.887	**0**	**386.083**	**0**

Group

Acquisition Values	**Buildings**	**Transportation**	**TOTAL**
Balance at 1.1.2019	**309.250**	**198.120**	**507.370**
Additions of the period 1.01 - 31.12.2019	0	23.791	23.791

Disposals of the period 1.01 - 31.12.2019	0	0	0
Balance at 31.12.2019	**309.250**	**221.911**	**531.161**
Accumulated Depreciation			
Balance at 1.1.2019	**0**	**0**	**0**
Depreciation for the period 1.01 - 31.12.2019	63.323	48.951	112.274
Balance at 31.12.2019	**63.323**	**48.951**	**112.274**
Net book value at 1.1.2019	309.250	198.120	507.370
Net book value at 31.12.2019	**245.927**	**172.960**	**418.887**

Company

Acquisition Values	**Buildings**	**Transportation**	**TOTAL**
Balance at 1.1.2019	**257.217**	**198.120**	**455.337**
Additions of the period 1.01 - 31.12.2019	0	23.791	23.791
Disposals of the period 1.01 - 31.12.2019			0
Balance at 31.12.2019	**257.217**	**221.911**	**479.128**
Accumulated Depreciation			
Balance at 1.1.2019	**0**	**0**	**0**
Depreciation for the period 1.01 - 31.12.2019	44.094	48.951	93.045
Balance at 31.12.2019	**44.094**	**48.951**	**93.045**
Net book value at 1.1.2019	257.2170	198.120	455.337
Net book value at 31.12.2019	**213.123**	**172.960**	**386.083**

7.2 Intangible assets

Intangible assets are analysed as follows:

	Group		**Company**	
Account description	**2019**	**2018**	**2019**	**2018**
Acquisition value of software programs	641.129	651.074	628.399	638.030
Accumulated amortization of software programs	-515.470	-518.277	-509.387	-516.431
	125.659	**132.797**	**119.012**	**121.599**

The intangible assets include the acquisition value and the accumulated amortization expenses of the Computer software programs. The additions of the year amounted to € 27.974 for the Company and for the Group, whereas the respective amount in the previous year amounted to € 111.956 for the Company and € 123.154 for the Group.

7.3 Participations in subsidiaries

Participations in subsidiaries are analysed as follows:

	Group		**Company**	
Account Description	**2019**	**2018**	**2019**	**2018**
AS COMPANY CYPRUS LTD.	0	0	150.000	150.000
AS KIDS TOYS S.R.L	0	0	400.000	400.000
	0	**0**	**550.000**	**550.000**

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

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

7.4 Other non-current assets

Other non-current assets are analysed as follows:

	Group		Company	
Account Description	**2019**	**2018**	**2019**	**2018**
Guarantees given	15.395	31.178	14.359	30.117
	15.395	**31.178**	**14.359**	**30.117**

7.5 Inventories

Inventories are analysed as follows:

	Group		Company	
Account Description	**2019**	**2018**	**2019**	**2018**
Merchandises	3.461.491	4.363.632	3.461.491	4.168.118
Less: Provisions for inventory obsolescence	-665.697	-623.225	-665.697	-623.225
Raw and auxiliary materials – Packing materials	12.055	13.507	12.055	13.507
Stock in transit	2.147.494	1.372.201	2.147.494	1.372.201
	4.955.343	**5.126.114**	**4.955.343**	**4.930.601**

The provision of inventory obsolescence of € 665.697 cover the slow moving and low sales level inventory of the Company. The advances for inventory purchases refer to orders of imported goods from abroad.

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

7.6 Accounts receivables

Accounts receivables are analysed as follows:

	Group		Company	
Account Description	**2019**	**2018**	**2019**	**2018**
Trade debtors	3.359.017	3.158.688	3.278.696	2.608.087
Cheques Receivable	6.320.321	7.341.735	5.963.430	7.341.735
Notes Receivable	155.511	183.394	155.511	183.394
	9.834.849	**10.683.817**	**9.397.637**	**10.133.216**
Less: Provisions for impairment	-94.384	-94.384	-94.384	-94.384
	9.740.465	**10.589.434**	**9.303.253**	**10.038.833**

The total Accounts receivables for 2019 is analysed as follows:

	Group	Company
Not Outstanding balances	8.958.089	8.702.958
Outstanding balances	876.760	694.679
Total accounts receivables	**9.834.849**	**9.397.637**

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

	Group	Company
Up to 90 days	769.920	608.791
91 – 180 days	0	0
> 180 days	106.840	85.888
Total	**876.760**	**694.679**

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

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

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

Group 2019	Up to 90 days	91 – 180 days	>180 days	Total
Total receivables	6.657.386	2.756.804	420.659	9.834.849
Expected credit losses	5.695	2.439	361	8.495

Company 2019	Up to 90 days	91 – 180 days	>180 days	Total
Total receivables	6.299.727	2.698.203	399.707	9.397.637
Expected credit losses	5.695	2.439	361	8.495

The provisions for impairment of accounts receivables of € 94.384 cover all potential losses of the Company from non-collection of doubtful debts.

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

	Group		Company	
	2019	2018	2019	2018
Opening balance	94.384	244.126	94.384	244.126
Additional provisions for the year (reversal)	0	9.496	0	9.496
Write-off of provisions	0	-159.238	0	-159.238
Closing Balance	**94.384**	**94.384**	**94.384**	**94.384**

7.7 Investments at fair value through P&L

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

	Group		Company	
	2019	2018	2019	2018
Shares listed on the Athens Stock Exchange	1.249	17.406	1.249	17.406
Mutual Funds	0	141.000	0	141.000
Other local securities	1.298.740	715.305	1.298.740	715.305
Foreign Mutual Funds	556.961	1.475.915	556.961	1.475.915
Other foreign securities	5.365.698	3.192.797	5.365.698	3.192.797
Provisions from valuation of investments	234.201	-205.989	234.201	-205.989

	7.456.849	5.336.434	7.456.849	5.336.434

	Group		Company	
Account description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Short-term investments in EUR	2.958.534	2.654.447	2.958.534	2.654.447
Short-term investments in USD	4.498.315	2.681.987	4.498.315	2.681.987
	7.456.849	**5.336.434**	**7.456.849**	**5.336.434**

The valuation of bonds and securities as at 31.12.2019 amounted to € 231.863 which was charged at the Statement of Profit or Loss and the accrued interest income amounted to € 51.383.

7.8 Other current assets

Other current assets are analysed as follows:

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Other debtors	744.818	177.207	721.054	140.614
Advances	122	1.040	122	1.040
Prepaid expenses	63.340	73.943	63.340	73.943
Accrued income	18.298	24.089	129.750	24.089
	826.578	**276.280**	**914.266**	**239.686**

The increase in "Other debtors" is due to the fact that on 31.12.2019 the income tax advance balance was € 537.771 and the debit balance of VAT amounted to € 50.597.

7.9 Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Cash in hand	4.589	32.510	4.551	32.510
Deposits and time deposits	8.838.587	8.359.518	7.307.991	7.711.362
	8.843.176	**8.392.027**	**7.312.542**	**7.743.872**

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

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
EUR	7.654.392	6.717.106	6.313.636	6.330.589
Other currencies	1.188.785	1.674.921	998.906	1.413.283
	8.843.176	**8.392.027**	**7.312.542**	**7.743.872**

7.10 Share capital

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.

By the decision dated 21.06.2019 of the Ordinary General Meeting of Shareholders of the Company it was decided the reduction of its share capital by € 918.821,40, through the decrease of the nominal value of each common registered share by the amount of seven cents (€ 0,07) per share, from € 0,56 to € 0,49, the return of the capital through cash payment to the shareholders and the respective amendment of Article 5 of the Company's Articles of Association. Following the above mentioned decrease, the Company's share capital amounts to € 6.431.749,80 divided into thirteen million one hundred twenty six thousand and twenty (13.126.020) common registered shares of a nominal value of forty nine cents (€ 0,49) each. The Corporate Actions Committee of the Athens Stock Exchange was informed at the meeting on 31.07.2019 for the share capital reduction and the returning capital through cash payment to the shareholders amounting to € 0.07 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 € 918.821,40 was completed within September 2019.

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

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Share capital – paid-in (13.126.020 shares 0,49€ each)	6.431.750	7.350.571	6.431.750	7.350.571
Share premium reserve	74.509	74.509	74.509	74.509
Legal reserve	1.740.143	1.605.572	1.740.143	1.605.572
Reserve for the translation of share capital to EUR	33.064	33.064	33.064	33.064
Tax-free reserves	365.850	372.719	373.128	373.128
Subsidiary absorption losses	-285.141	-285.141	-285.141	-285.141
Retained earnings carried forward	22.298.023	19.302.971	21.387.438	18.682.462
	30.658.198	**28.454.265**	**29.754.891**	**27.834.165**

7.11 Lease liabilities

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

	Group		Company	
Long-term lease liabilities	**2019**	**2018**	**2019**	**2018**
Building leases	194.799	0	174.044	0
Transportation means leases	127.988	0	127.988	0
Total	**322.786**	**0**	**302.031**	**0**

	Group		Company	
Short-term lease liabilities	**2019**	**2018**	**2019**	**2018**
Building leases	56.094	0	42.210	0
Transportation means leases	49.054	0	49.054	0
Total	**105.148**	**0**	**91.263**	**0**

7.12 Deferred Tax liabilities

According to the current tax regime in Greece, companies are subject to a tax rate of 24% (2018: 29%) on their total profits, as amended by Article 22 of Law 4646/2019.

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

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

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

	2018	Amounts recognised in P&L	Amounts recognised in OCI	2019
Deferred tax (liabilities)				
Land	226.730	-9.069	0	217.661
Buildings	234.914	-19.511	0	215.403
Total Deferred tax (liabilities)	**461.644**	**-28.580**	**0**	**433.064**
Deferred tax (assets)				
Valuation of receivables – liabilities in foreign currency	3.283	-2.050	0	1.233
Write off of establishment and initial installation expenses	299	-60	0	239
Termination of retail stores operation – impairment	69.557	-69.557	0	0
Provision for inventory obsolescence	161.521	-7.753	0	153.768
Provision for impairment of doubtful debts	8.420	-337	0	8.083
Provision for impairment of securities	39.291	-93.843	0	-54.552
Provision for staff leaving benefits	89.192	-2.746	-9.253	77.192
Differences from implementation of IFRS 16	0	1.731	0	1.731
Total Deferred tax (assets)	**371.562**	**-174.615**	**-9.253**	**187.694**
Total Deferred Tax	**90.082**	**146.035**	**9.253**	**245.370**

	2017	Amounts recognised in P&L	Amounts recognised in OCI	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**

The effect of the change in tax rate to 24%, which charged to the total amount of income tax, amounts to € 22,984 for the Group and the Company.

7.13 Staff leaving benefits

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

The movement of the net obligation in the Financial Statements as at 31.12.2019 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 2018 and 31 December 2019 are analysed as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
Changes in Net Obligation				
Net Obligation at the beginning of the year	356.766	341.249	356.766	341.249
Benefits paid by the employer	-33.495	-824	-33.495	-824
Expense recognized in the statement of Profit or Loss	38.989	10.789	38.989	10.789
Result recognized in Other Comprehensive Income	-40.625	5.552	-40.626	5.552
Net Obligation at the Statement of Financial Position	**321.634**	**356.766**	**321.634**	**356.766**

	Group		Company	
Reconciliation of total obligation	**2019**	**2018**	**2019**	**2018**
Net Obligation at the beginning of the year	356.766	341.249	356.766	341.249
Current service costs	33.528	28.401	33.528	28.401
Interest cost	6.423	6.143	6.422	6.143
Termination Benefits / curtailments	- 962	- 23.755	- 962	-23.755
Less Benefits Paid	- 33.495	-824	- 33.495	-824
Actuarial (gains)/ losses for the year	- 40.625	5.552	-40.626	5.552
Total obligation at year end	**321.634**	**356.766**	**321.634**	**356.766**

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

1. Discount Rate : 0,9% on 31.12.2019
2. Average Annual rate of long-term growth of inflation : 1,7%
3. Average annual long-term increase of salaries : 1,7%
4. Valuation date : 31.12.2019

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

Sensitivity analysis	**2019**	**2018**
Present value of Defined Benefit Obligations	321.634	356.766
Calculation with Discount rate +0,5%	292.744	331.593
Calculation with Discount rate -0,5%	353.785	384.695

Sensitivity analysis of current service cost	**2019**	**2018**
Current service cost	33.528	28.401
Calculation with Discount rate +0,5%	29.706	26.125
Calculation with Discount rate -0,5%	35.482	30.961

7.14 Other long-term liabilities

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

	Group		**Company**	
Account description	**2019**	**2018**	**2019**	**2018**
Fixed asset investments grants	96.397	97.922	96.397	97.922
	96.397	**97.922**	**96.397**	**97.922**

7.15 Accounts payables

Accounts payables are analysed as follows:

	Group		**Company**	
Account description	**2019**	**2018**	**2019**	**2018**
Suppliers	3.382.977	2.623.668	3.110.708	2.229.317
Cheques Payable	142.511	238.453	142.511	580.378
	3.525.488	**2.862.121**	**3.253.218**	**2.809.696**

7.16 Short-term borrowings

Short-term borrowings are analysed as follows:

	Group		**Company**	
Account description	**2019**	**2018**	**2019**	**2018**
Loans - short-term liabilities	644	96.919	0	14.516
Short-term portion of long term loans payable in the next financial year	0	0	0	0
	644	**96.919**	**0**	**14.516**

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 44).

	Group	Company
Opening Balances 1.1.2019	96.919	14.516
Other charges	644	
Repayments	-96.919	-14.516
Closing Balances 31.12.2019	**644**	**0**

7.17 Other short-term liabilities

Other short-term liabilities are analysed as follows:

	Group		Company	
Account descriptiom	**2019**	**2018**	**2019**	**2018**
Customer advances	692.345	579.122	692.345	579.122
Liabilities from taxes - duties	269.267	560.578	109.825	448.428
Social security	149.641	177.953	145.735	176.946
Accrued expenses	314.273	636.395	310.314	626.280
Sundry creditors	739.723	1.233.692	738.485	1.206.053
	2.165.249	**3.187.739**	**1.996.704**	**3.036.828**

7.18 Turnover

Turnover is analysed as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
Domestic wholesales of merchandises	19.429.690	22.941.806	19.429.690	22.941.806
Wholesales of merchandises in EU	2.629.946	2.353.828	1.471.640	947.320
Wholesales of merchandises in Third Countries	558.672	610.221	558.672	610.221
Retail sales of merchandises	689.702	1.061.689	689.702	1.061.689
Sales of other stock and scrap	0	48.082	0	48.082
Total	**23.308.010**	**27.015.626**	**22.149.704**	**25.609.118**

7.19 Cost of Sales

Cost of sales is analysed as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
Cost of goods sold	12.005.608	13.978.271	11.868.337	13.339.897
Cost of consumed materials	63.151	61.572	63.151	61.572
Cost of Self-Consumed goods	-29.380	-39.643	-29.380	-39.643
Provisions - Impairment of inventory – Foreign Exchange Differences	61.721	215.363	61.720	176.045
Total	**12.101.100**	**14.215.563**	**11.963.828**	**13.537.871**

7.20 Other income

Other income is analysed as follows:

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Income from transportation of goods sold	6.160	13.522	6.160	13.522
Subsidies	0	1.593	0	1.593
Other income	27.000	8.656	138.163	54.863
Income from written off liabilities	0	224.674	0	224.674
	33.160	**248.446**	**144.323**	**294.652**

Other income relates to other services provided to third parties.

7.21 Administrative expenses

Administrative expenses are analysed as follows:

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Personnel expenses	1.055.379	978.445	979.942	895.577
Third party fees and expenses	515.294	502.704	485.808	451.559
Utilities	129.694	102.931	129.694	91.263
Taxes and duties	86.595	103.672	86.595	103.443
Miscellaneous expenses	276.282	276.346	224.893	260.230
Other operating provisions	9.651	0	9.651	0
Other (income)/ expenses	-800	4.490	-800	4.490
	2.072.095	**1.968.589**	**1.915.783**	**1.806.562**

7.22 Distribution expenses

Distribution expenses are analysed as follows:

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Personnel expenses	1.949.127	2.073.405	1.852.263	2.002.995
Third party fees	769.179	1.187.024	700.522	1.151.748
Utilities	201.987	396.156	201.841	387.213
Taxes and duties	69.635	59.807	69.635	59.807
Miscellaneous expenses	1.931.570	2.110.741	1.718.573	2.056.626
Other operating provisions	27.099	6.817	27.099	6.817
Other –expenses/ (income)	2.471	-60.399	2.471	-60.399
	4.951.069	**5.773.551**	**4.572.404**	**5.604.807**

Miscellaneous expenses contains advertising and promotional expenses.

7.23 Research and development expenses

Research and development expenses are analysed as follows:

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Personnel expenses	141.224	119.687	141.224	119.687
Utilities	4.769	4.052	4.769	4.052

Taxes and duties	10	126	10	126
Miscellaneous expenses	8.373	4.544	8.373	4.544
Other operating provisions	2.239	0	2.239	0
	156.615	**128.408**	**156.615**	**128.408**

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 2019 and 31 December 2018 are analysed as follows:

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Salaries and wages	2.538.300	2.559.949	2.376.538	2.413.927
Employer contributions	560.487	544.410	549.948	537.155
Other staff costs	46.943	67.178	46.943	67.178
	3.145.730	**3.171.538**	**2.973.429**	**3.018.260**

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

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Administrative Expenses	1.055.379	978.445	979.942	895.577
Distribution Expenses	1.949.127	2.073.405	1.852.263	2.002.995
Research and Development Expenses	141.224	119.687	141.224	119.687
	3.145.730	**3.171.538**	**2.973.429**	**3.018.260**

7.24 Depreciation – Impairment

Depreciation – impairment expenses are analysed as follows:

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Depreciation of Buildings	313.127	548.517	313.127	548.517
Depreciation of leased Buildings	63.413	0	44.094	0
Depreciation of Mechanical equipment	262	510	262	510
Depreciation of Vehicles	11.516	11.027	11.516	11.027
Depreciation of leased Vehicles	48.951	0	48.951	0
Depreciation of furniture and other equipment	68.894	72.101	65.192	69.957
Depreciation if intangible assets	34.894	16.929	30.564	15.082
	541.057	**649.086**	**513.706**	**645.094**

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

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Administration Expenses	394.706	119.201	379.463	119.201
Distribution Expenses	141.475	526.102	129.367	522.111
Research and Development costs	4.876	3.782	4.876	3.782
	541.057	**649.086**	**513.706**	**645.094**

Previous year's depreciation had 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 was terminated by the end of July 2019, amounted to € 220.480 for leasehold improvements and to € 25.439 for furniture and fixtures.

Current year's depreciation has been charged with the depreciation of leased buildings and the depreciation of leased vehicles, after the adoption of IFRS 16, amounted to € 93.045 for the Company and € 112.364 for the Group.

7.25 Financial expenses

The net financial expenses/income are analysed as follows:

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Long-term liabilities' interests and expenses	0	123	0	123
Short-term liabilities' interests and expenses	31.161	43.863	31.109	43.863
Other related expenses	136.640	79.618	133.306	62.793
Interest income and Income from securities	-363.370	-180.332	-361.620	-180.332
(Profits)/Losses from the disposal of securities	-238.231	138.907	-238.231	138.907
Gains from the valuation of financial instruments	-231.864	-46.273	-231.863	-46.273
	-665.664	**35.907**	**-667.299**	**19.082**

7.26 Taxes

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

	Group		Company	
Account description	**2019**	**2018**	**2019**	**2018**
Income tax for the year	919.878	1.507.108	864.046	1.449.801
Deferred taxes recognized in the statement of Profit or Loss	146.035	-214.997	146.035	-214.997
Income tax of previous years	20.735	0	20.735	0
Total taxes recognized in the Income Statement (a)	**1.086.648**	**1.292.111**	**1.030.815**	**1.234.804**
Deferred taxes recognized in Other Comprehensive Income (b)	9.253	-1.388	9.253	-1.388
Total (a)+(b)	**1.095.901**	**1.290.723**	**1.040.069**	**1.233.416**

The table below shows the reconciliation of Income Tax:

Account description	**2019**	**2018**	**2019**	**2018**
Profits before taxes	4.184.899	4.492.968	3.838.990	4.161.945
Tax rate of parent company	24%	29%	24%	29%
Income tax	1.004.376	1.302.961	921.358	1.206.964
Effect of tax rates in foreign jurisdictions	-40.916	-58.123	0	0
Tax on permanent differences	69.419	127.452	68.462	127.259
Effect of changes in tax rates	22.487	-52.782	22.487	-52.782
Tax difference of previous years	20.735	0	20.735	0
Tax of other differences	10.548	-27.397	-2.226	-46.638
Deferred taxes recognized in Other Comprehensive Income	9.253	-1.388	9.253	-1.388
Total	**1.095.901**	**1.290.723**	**1.040.069**	**1.233.416**
Effective tax rate	**26,2%**	**28,7%**	**27,1%**	**29,6%**

The corporate income tax rate for legal entities in Greece is 24%. In 2018, the corporate income tax rate for legal entities was 29%.

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

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

It should be noted that as at 31.12.2019 the years up to 31.12.2013 were statutorily barred according to the provisions of paragraph 1 of article 36 of Law 4174/2013.

For the year 2019, tax audit is still in progress and the Management does not expect a material change in the tax liabilities of the respective year. The audit is expected to be completed after the publication of the Financial Statements for the period. Upon completion of this tax audit, the Management of the Company does not expect that tax liabilities will arise other than those recorded and reflected in the Financial Statements.

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

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

Company	Headquarters	Unaudited tax years
AS COMPANY A.E.	Greece	2019
AS COMPANY CYPRUS LTD.	Cyprus	2016 – 2019
AS KIDS TOYS SRL	Romania	2018 - 2019

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

8. Related Parties Transactions

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

Transactions with related parties during the year 2019, 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	**2019**	**2018**
AS COMPANY CYPRUS LTD	803.775	263.098
AS KIDS TOYS S.R.L	324.599	78.460
Total	**1.128.374**	**341.558**

Purchases	**2019**	**2018**
AS COMPANY CYPRUS LTD	157.520	127.587
AS KIDS TOYS S.R.L	40.437	0
Total	**197.957**	**127.587**

Other Transactions	2019	2018
AS COMPANY CYPRUS LTD	76.490	39.318
AS KIDS TOYS S.R.L	34.962	7.415
Total	**111.451**	**46.733**

Balances from trading Transactions

Receivables	2019	2018
AS COMPANY CYPRUS LTD	575.897	102.365
AS KIDS TOYS S.R.L	224.580	85.549
Total	**800.477**	**187.914**

Payables	2019	2018
AS COMPANY CYPRUS LTD	0	0
AS KIDS TOYS S.R.L	0	152.963
Total	**0**	**152.963**

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

Remuneration and Transactions of Management	Group		Company	
Short – term employee benefits	**2019**	**2018**	**2019**	**2018**
Salaries	768.704	784.426	695.590	707.719
Social Security cost	139.916	122.235	132.036	115.426
Total	**908.620**	**906.662**	**827.626**	**823.145**

Remunerations and Transactions of Board of Directors Members	Group		Company	
Short – term benefits	**2019**	**2018**	**2019**	**2018**
Salaries	282.800	275.720	264.800	256.020
Social Security cost	41.516	40.343	41.516	40.343
Stamp duty	3.130	0	3.130	0
Other benefits	26.910	37.230	26.910	37.230
Total	**354.356**	**353.293**	**336.356**	**333.593**

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

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

9. Main Risks and Uncertainties

The activities of the Company and the Group are exposed to a number of risks. The risks and uncertainties are described in detail in this Annual Financial Report for the year 2019.

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

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

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

(a) Foreign Exchange risk

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

The Group carries out a significant part of its imports from China - Hong Kong which are invoiced in US dollars (USD). In 2019, purchases in dollars comprised 69,9 % of total purchases, compared to 69,6 % of the previous year's purchases. The value of imports in dollars (USD) is 30,8 % lower than the same period last year.

The Group maintains cash and investment products in dollars (USD), which cover 62% of the imports value in dollars made within 2019.

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

	2016	2017	2018	2019
Average foreign exchange rate	1,1068	1,1297	1,1810	1,1195
Annual change %	-0,31%	2,07%	4,54%	-5,21%

The Group in 2019 did not use financial instruments to reduce its exposure from foreign exchange risk arising from the markets.

(b) Interest rate risk

The Group's companies have credit limits in banks, but due to their significant liquidity, they have not proceeded to bank borrowing in 2019 and all their working capital needs are financed by own available cash.

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

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

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

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

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

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

(d) Credit risk and liquidity risk

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

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

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	**31.12.2019**	**31.12.2018**
Current Assets/ Current Liabilities	549,0%	483,5%

COMPANY	**31.12.2019**	**31.12.2018**
Current Assets/ Current Liabilities	560,6%	482,7%

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

The subsidiary in Romania as of 31.12.2019 had € 201.542 in cash and has secured a funding line of € 700.000 which has not been used as of to date.

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

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

Group	**Total**		**Up to 1 year**		**From 1 to 5 years**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Short Term Bank Loans	644	96.919	644	96.919	0	0
Accounts payables	3.525.488	2.862.121	3.525.488	2.862.121	0	0
Lease liabilities	427.934	0	105.148	0	322.786	0
Other short-term liabilities	2.165.249	3.187.739	2.165.249	3.187.739	0	0
Total	**6.119.315**	**6.146.779**	**5.796.529**	**6.146.779**	**322.786**	**0**

Company	**Total**		**Up to 1 year**		**From 1 to 5 years**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Short Term Bank Loans	0	14.516	0	96.919	0	0
Lease liabilities	393.294		91.263		302.031	0
Accounts payables	3.253.218	2.809.696	3.253.218	2.862.121		0
Other short-term liabilities	1.996.704	3.036.828	1.996.704	3.187.739	0	0
Total	**5.643.216**	**5.861.040**	**5.341.185**	**5.133.200**	**302.031**	**0**

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

Other risks

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

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

Insurance Risk

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

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

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

10. Fair value and hierarchy of fair values

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

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

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

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

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

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

It is noted that "Other current assets" contain prepaid expenses and accrued income for the Company (2019: € 193.090, 2018: € 98.032) and the Group (2019: 81.639 €, 2018: € 98.032), which are not assumed as financial instruments. Respectively in the year 2019 the amounts of

€50.597 and of €537.771 for the Group and the Company refer to debit balance of VAT and to income tax advance respectively, which are included in the account "Other debtors", are 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 2019 and 2018 which amount to € 565.873 and € 1.251.654 respectively and the Group for 2019 and 2018 amount to € 733.181 and € 1.394.926 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 to the subsidiary by the form of a letter of guarantee issued by ALPHA BANK AE, amounted to € 700.000 to ALPHA BANK ROMANIA S.A. Until the date of the Financial Statements publication, the credit line has not been used by the subsidiary.

b) As at 31 December 2019 the Company and the Group had active operating lease agreements for the rental of transportation means and buildings. Before the adoption of the IFRS 16, these leases were classified as operating leases according to IAS 17.

c) The Company provides guarantee amount to € 1.000.000 to its subsidiary in Cyprus for the funding of its working capital if needed. The subsidiary in Cyprus did not make use of this borrowed funds during 2019.

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

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

Legal cases

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

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

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

12. Earnings per share

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

	Group		Company	
	2019	2018	2019	2018
Total Comprehensive Income after taxes attributable to the shareholders of the Parent Company	3.129.623	3.196.693	2.839.547	2.922.977
Weighted average number of shares	13.126.020	13.126.020	13.126.020	13.126.020
Earnings per share	**0,2384**	**0,2435**	**0,2163**	**0,2227**

13. Audit Fees

The audit of the Financial Statements of the Company for the current year was assigned by the Ordinary Annual General Meeting of the Shareholders to the audit firm KPMG Certified Auditors S.A. with the fees amounted to € 25.500 for the statutory audit and € 15.000 for the tax compliance assurance services. The auditors' fees regarding the audit of the Financial Statements of 2019 for the two subsidiaries amount to a total of € 16.500. The permitted non-audit services provided to the Company during the year amount to a total of € 4.500.

14. Subsequent events after the date of the Financial Position

In December 2019, the COVID-19 virus appeared in China with main feature the high ease of transmission, mild symptoms in the vast majority of patients, but also relatively high mortality in the elderly and vulnerable groups. The virus then spread rapidly worldwide, prompting the World Health Organization (WHO) to declare a pandemic.

In Greece, the first case was identified on 26 February 2020. The Greek government immediately took action to limit social and economic activities to prevent the rapid spread of the virus, which includes, among other things, closing stores, sealing borders, banning traffic for no significant reason. The timing of these measures, to which more may be added, is not yet known.

Almost all EU countries, as well as many others have taken similar measures globally. Cyprus and Romania, where the Group has subsidiaries, are included in the states that have taken similar protective measures against the coronavirus.

The rapid development of the pandemic and its emerging effects have resulted in a sharp drop in stock market indices around the world and great pressure on economic activity. To confront with the crisis economically, the Greek government, with Legislative Acts (PNP), has taken steps to support affected businesses. The Company, based on the codes of activity (CAD), falls under the companies affected and may, if necessary, use the supporting measures which were legislated by the government for the companies.

Another result of the measures taken is the exploitation of teleworking and e-commerce platforms. Despite the prevailing uncertainty, the Management believes that – even in extremely unfavorable scenarios – the Company is able to cope with the challenges of the crisis for the following reasons:

- The Company has a strong liquidity on 31.3.2020 of an amount of € 13,000 thousands.
- The Group is able to fully meet its obligations since the acid ratio remains at very high levels (31.12.2018: 4.0 and 31.12.2019: 4.6). On 31.12.2019 the working capital was € 24.6 million for the company and € 26 million for the Group.
- There is no bank debt.
- There are available credit limits in banks that can be used, if deemed necessary.
- There is currently no issue of doubtful debts that the Management is aware of.
- The Company has Global Partners / Suppliers with global range.

- The crisis in China did not affect the supply of the Company and the Group for the goods of the first half of the year as the relevant orders and shipments were made before the closure of the factories in China. These goods can be sold throughout the year.
- No significant issues are expected in the supply of the company for the goods of the second half of the year as the factories in China are gradually reopening.
- The ties of the Company with all its staff (Management & Employees) are very strong

The Company did not cease operations and continued to invoice customers who did not suspend their operations, responding to a demand clearly much lower than normal levels. Expecting that the special conditions of the retail trade are expected to affect the operation of the market throughout the second quarter of 2020, the Management estimates that the negative impact on sales will be around -30% on an annual basis compared to last year, provided that the duration of the emergency measures (closed retail stores) does not exceed 10 weeks.
The overall impact on the Group's sizes will depend on the extent of the spread and the duration of the pandemic, but also on the general conditions that will have been created throughout the economy.

Within the current conditions, uncertainty and the new business environment that will be formed at the end of the crisis, the Company has set as its first priority the shielding of the Group's liquidity and the continuation of its business activity.

Pursuant to the decisions of the Ordinary General Meeting of Shareholders of 21.06.2019 and the decision of the Board of Directors of 06.03.2020, in the context of the Own Shares Acquisition Program, the Company announced on 09.03.2020 the implementation of the purchase of its own shares, according to which the purchase is allowed up to the number of 656,301 shares of the Company until 21.06.2021, with a range of purchase prices from 0.50 € / share (minimum limit) to 4.00 € / share (maximum limit).

There are no other 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, 09 April 2020

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

CHIEF FINANCIAL OFFICER

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