



**AS COMPANY S.A.
GROUP OF COMPANIES**

**INTERIM FINANCIAL REPORT
of the period from 1 January 2020 to
30 June 2020**

According to article 5 of Law 3556/2007

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I. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

(in accordance with article 5, paragraph 2 of Law 3556/2007)

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

1. Efstratios Andreadis Konstantinos, Chairman of the Board of Directors and Managing Director,
2. Anastasia Andreadou, the genus Angelos Kozlaclides, Vice-Chairman of the Board of Directors,
3. Theodora Koufou of Demetriou, Member of the Board of Directors,

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

- a) The Condensed Separate and Consolidated Interim Financial Statements of the first semester of 2020, of the Company "AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A.", as well as the companies that included in the consolidation taken as a whole, which were prepared in accordance with the International Financial Reporting Standards applicable, as adopted by the European Union, present in a true manner the Assets and Liabilities, Equity and Profit of the year for the six-month period ended 30 June 2020, in accordance with paragraphs 3 to 5 of article 5 of Law 3556/2007.
- b) The Board of Directors' Report on these Financial Statements accurately reflects the information required by paragraph 6 of article 5 of Law 3556/2007.

Thessaloniki, 24 September 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

Board Member

THEODORA D. KOUFOU
ID No. AN 233404

II. INTERIM REPORT OF THE BOARD OF DIRECTORS (SEPARATE AND CONSOLIDATED) FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

(in accordance with article 5 of Law 3556/2007)

Dear Shareholders,

This Board of Directors report has been prepared in accordance with the provisions of article 5 par. 6 of Law 3556/2007 and refers to the Condensed Interim Separate and Consolidated Financial Statements (hereinafter referred to as "Financial Statements") of 30 June 2020 and the six-month period which expired on that date.

This report includes the actual depiction for the period from 1 January 2020 to 30 June 30 2020, the significant events that took place during the first half of 2020, the description of the main risks and uncertainties, the significant events that took place after the end of the first half of 2020 and finally the material transactions of AS COMMERCIAL INDUSTRIAL COMPANY PC & TOYS SA (the "Company") and the Group of AS COMMERCIAL INDUSTRIAL COMPANY PC & TOYS SA (the "Group") with related parties.

The Interim Condensed Financial Statements (Separate and Consolidated), the Review Report of the Certified Auditor and Company's Board of Directors report can be found on the link: <https://www.ascompany.gr>.

The main point of reference in this 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

In the 1st Half of 2020 the Group's sales turnover had a significant decrease, given the unprecedented effects of the COVID-19 pandemic affecting all markets.

The Greek Government, in its effort to mitigate the negative effects of the COVID-19 pandemic, introduced measures which limited the normal operations of trade, including the obligatory shutdown of many businesses. Due to the above measures imposed on retail, on March 18, 2020 our products were only available through limited distribution channels. The Company did not suspend operations and continued invoicing clients who did not cease operations but demand was significantly reduced compared to last year's demand during the same period.

In particular, while the Company showed an increase in sales turnover of +15% during the first two months of the year, the effect of the COVID-19 crisis at the end of the day for the 1st Half of 2020 had an impact of -26,3% on sales turnover in relation to 2019, which translates into a reduction of the Company's turnover by -2.859 million Euro.

The key reduction of sales turnover on a Group level is a result of the reduction of sales turnover of the Parent Company by -28,2%, with the Cyprus subsidiary closing at a -9,9% sales turnover decrease, and the Romania subsidiary a significant increase of +57,7%. The Romanian subsidiary is in its second operative year from the commencement of its trade transactions.

The most significant figures of the Company and the Group compared to the corresponding period of 2019 are as follows:

	<u>Group</u>			<u>Company</u>		
	<u>1.1 to</u> <u>30.06.2020</u>	<u>1.1 to</u> <u>30.06.2019</u>	<u>V %</u>	<u>1.1 to</u> <u>30.06.2020</u>	<u>1.01 to</u> <u>30.06.2019</u>	<u>V %</u>
Turnover	7.999.359	10.857.908	-26,33%	7.579.460	10.552.253	-28,17%
% Gross Profit margin	48,91%	51,59%		46,41%	50,46%	
EBITDA	984.785	2.329.565	-57,73%	748.302	2.209.955	-66,14%
As a % of Sales	12,31%	21,46%		9,87%	20,94%	
Profit before tax	425.087	2.439.654	-82,58%	209.285	2.328.207	-91,01%
Profit after tax	352.453	1.745.443	-79,81%	159.057	1.650.184	-90,36%
Total Inflows / (outflows) from Operating Activities	-105.252	-886.622	-88,13%	-53.629	-1.362.270	-96,06%
Cash & Investments	15.864.262	13.155.459	20,59%	14.359.188	12.037.604	19,29%

The Group's turnover decreased by 26,33% compared to the same period last year and amounted to € 8,0 million.

Group's gross profit margin decreased by 2,68% compared to 2019, being formed to 48,91% from 51,59%. The decrease is mainly due to an increase in the exchange rate of the Dollar against the Euro. The exchange rate was EUR 1,1020 / USD as at 30.6.2020 versus EUR 1,12960 / USD as at 30.06.2019.

Despite the decrease in distribution expenses, as a result of the decrease in revenues and inelastic expenses, the EBITDA of the Group and the Company decreased by 57,73% and 66,14% respectively compared to the same period of the previous year and being formed to 12,31% for the Group and 9,87% for the Company.

The results of the Group were negatively impacted by net financial expenses of 291.000 Euros due to the negative impact bond appraisal as of 30.06.2020.

As a result, the Group's profit before tax and profit after tax for the first half of 2020 are decreased compared to the corresponding period of 2019 in absolute figures, by € 1,393 thousand and € 1,491 thousand respectively.

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	-1.379.728
B. Decrease in Gross Profit Margin %	-427.553
C. Decrease in Operating Costs	359.402
D. Increase of Financial Income	-644.215
E. Increase in Other Income	-13.775
F. Increase in depreciation	-13.054
Total change in Profits before taxes	-2.118.922
Subsidiaries Activities (B)	104.354
Total Change (A + B)	-2.014.567

The Management of the Group attributes this reduction of profits to the negative impact of the COVID-19 pandemic which resulted in the decreased demand of its products for the better part of the first semester of 2020.

Banking Liabilities: The status of Bank Lending as at 30.06.2020 was formulated as follows:

	<u>Group</u>			<u>Company</u>		
	<u>30.06.2020</u>	<u>31.12.2019</u>	<u>V %</u>	<u>30.06.2020</u>	<u>31.12.2019</u>	<u>V %</u>
Bank Loans	382.924	428.578		357.793	393.294	
less : Cash & Investments	<u>-15.864.262</u>	<u>-16.300.025</u>		<u>-14.359.188</u>	<u>-14.769.391</u>	
Net Debt	- 15.481.338	-15.871.447	-2,5%	-14.001.395	-14.376.097	-2,6%
Equity	30.969.026	30.658.198	1,0%	29.875.747	29.754.891	0,4%
Gearing Ratio	-49,99%	-51,77%		-46,87%	-48,3%	

Bank loans above has to do only with the application of IFRS 16 for property and car leasing. Bank lending in the first half of 2020 is nonexistent for the Company and for the Group, which certifies their sound financial position.

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

	<u>Group</u>			<u>Company</u>		
	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>V %</u>	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>V %</u>
Current assets	29.280.259	30.705.729		27.528.577	29.245.678	
Short-term liabilities	<u>-2.825.107</u>	<u>-6.192.340</u>		<u>-2.698.117</u>	<u>-5.959.212</u>	
Working capital	<u>26.455.152</u>	<u>24.513.390</u>	7,9%	<u>24.830.460</u>	<u>23.286.466</u>	6,6%

The Group's inventories were reduced compared with those as of 30.06.2019 amounting to € 4.3 million representing 12,5% of Total Assets, compared to 14.1% in 2019. Receivables from customers on a Group level decreased by € 3,747 thousand compared with the balance as of 30.06.2019.

	<u>Group</u>			<u>Company</u>		
	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>V%</u>	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>V%</u>
Inventory and Receivables from Customers & Other receivables	13.415.997	17.550.271		13.169.390	17.208.074	
less : Accounts payable and other short term liabilities	<u>-2.725.727</u>	<u>-6.073.637</u>		<u>-2.605.238</u>	<u>-5.854.877</u>	
Net working capital	<u>10.690.270</u>	<u>11.476.633</u>	-6,9%	<u>10.564.151</u>	<u>11.353.197</u>	-6,9%
% sales	133,6%	105,7%		139,4%	107,6%	

Earnings per share: Earnings per share of the Company based on the weighted number of shares amounted to € 0.0121 compared to € 0,1257 in the previous period, showing a decrease of 90%.

Capital expenditure: The Company's investments in capital expenditures for the first half of 2020 amount to €65.961.

Research and development costs: In the first half of 2020, the Company incurred expenses that amounted to € 91 thousand compared to € 83 thousand of the corresponding period.

Key Financial ratios: The key financial ratios for the first semester of 2020 compared to 31.12.2019 and 30.6.2019 are as follows:

Group:

a. Financial Structure ratios	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>31.12.2019</u>
Current Assets / Total Assets	84,4%	84,2%	85,0%
Equity / Total Liabilities	835,4%	407,0%	452,0%
Equity / Fixed Assets	618,4%	507,9%	591,4%
Current Assets / Short Term Liabilities	1036,4%	495,9%	549,0%

b. Performance and Efficiency ratios	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>31.12.2019</u>
EBITDA / Turnover	12,3%	21,5%	17,4%
Gross Profit / Turnover	48,9%	51,6%	48,1%
Turnover / Equity	25,8%	74,2%	76,0%

Company

a. Financial Structure ratios	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>31.12.2019</u>
Current Assets / Total Assets	82,3%	82,3%	83,0%
Equity / Total Liabilities	838,9%	410,4%	471,8%
Equity / Fixed Assets	598,0%	454,9%	575,7%
Current Assets / Short Term Liabilities	1020,3%	490,8%	560,6%

b. Performance and Efficiency ratios	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>31.12.2019</u>
EBITDA / Turnover	9,9%	20,9%	16,6%
Gross Profit / Turnover	46,4%	50,5%	46,0%
Turnover / Equity	25,4%	73,9%	74,4%

Building facilities: The parent company maintains in Oraiakastro Thessaloniki, in a privately owned space, the offices, the warehouse and the retail store. Also as of 30.06.2019, the Company maintained four leased branches in different areas of Northern Greece for the retail sale of kids clothing – toys, whose operation ceased in July 20019, and a leased office and exhibition space in Alimos, Athens. In Cyprus and Romania, subsidiaries rent space for their offices.

Personnel: The number of staff employed at the end of the first half of 2020 amounted to 72 employees, i.e. 67 employees in the parent company and 5 employees in the subsidiaries. During the corresponding period last year, the Group employed 83 employees, i.e. 79 employees in the Company and 4 employees in the subsidiaries

Investments: The Group structure as of 30.06.2020 is as follows:

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

In the period ended 30.06.2020, Condensed Interim Financial Statements were prepared including the financial information of the subsidiaries "AS COMPANY CYPRUS LTD" and "AS KIDS TOYS S.R.L."

B. IMPORTANT EVENTS ON THE FIRST SEMESTER OF 2019

1. General Meeting of Shareholders decisions

The Annual General Meeting of the Company's Shareholders was initially slated for the 26th of June 2020. It was finally concluded on the 14th of July 2020 and took the following decisions:

- a) approval of the Annual Separate and Consolidated Financial Statements of Directors for the fiscal year from 1.1.2019 – 31.12.2019, accompanied by the relevant reports of the Board and the Auditor.
- b) approval of non-distribution of dividends for the fiscal year 2019,
- c) approval of the overall management of the Board of Directors for the fiscal year 1.1.2019-31.12.2019 according to article 108 of Law. 4548/2018 and the discharge of the Auditors for the same year according to article 117 par.1 note. C of Law 4548/2018.
- d) the approval of the remuneration and compensation paid to the members of the Board of Directors for the year 01.01.2019–31.12.2019, according to article 112 par. 3 of Law 4548/2018.
- e) the approval of the remuneration and compensation paid to the members of the Board of Directors for the year 2020 and until the general meeting of the shareholders of 2021, up to the total amount of €500.000,00 and granted authorization to the Company's Board of Directors to define the exact remuneration amounts and their due date.
- f) the election of the Certified Auditors Company under the name KPMG Certified Auditors S.A. (AM: 114), for the audit of the Financial Statements and for granting a compliance assurance certificate for the year 2020 (1.1.2020-31.12.2020),
- g) the reduction of the Company's share capital by nine hundred eighteen thousand eight hundred twenty one and forty cents (€ 918.821,40), through reduction of the nominal value of each ordinary registered share of the Company from EUR 0,49 to EUR 0,42, i.e. at 0,07 cents and return to shareholders and amendment of article 5 of the current Articles of Association of the Company that relates to share capital.
- h) the increase of the Company's share capital by 0,01 euros per share, from EUR 0,42 to 0,43, through anew capitalization of the tax-free reserves and profit surplus, for a total of EUR131.260,21, pursuant to article 27 of Law 4646/2019
- i) the amendment of Article 5 of the Articles of Association of the Company, regarding the Company's share capital, in order to adapt accordingly with the decisions upon the previous

matters of the daily agenda, namely concerning the decrease and increase of the Company's share capital

- j) the amendment of Article 22 of the Articles of Association of the Company, regarding the real time distance participation of the shareholders to the General Meeting, pursuant to Article 125 of Law 4548/2018 and the right to vote via mail, pursuant to Article 126 of Law 4548/2018

2. Participation in exhibitions abroad

The Company maintained its presence in the Greek and the European market at the start of 2020. The Company participated at the largest exhibition of tourist goods in Greece, called "Parousies" (Presences) at Metropolitan Expo and the most important international toy fair, Nuremberg's "Spielwarenmesse". Furthermore, the Company presented its entire toy collection for 2020 to its Greek and Cypriot customers at its own Showroom in Athens in February. In addition, the Company's sales department, which visited the aforementioned exhibitions, also took part in January 2020 in the Hong Kong Toy Fair.

However, since March 2020, the different reality and the new circumstances arisen at a global level, have imposed immense changes and adaptability, at a personal and company level. Our communications with our local and foreign clients, as well as those with our suppliers, takes place – whenever needed – from a distance, via the use of the new technologies and state of the art technical equipment.

3. Approval of the share capital decrease by the competent Authorities

On 28.07.2020 the decision 80266/28.07.2020 of the Ministry of Development and Investment was uploaded in the General Electronic Commercial Registry which approved the amendment of article 5 of the Articles of Association of the Company. The Corporate Actions Committee of the Athens Stock Exchange was informed at the meeting on 30.07.2020 about a) the reduction of the share capital with the purpose of returning capital by cash payment to the shareholders, amounting to € 0,07 per share, b) the increase of the share capital through the anew capitalization of the tax free reserves and the profit surplus, as well as for the relevant amendment of the article 5 of the Company's Articles of Association.

4. Certification of Investment Completion, Law 3299/2004

On the 10.04.2020, the General Directorate of Private Investments of the Ministry of Development and Investment certified the completion – finalization of the cost and the commencement of the production operation regarding an investment on the modernization of a supply chain services provision, with a total supported expenditure of EUR428.000 (four hundred and twenty eight thousand) and support amount EUR149.800 (one hundred forty nine thousand eight hundred)

5. Corporate Social Responsibility

With a sentiment of responsibility towards the public, the Company supported the National Health System in its fight against the Covid-19 virus with sanitary material. In particular, it donated EUR 17.500 for the purchase of high protection medical coveralls to the AHEPA Hospital of Reference in order to cover present needs of the Intensive Care Units. In addition, toy candles were given to the families of the personnel of the Intensive Care Units of the AHEPA and Papageorgiou Hospitals of Thessaloniki, as an emotional act of support to the doctors and nurses who fight daily on the frontlines of the fight against the pandemic. For that particular act, the Company was awarded the honorary distinction "Heroes of the Covid -19 in Northern Greece", organized by the journalist complex "Makedonia" under the auspices of the Ministry of Internal Affairs of Macedonia and Thrace, the Municipality of Thessaloniki, the Regional Unit of Thessaloniki and the International Fair of Thessaloniki – Helexpo.

C. MAIN RISKS AND UNCERTAINTIES FOR THE SECOND SEMESTER OF 2020

The activities of the Company and the Group are exposed to a number of risks. The main risks are described below:

- 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's 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.

Exchange rate

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

The Group carries out a significant part of its imports from China - Hong Kong which are invoiced in US dollars (USD). In the first semester of 2020 purchases in dollar comprised for 78% of total purchases, compared to 73% of the prior period's purchases. The value of imports in dollar (USD) is 9,28% lower than the same period last year.

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

Interest rate risk

The Company's Management estimates that there are no significant risks arising from a possible change in interest rates given the Company's minimum borrowing on 30.6.2020.

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

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

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

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

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

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

GROUP	30.06.2020	30.06.2019
Current Assets / Short Term Liabilities	1036,4%	495,9%
COMPANY	30.06.2020	30.06.2019
Current Assets / Short Term Liabilities	1020,3%	490,8%

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

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.

Insurance Risk

Given that most of the Group's merchandises are carried over from the warehouse of the Company to customers and the subsidiaries, 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 Romania and Cyprus do not have their own warehouse and the trading of merchandise takes place through the warehouse facilities of the parent Company.

Other risks

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

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

D. PERSPECTIVES FOR THE SECOND SEMESTER OF 2020

The first months of 2020 displayed as previously stated an increase in sales turnover of approximately 15% when compared with the corresponding period of 2019, a trend which came to a halt by mid March 2020.

During these difficult times the safeguarding of the Company's liquidity and maintaining of profitable results is one of Management's basic concerns.

The Group continues to use modern methods of social media, merchandising and promotion in order to develop its products.

Meanwhile, there is also a significant shift towards developing our customer's on-line sales by committed promotion digital activities.

If the market conditions are not worse than the 1st Half of 2020 then we expect some improvement in the 2nd Half of 2020 in relation to the 1st half.

The contribution of the subsidiaries to the consolidated financial standing of the Group, are expected to be positive, with the impact of Covid-19 being limited and in lower levels than those of the parent company.

In this uncertain environment, Management shall continue to have a dual role: On the one hand, to care for the safety of its employees, business partners and customers, and on the other hand, to try and strategically increase market share via continuous search of new business opportunities and high demand products.

COVID-19 PANDEMIC: INFLUENCE TO FINANCIAL RESULTS

The Covid-19 pandemic continues to have a negative impact on the financial and corporate world.

The Group keeps a close eye on all new issues that may arise from the COVID-19 pandemic, aiming to respond to new customer trends and adapt to the new challenges stemming from the Covid-19 pandemic. Due to the prolonged uncertainty of the pandemic, no safe estimations of the effects of the pandemic on a macroeconomic level and consumption can be made.

The total effect of the pandemic to the standings of the Group depends on its spread and duration. These two factors will determine what the final impact this pandemic will have on the world economy as we know it. Management's initial assessment on sales turnover for the year expected a -30% impact but due to the fact that experts await a second wave of the pandemic, no assessment for the annual turnover is possible at this given point in time.

Management, despite the present uncertainty, believes that the Company shall succeed in overcoming many obstacles the COVID-19 crisis may bring because:

- The Company maintains strong liquidity as of 31.08.2020 its reserves and bond investments totaled approximately EUR 15.960 th.
- The Group is able to fully cover its obligations since the acid ratio remains at very high levels (31.12.2018: 4,0, 31.12.2019: 4,6 and 30.06.2020: 8,6). At 31.12.2019 the working capital was EUR 24,6 mil. for the Company and EUR 26 mil. for the Group, while the respective numbers at 30.06.2020 were EUR 24,8 mil. for the Company and EUR 26,5 mil. for the Group.
- There are no banking loans.
- There are bank credit limits available, which may be used in case it is deemed necessary.
- To the best knowledge of Management's knowledge they do not expect any bad debts from customers to arise.
- The Company has at its disposal Strategic Partners/Suppliers with global standing.
- The crisis in China has not affected the supply chain of the Company and the Group, neither are there any major issues expected regarding the supply chain of the Company in respect of merchandise from the factories of China.
- The inventory of the Company can reciprocate to the needs of the market and the necessary predictions regarding obsolete and slow moving products have been made.
- The ties of the Company with the entirety of its personnel (Management and Employees) are especially strong.

MANAGING THE EFFECTS OF THE COVID-19 PANDEMIC

The Management of the Company, in light of all these developments, has established the following protocols:

Employees, Affiliates, Customers and Computer system safety.

Through the directions & guidelines of the competent Authorities, as well as experts, all the necessary measures have been adopted.

Supply chain. We are in constant touch with the Suppliers and our Strategic Partners in order to deliver the second semester of 2020 orders timely and orderly, so as to ensure the highest possible level of satisfaction.

Keeping operating costs low. A plan has been implemented in order to reduce the Company's operating costs. The Company can, if it chooses to do so, exercise their legal rights provided by COVID-19 corporate support, as these are mentioned in the Decrees that are in force, or shall come into force.

E. CORPORATE SOCIAL RESPONSIBILITY

At AS Company, the safety and quality of its products are the basic principles concerning the function of the Company and its subsidiaries. The course of the Group has been built upon them, and they are foundations for its future strategy. These values are even more important in a Group engaged with children and their amusement.

In practice, that means that the toys of AS are equipped with safety and quality guarantees in order to provide hours of fun and enjoyment to kids and parents. The Quality Assurance division is responsible for controlling and maintaining the necessary safety and quality in our products. We cooperate with certified independent quality and safety assurance laboratories, known worldwide. Our Customer Service division takes care for the immediate handling of all received inquiries, taking always into account the family and its needs regarding children and toys.

Furthermore, AS Company, through a program of Corporate Social Responsibility, launches actions and initiatives for the support of sensitive parts of the public. In that framework, we created a campaign called "Leave the screen down" with the hashtag #asekatotinothoni in order to promote parents in taking a much more active role, setting boundaries to protect children from the dangers of screen exposure. Through that campaign, the company donated a part of its board game sales to organizations engaged with preventing and dealing with internet perils. In particular, AS supports the NGO "DIADRASIS", the operations of a specialized rehabilitation center for children and teenagers addicted to electronic devices, the children psychology ward of Ippokrateion hospital of Thessaloniki, as well as the Hackathon Athens program of the Teenager Health Ward of the Second Children Clinic of the University of Athens Children Hospital "P & A Kyriakou".

Furthermore, AS encourages and promotes education through creative play. In particular, the Company supports the Model Center of Special Education "Charismatika Paidia" (Gifted Children), offering its educative toys in support of their teaching methods. They aim to discover and develop each child's gifts, while developing the skills each child has fallen behind.

Finally, AS donates products all year round, supporting organizations and clubs, such as "To Chamogelo tou Paidiou" (The Children's Smile), "Make A Wish", as well as other local organizations, which support through their actions children and families.

F. ENVIRONMENTAL AND WORK ISSUES

The Group is not involved in the actual manufacturing of its products in the corresponding countries they operate in. The Groups operating structure does not hinder in any way the environment. The Group believes that the overall management and protection of our ecosystem is of utmost importance and our duty to be as environmentally friendly as possible.

In 2020, AS made available the products of the collection "Play for future" of Clementoni, made from recyclable and recycled materials, exhibiting its commitment for responsible and sustainable products.

Furthermore, in cooperation with the NGO "A children counting stars", we collect plastic caps in our facilities, helping mitigate their environmental footprint, while supporting groups of people with motor problems.

Our aim is to combine corporate targets with a wider contribution to sustainable development, responding to the needs of the customers as well. AS creates a way towards a sustainable future, for children and families, all while respecting the environment.

G. RELATED PARTIES TRANSACTIONS

As related parties within the meaning of IAS 24 are in addition to subsidiaries and affiliates, also directors and members of the Board of Directors. Revenues and expenses, transactions with members of the Board of Directors and Management for the period 1.1.2020 to 30.06.2020 as well as the balances of their receivables and liabilities as at 30.06.2020 are set out in the table below:

	<u>Group</u>		<u>Company</u>	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
a) Revenues	400.832	443.769	400.832	286.248
b) Receivables	380.135	166.264	380.135	164.513
c) Transactions and Remuneration of Directors and Members of the Board	588.101	638.763	540.646	591.899

The Company's Revenue and receivables relate to the parent's transactions with the subsidiaries in Cyprus and Romania that took place in the first semester of 2020.

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

	<u>Group</u>		<u>Company</u>	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
<u>Directors Remuneration and Transactions</u>				
Short-term employee benefits				
Salaries	359.506	397.552	325.062	363.432
Social Security cost	66.838	75.522	62.827	71.778
Total	426.344	473.074	387.889	435.210
<u>Remunerations and Transactions of Board Members</u>				
Short – term benefits				
Salaries	139.400	143.400	130.400	134.400
Social Security cost	22.357	22.288	22.357	22.288
Total	161.757	165.688	152.757	156.688

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

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

H. INFORMATION REGARDING ACQUIRED OWN SHARES article 50 par. 2 Law 4548/2018

Pursuant to the decision of the Ordinary General Meeting of the shareholders of 21.06.2019 and the decision of the Board of Directors of 6.3.2020, in the framework of the Own Share Acquisition Program, the Company has acquired, until 15.09.2020, 31.306 shares with an average acquisition price of EUR 1,81.

I. SIGNIFICANT EVENTS AFTER THE END OF THE FIRST SEMESTER OF 2020

On 4.9.2020 (the cut-off date) the Company's shares were negotiable on the ATHEX. with the new nominal value of € 0.43 per share, without the right to participate in cash return to shareholders of € 0.07 per share. By the same date, the starting price of the Company's shares on the ATHEX. was formulated in accordance with the Athens Stock Exchange Regulation in conjunction with the no. 26 decision of the ATHEX Board of Directors as applicable. The beneficiaries of the return were the shareholders registered in the S.A.T archives on 7.9.2020 (beneficiary identification date - record date). The due date for the return of the capital was set on Friday, 11.09.2020 and the payment was made through the Bank "Eurobank Ergasias SA".

J. ALTERNATIVE PERFORMANCE MEASURES INDICATORS («EDMA»)

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

EBITDA ratio

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

The ratio for the corresponding years of 2017, 2018, 2019 and 2020 was as follows:

	30.06.2020	30.06.2019	30.06.2018	30.06.2017
EBIDTA	984.785	2.329.565	2.861.193	1.989.141
% Sales	12,31%	21,46%	23,95%	16,93%

Leverage Factor Ratio and Clean 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. Following the application of IFRS 16 financial liabilities related to leases are included in the calculation of Net Debt from 2020 onwards.

The ratio for the corresponding years of 2016, 2017, 2018, 2019 and 2020 was as follows:

	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
% net debt/equity	-49,99%	-43,34%	-39,86%	-27,29%	-23,95%
Net debt	-15.481.338	-12.688.629	-10.820.040	-6.571.748	-5.224.052

Net Working Capital Ratio

This ratio results from the addition of the Reserves, the Demands from Clients and Other Asset Elements minus the Commercial and Other Short-Term Liabilities. The Group uses this ratio to assess its liquidity, not taking into account the available cash and large value investments.

AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A.
Thessaloniki, 24 September 2020

THE CHAIRMAN OF BOARD OF DIRECTORS
& MANAGING DIRECTOR

EFSTRATIOS K. ANDREADIS

THE MEMBER OF THE BOARD OF DIRECTORS

THEODORA D. KOUFOU
ID No. AN 233404

KPMG Certified Auditors S.A.
3 Stratigou Tombra Street
Aghia Paraskevi
153 42 Athens, Greece
Telephone: +30 210 60 62 100
Fax: +30 210 60 62 111

Independent Auditor's Report on Review of Condensed Interim Financial Information (Translated from the original in Greek)

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

Report on the Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying interim condensed standalone and consolidated Statement of Financial Position of AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. (the "Company") as at 30 June 2020 and the related condensed standalone and consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the six-month period then ended and the selected explanatory notes, which comprise the condensed interim financial information and which forms an integral part of the six-month financial report of articles 5 and 5a of Law 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with International Accounting Standard (IAS) 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as incorporated in Greek Law, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

Report on Other Legal and Regulatory Requirements

Our review did not identify any material inconsistency or error in the statements of the members of the Board of Directors and in the information of the six-month Financial Report of the Board of Directors as defined in articles 5 and 5a of L. 3556/2007 in relation to the accompanying interim condensed financial information.

Athens, 24 September 2020

KPMG Certified Auditors S.A.
AM SOEL 114

Dimitrios Tanos, Certified Auditor Accountant
AM SOEL 42241



**AS COMPANY S.A.
GROUP OF COMPANIES**

**INTERIM CONDENSED FINANCIAL STATEMENTS (SEPARATE AND
CONSOLIDATED) AS OF 30 JUNE 2020**

In accordance with IFRS as they are adopted by the European Union

IV. INTERIM CONDENSED FINANCIAL STATEMENTS
A. INTERIM STATEMENT OF FINANCIAL POSITION
(Amounts in Euros)

		<u>GROUP</u>		<u>COMPANY</u>	
ASSETS	Not e.	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Non-current assets					
Property, plant and equipment	7.1	4.895.508	5.058.562	4.887.974	5.049.801
Intangible assets		112.507	125.659	108.049	119.012
Right of use of leased assets	7.1	371.839	418.887	348.664	386.083
Participations in subsidiaries	7.2	0	0	550.000	550.000
Other non-current assets		16.018	15.395	13.968	14.359
		5.395.872	5.618.503	5.908.655	6.119.255
Currents assets					
Inventories	7.3	4.348.147	4.955.343	4.347.248	4.955.343
Accounts receivables	7.4	8.532.943	9.740.465	8.291.180	9.303.253
Investments at fair value through P&	7.5	8.885.917	7.456.849	8.153.647	7.456.849
Other current assets		534.907	826.578	530.961	914.266
Cash and cash equivalents	7.6	6.978.345	8.843.176	6.205.541	7.312.542
		29.280.259	31.822.411	27.528.577	29.942.253
Total assets		34.676.131	37.440.914	33.437.233	36.061.508
EQUITY AND LIABILITIES					
Equity					
Share capital	7.7	6.431.750	6.431.750	6.431.750	6.431.750
Share premium		74.509	74.509	74.509	74.509
Other reserves		1.812.291	1.853.916	1.822.993	1.861.193
Retained earnings		22.650.476	22.298.023	21.546.496	21.387.438
Equity attributable to shareholders of the Company		30.969.026	30.658.198	29.875.747	29.754.891
Total Equity		30.969.026	30.658.198	29.875.747	29.754.891
Long-Term Liabilities					
Leasing liabilities		283.544	322.786	264.914	302.031
Deferred tax liabilities		156.886	245.370	156.886	245.370
Staff leaving liabilities		335.248	321.634	335.248	321.634
Other long-term liabilities		106.320	96.397	106.320	96.397
		881.998	986.187	863.368	965.432
Current liabilities					
Account payables		1.045.732	3.525.488	963.761	3.253.218
Short-term borrowings		0	644	0	0
Short-term leasing liabilities		99.380	105.148	92.879	91.263
Other short-term liabilities		1.679.995	2.165.249	1.641.478	1.996.704
		2.825.107	5.796.529	2.698.117	5.341.185
Total Liabilities		3.707.105	6.782.716	3.561.486	6.306.617
Total Equity and Liabilities		34.676.131	37.440.914	33.437.233	36.061.508

The accompanying notes set out on pages 20 to 37 form an integral part of these Interim Condensed Financial statements.

B. INTERIM PROFIT AND LOSS ACCOUNT FOR THE PERIOD 01.01.2020 – 30.06.2020

(Amounts in Euros)

	Σημ.	<u>GROUP</u>		<u>COMPANY</u>	
		<u>1.1 to</u> <u>30.06.2020</u>	<u>1.1 to</u> <u>30.06.2019</u>	<u>1.1 to</u> <u>30.06.2020</u>	<u>1.1 to</u> <u>30.06.2019</u>
Turnover	7.8	7.999.359	10.857.908	7.579.460	10.552.253
Cost of sales		-4.086.991	-5.256.575	-4.061.695	-5.227.208
Gross profit		3.912.368	5.601.333	3.517.765	5.325.045
Other operating income		31.972	14.940	1.165	14.940
Administrative expenses	7.9	-999.045	-968.276	-892.881	-888.279
Distribution costs	7.10	-1.869.156	-2.234.601	-1.786.392	-2.157.920
Research and development expenses	7.11	-91.355	-83.831	-91.355	-83.831
Profit before interest, taxes, depreciation and amortization		984.785	2.329.565	748.302	2.209.955
Depreciation-Impairments		-268.908	-252.734	-255.481	-242.427
Profits before taxes, financing and investment results		715.877	2.076.830	492.821	1.967.528
Financial expenses-net		-290.790	362.824	-283.536	360.679
Profits before tax total		425.087	2.439.654	209.285	2.328.207
Less: taxes	7.12	-72.634	-694.211	-50.228	-678.023
Profits after taxes (A)		352.453	1.745.443	159.057	1.650.184
Other comprehensive income (B)		0	0	0	0
Total Comprehensive income (A) + (B)		352.453	1.745.443	159.057	1.650.184
Net profit attributable to:					
- Shareholders of the Company	9	352.453	1.745.443	159.057	1.650.184
Earnings per share - (in €)	9	0,0269	0,1330	0,0121	0,1257

The accompanying notes set out on pages 20 to 37 form an integral part of these Interim Condensed Financial statements.

C. INTERIM STATEMENT OF CHANGES OF EQUITY
(Amounts in Euros)

Company

	Share capital	Share premium	Other reserves	Retained earnings	Total
Equity as of 01.01.2019	7.350.571	74.509	1.726.623	18.682.462	27.834.165
Profit for the year after taxes	0	0		1.650.184	1.650.184
Reduction and return of share capital	<u>-918.821</u>	0	<u>0</u>	<u>0</u>	<u>-918.821</u>
Equity as of 30.06.2019	6.431.750	74.509	1.726.623	20.332.646	28.565.528
Equity as of 01.01.2020	6.431.750	74.509	1.861.193	21.387.438	29.754.891
Profit for the year after taxes	0	0	0	159.057	159.057
Own Share Acquisition	<u>0</u>	<u>0</u>	<u>-38.201</u>	<u>0</u>	<u>-38.201</u>
Equity as of 30.06.2020	6.431.750	74.509	1.822.992	21.546.496	29.875.747

Group

<u>Amounts in Euro</u>	Share capital	Share premium	Other reserves	Retained earnings	Total
Equity as of 01.01.2019	7.350.571	74.509	1.726.214	19.302.971	28.454.265
Profit for the year after taxes	0	0	0	1.745.443	1.745.443
Exchange rate differences and other reserves	0	0	-3.963	0	-3.963
Reduction and return of share capital	<u>-918.821</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-918.821</u>
Equity as of 30.06.2019	6.431.750	74.509	1.722.252	21.048.414	29.276.925
Equity as of 01.01.2020	6.431.750	74.509	1.853.916	22.298.023	30.658.198
Profit for the year after taxes	0	0	0	352.453	352.453
Exchange rate differences and other reserves	0	0	-3.424	0	-3.424
Own Share acquisition	<u>0</u>	<u>0</u>	<u>-38.201</u>	<u>0</u>	<u>-38.201</u>
Equity as of 30.06.2020	6.431.750	74.509	1.812.291	22.650.476	30.969.026

The accompanying notes set out on pages 20 to 37 form an integral part of these Interim Condensed Financial statements.

D. INTERIM CASH FLOW STATEMENT

(Amounts in Euros)

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		<u>1.1 to</u> <u>30.06.2020</u>	<u>1.1 to</u> <u>30.06.2019</u>	<u>1.1 to</u> <u>30.06.2020</u>	<u>1.1 to</u> <u>30.06.2019</u>
<u>Operating activities</u>					
Profit before tax		425.087	2.439.654	209.285	2.328.207
<i>Adjustments for:</i>					
Depreciation		268.908	252.734	255.481	242.427
Provisions		23.538	-195.111	23.538	-195.111
Exchange differences		-41.852	-3.963	-38.996	0
Results (Gain/loss) from investing activities		294.781	-236.507	325.588	-236.551
Interest and related expenses		5.860	-2.852	0	0
<i>Plus/Minus Working Capital Adjustments:</i>					
(Increase)/ decrease in inventories		607.196	-26.831	608.095	-186.311
Increase / (decrease) in receivables		1.690.584	-1.454.806	1.404.666	-1.815.749
(Decrease)/in payables (except loans)		-3.306.429	-1.659.579	-2.783.396	-1.499.182
Minus:					
Interest and related expenses paid		-60.767	2.785	-48.993	0
Income tax paid		-12.159	-2.148	-8.898	0
Net cash flows from operating activities (a)		-105.252	-886.622	-53.629	-1.362.270
<u>Investing Activities</u>					
Purchase of tangible and intangible assets	7.1	-65.961	-91.580	-65.358	-91.883
Proceeds from sales of tangible and intangible assets		0	2.308	0	2.308
(Purchase) / Sales of securities		-1.787.898	-1.465.199	-1.086.435	-1.465.199
Interest received		178.036	134.988	172.122	134.965
Net cash flows from investing activities (β)		-1.675.823	-1.419.483	-979.671	-1.419.809
<u>Financing Activities</u>					
Reduction and return of share capital		-38.201	0	-38.201	0
Proceeds from loans issued/withdrawn		0	392	0	392
Repayment of loans		-644	-41.574	0	-41.574
Repayment of finance lease		-44.912	-6.274	-35.501	0
Net cash flows from financing activities (c)		-83.757	-47.456	-73.702	-41.182
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)		-1.864.832	-2.353.562	-1.107.002	-2.823.261
Cash and cash equivalents at the beginning of the year	7.9	8.843.176	8.392.027	7.312.542	7.743.872
Cash and cash equivalents at the end of the year	7.9	6.978.345	6.038.466	6.205.541	4.920.611

The accompanying notes set out on pages 20 to 37 form an integral part of these Interim Condensed Financial statements.

E. NOTES TO THE SEPARATE AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General Information

AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. is a Hellenic Societe Anonyme Trading Company founded on 8 November 1990 (Official Government Gazette 4222 / 03.12.1990). The Company is registered with the Registry of Societes Anonymes of the Ministry of Economy, Development and Tourism, with GEMI number 057546304000 and Registry Number 22949/06/B/90/107. Its web site is www.ascompany.gr and is listed on the Athens Stock Exchange. The Financial Statements of 30 June 2020 were approved by the Board of Directors on 24 September 2020.

The Company's number of employees as of 30 June 2020 was 67 persons and for the Group 72 persons.

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

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

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

2. Basis of preparation of the Financial Statements

The Interim Financial Statements have been prepared with the International Accounting Standard (IAS) 34 "Interim Financial Reporting". Those Interim Financial Statements do not contain all the information required in the annual financial statements and for this reason should be read in conjunction with the published audited annual Financial Statements for the year ended 31 December 2019, which can be found on the Company's website address www.ascompany.gr.

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.

For the preparation of the Financial Statements the significant accounting estimates from the Management for the application of the Group's accounting principles as well as the main source of evaluation of uncertainty are the same with those adopted on the preparation of the annual Financial statements as of 31.12.2019, except from those that concern the adoption of the new IFRS as of January 2020.

There are no changes in the applied accounting principles and methods compared with those applied in the preparation of the Financial Statements as of 31.12.2019 according to IFRS after the consideration of the standards and interpretations that are noted in paragraph 3B below.

The amounts of the Financial Statements are expressed in Euro, unless otherwise stated. Any differences in the sums are due to roundings.

3. Significant Accounting Principles and Methods

3a. General

The accounting principles used in the preparation of these Financial Statements are explained below. These principles have been applied consistently in the current period as well as in the prior year so as the figures presented in the Financial Statements to be absolutely comparable.

The accounting principles and methods and calculation methods used in the preparation of the Financial Statements, the significant accounting estimates adopted by Management and the main sources of uncertainty that affect these estimates are the same as those adopted in the published annual Financial Statements for the year ended 31 December 2019 (as posted on the Company's website), after taking into account the new and amended changes in the standards and interpretations listed below

3b. Impact of new accounting standards and interpretations

The following new and amended standards and interpretations, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IC) and endorsed by the European Union (EU), apply from 1 January 2020:

Amendments to IFRS 3 "Business Combinations" (in force as of 1st of January 2020)

The International Accounting Standards Board released amendments regarding the definition of Business in the IFRS 3 "Business Combinations" in order to aid the economic entities define whether the entirety of acquired activities and the asset elements constitute a business. They clarify the minimum requirements for the definition of a business, they remove the assessment on whether the market participants are able to replace missing elements, they provide guidance to help economic entities assess whether the acquired activities should be deemed important, they limit the definitions of a business and its outputs, and introduce an optional assessment regarding the concentration of fair value (fair value concentration test).

The adoption of these amendments had no effect on the Condensed Interim Financial Statements of the Group and the Company.

Amendments to references regarding the definitive framework of the International Financing Reporting Standards (in force as of 1st of January 2020)

On March 2018, the International Accounting Standards Board released the revised Definitive Framework. This framework replaces its last version, which was released in 2010. The revisions made by the International Accounting Standards Board introduced a new chapter regarding measurement, revised definitions regarding asset items, liabilities and derecognition criteria, as well as clarifications regarding other important points.

The adoption of these amendments had no effect on the Condensed Interim Financial Statements of the Group and the Company.

Amendments to IAS 1 and IAS 8: Definition of the term Materiality (in force as of 1st of January 2020)

The amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" aim at harmonizing all standards regarding Materiality, as well as clarifying certain of its aspects. According to the new definition, "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 make clear that materiality depends upon the information's nature and size.

The adoption of these amendments had no effect on the Condensed Interim Financial Statements of the Group and the Company.

Amendments to IFRS 9, IAS 39 and IFRS 7: "Reform of reference rates"

On September 2019, the International Accounting Standards Board released amendments to the IFRS 9, IAS 39, and IFRS 7 standards, with which the first phase of its works regarding the effects of interbank lending rates to financial reporting is completed. The amendments refer to issues which arise to financial reporting at periods preceding the replacement of a present reference rate with an alternative rate, and face the consequences in specific hedge accounting requirements, as set out in IFRS 9 "Financial Instruments" and IAS 39 "Financial Instruments: Recognition and Measurement". The amendments introduce temporary facilities applicable to existing hedging relationships, which are affected by the reform of the reference rates, allowing the continuation of the hedge accounting during the period of uncertainty, which exists prior to the replacement of a present reference rate with an alternative rate of nearly zero risk. Furthermore, the amendments introduce to IFRS 7 "Financial Instruments: Disclosures" a number of further disclosures regarding the uncertainty which arises from the reform of reference rates. The amendments are applicable, retroactively, to annual accounting periods starting at or after the 1st of January 2020. The second phase (draft standard) focuses on issues affecting financial reporting when an existing reference rate is replaced by a zero risk rate.

The adoption of these amendments had no effect on the Condensed Interim Financial Statements of the Group and the Company.

Newly issued Standards and Interpretations mandatory in later periods

The following new Standards and Interpretations are obligatory to subsequent periods.

Amendment to IFRS 16 "Covid-19-Related Rent Concessions" (applicable to annual accounting periods starting at or after the 1st of June 2020)

This amendment is applicable, retroactively, to annual reference periods commencing at or after the 1st of June 2020. Earlier application is allowed, including the financial statements not yet approved for issue at the 28th of May 2020. The International Accounting Standards Board amended the standard and allowed the leaseholders not to abide by the obligations of IFRS 16 regarding the accounting lease modification for rent discounts resulting as an immediate consequence of the Covid 19 pandemic. The amendment offers a practical accounting tool to the leaseholders regarding any change or discount to rent leases as a result of Covid 19, on the same basis pursuant to the requirements of IFRS 16, if the change or discount was not deemed a lease modification, as long as all the following requirements apply:

- The change in rent payments leads to a revised exchange, substantially the same or lesser than the price for the lease right before the change,
- Any discount to rent payments affects payments due at the 30th of June 2021 or prior.
- There has not occurred any substantial change to other terms or requirements of the lease.

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

The adoption of these amendments shall have no effect on the Financial Statements of the Group and the Company.

Amendment to IAS 1 “Classification of liabilities as short-term or long-term” (applicable to annual accounting periods starting at or after the 1st of January 2022)

The amendments are applicable to annual accounting periods starting at or after the 1st of January 2022, while earlier application is allowed. The International Accounting Standards Board issued a draft standard for the postponement of the amendment application start date at 1st of January 2023. The amendments aim at achieving consistency in the application of the requirements of the standard, aiding companies define whether lending and other liabilities with an uncertain settlement date should typify as short term or long term liabilities, in the Financial Position Statement. The amendments affect the presentation of these liabilities in the Financial Position Statement, while they do not modify the present requirements regarding the measurement or the time of recognition of an asset, liability, input or output or the disclosures upon these items. Furthermore, the modifications clarify the classification requirements in regards to lending, which may be settled by a Company through the issue of equity securities.

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

The adoption of these amendments shall have no effect on the Financial Statements of the Group and the Company.

Amendment to IAS 16 “Tangible fixed assets – Revenues prior to the expected use” (applicable to the annual accounting periods starting at or after the 1st of January 2022)

The amendment to IAS 16 “Tangible fixed assets” forbid a Company from deducting any amounts received from the sale of assets produced during the preparation of said assets for use from the cost of these assets. On the contrary, the Company recognizes said sales input and the relevant costs in its Result Statement.

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

The adoption of these amendments shall have no effect on the Financial Statements of the Group and the Company.

Amendment to IAS 37 “Onerous contracts – Contract fulfillment cost” (applicable to the annual accounting periods starting at or after the 1st of January 2022)

The amendment clarifies that the “cost of fulfilling a contract” includes the directly relatable cost of its fulfillment and the distribution of other costs directly related to its execution. The amendment further explains that, prior to recognizing a separate provision for an onerous contract, an entity recognizes any impairment losses to the assets used in fulfilling said contract, and not to assets dedicated to that contract.

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

The adoption of these amendments shall have no effect on the Financial Statements of the Group and the Company.

Amendment to IFRS 3 “Reference to the Definitive Framework” (applicable to the annual accounting periods starting at or after the 1st of January 2022)

The amendment renewed the standard so that it is mentioned within the Definitive Framework for the Financial Report issued at 2018, whether it should be defined what constitutes an asset or a liability in a corporation merger. Furthermore, an exception was added for certain types of

liabilities and prospective liabilities acquired from a corporation merger. Finally, it is clarified that the acquirer shall not recognize certain prospective assets, as defined within IAS 37, at the acquisition date.

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

The adoption of these amendments shall have no effect on the Financial Statements of the Group and the Company.

Annual improvements to IFRS 2018-2020 (applicable to the annual accounting periods starting at or after the 1st of January 2022)

The amendments which follow include changes to four IFRS. They have not yet been ratified by the European Union.

IFRS 9 "Financial Instruments": The amendment examines which expenses should be included within the 10% assessment regarding the derecognition of financial liabilities. The relevant costs or remuneration could be paid either to third parties or to the creditor. According to this amendment, the cost or remuneration paid to third parties shall not be included to the 10% assessment.

IFRS 16 "Leases": The amendment removed the example about payments made by the lessor regarding the rent improvements in the explanatory example no. 13 of the draft, in order to diminish any possible confusion regarding the control of the lease incentives.

The adoption of these amendments shall have no effect on the Financial Statements of the Group and the Company.

Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or contribution of assets between an investor and his associate Company or joint venture

The amendments cope with a recognized inconsistency between the requirements of IFRS 10 and those of IAS 28, for dealing with a sale or contribution of assets between the investor and his associate Company or joint venture. The main effect of the amendments is that a full profit or damage is recognized when the transaction includes asset items which do not constitute an enterprise, even though they may be housed in a subsidiary. In December 2015, the International Accounting Standards Board postponed indefinitely the application date of this amendment, while it waited for the results of its works regarding the net position method.

These amendments have not yet been ratified by the European Union.

The adoption of these amendments shall have no effect on the Financial Statements of the Group and the Company.

Amendments to IFRS 4 "Insurance Contracts" – application postponement IFRS 9 (applicable for annual periods starting at or after the 01.01.2021)

In June 2020, the International Accounting Standards Board issued amendments which postponed the date of initial application of IFRS 17 for two years, which means that the standard shall apply for annual periods starting at or after the 1st of January 2023. As a result, the Board also postponed the defined end date regarding the temporary exclusion from the application of IFRS 9 "Financial Instruments" included within IFRS 4 "Insurance Contracts", with the result being that the financial entities are required to apply IFRS 9 to annual periods starting at or after the 1st of January 2023.

These amendments have not yet been ratified by the European Union.

The adoption of these amendments shall have no effect on the Financial Statements of the Group and the Company.

IFRS 17, Insurance Contracts (in force from 1st of January 2021)

IFRS 17 is not relevant with the activities of the Group and the Company.

4. Important Accounting Principles and Methods

For the preparation of the Financial Statements the significant assumptions that have been adopted by the Management for the application of the accounting principles as well as the estimates for the sources of risks are the same with those that have been adopted and estimated respectively in the published annual Financial Statements for the year ended as at 31 December 2019.

5. Other Information

5.1 Consolidated Financial Statements

For the first semester of 2020 the consolidated financial statements that was prepared, include the financial figures of the subsidiaries AS COMPANY CYPRUS LTD and AS KIDS TOYS S.R.L.

«AS COMPANY CYPRUS LTD» operates in Cyprus, with 100% participation, date of initial consolidation 05.05.2016 using the full consolidation method. «AS KIDS TOYS S.R.L.» was founded on March 2018, with the initial consolidation starting from the second semester of 2018, using the full consolidation method.

5.2 Seasonality of activities

The demand from our customers for the Group products is subject to seasonal fluctuations. Most of the customers are selling their products purchased by the Company and its affiliates during the Christmas time, so 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 respectively.

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

The turnover regarding toys for children trade is analyzed per geographical area as follows:

Account description	Group		Company	
	1.01 to 30.06.2020	1.01 to 30.06.2019	1.01 to 30.06.2020	1.01 to 30.06.2019
Sales of products in Greece	6.867.263	9.917.214	6.867.263	9.917.214
Sales of products abroad	1.132.096	940.694	712.196	635.039
TOTAL	7.999.359	10.857.908	7.579.460	10.552.253

The sales abroad represent 14,2% of the total consolidated sales for the current period and 8,7% for the corresponding period of 2019.

7. Other Explanatory Information

7.1 Own-use tangible fixed assets and rights to use leased assets

Own-use tangible fixed assets for the Group and the Company as of 30 June 2020 and 31 December 2019 are analysed as follows:

Account description	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Land	1.947.228	1.947.228	1.947.228	1.947.228
Buildings and technical installations	2.741.753	2.896.308	2.741.753	2.896.308
Transportation	91.638	101.559	91.638	101.559
Furniture and Fixtures	114.888	113.467	107.353	104.706
	4.895.508	5.058.562	4.887.974	5.049.801

The investments of the Company and the Group in fixed equipment during the period from 01.01.2020 to 30.06.2020 amounted to € 65.358 and € 65.961 respectively. The relevant numbers of the last year's period from 01.01.2019 to 30.06.2019 were € 91.883 for the Company and € 91.580 for the Group.

The rights of use leased assets of the Group and the Company's on 30 June 2020 and 31 December 2019 are analyzed as follows:

Περιγραφή λογαριασμού	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Right of use of leased buildings	214.250	245.927	191.075	213.123
Right of used of leased vehicles	157.589	172.960	157.589	172.960
	371.839	418.887	348.664	386.083

There are no encumbrances on the Company's buildings.

7.2 Participations in subsidiaries

Participations in subsidiaries for the Group and the Company on 30 June 2020 and 31 December 2019 are analysed as follows:

Account description	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
AS COMPANY CYPRUS LTD.	0	0	150.000	150.000
AS KIDS TOYS S.R.L	0	0	400.000	400.000
	0	0	550.000	550.000

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

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

7.3 Inventories

The Group's and the Company's Inventories on 30 June 2020 and 31 December 2019 are analysed as follows:

Account description	Group		Company	
	<u>30.06.2020</u>	<u>31.12.2019</u>	<u>30.06.2020</u>	<u>31.12.2019</u>
Merchandises	4.742.744	3.461.491	4.741.846	3.461.491
Less: Provisions for inventory obsolescence	-565.357	-665.697	-565.357	-665.697
Raw and auxiliary materials – Packing materials	12.006	12.055	12.006	12.055
Advances for inventory purchases	<u>158.754</u>	<u>2.147.494</u>	<u>158.754</u>	<u>2.147.494</u>
	<u>4.348.147</u>	<u>4.955.343</u>	<u>4.347.248</u>	<u>4.955.343</u>

The provision for inventory obsolescence of € 565.357 cover the Company's slow moving and low sales level inventory of the Company. The advances for inventory purchases refer to orders of imported goods from abroad.

7.4 Accounts receivables

Accounts receivables for the Group and the Company on 30 June 2020 and 31 December 2019 are analyzed as follows:

Account description	Group		Company	
	<u>30.06.2020</u>	<u>31.12.2019</u>	<u>30.06.2020</u>	<u>31.12.2019</u>
Trade debtors	2.543.600	3.359.017	2.301.837	3.278.696
Notes receivable	5.723.962	6.320.321	5.723.962	5.963.430
Cheques receivables	<u>359.765</u>	<u>155.511</u>	<u>359.765</u>	<u>155.511</u>
	<u>8.627.326</u>	<u>9.834.849</u>	<u>8.385.563</u>	<u>9.397.637</u>
Less : Provisions for impairment	<u>-94.384</u>	<u>-94.384</u>	<u>-94.384</u>	<u>-94.384</u>
	<u>8.532.943</u>	<u>9.740.465</u>	<u>8.291.180</u>	<u>9.303.253</u>

The provisions for impairment of accounts receivables of € 94.384 cover all potential losses of the Company from non-collection of doubtful debts. Through an examination of the expected credit damage based on IFRS 9, a small profit occurred, but given the special circumstances in the market, the projection amount remained unchanged.

7.5 Investments at fair value through P&L

Investments at fair value through P&L for the Group and the Company on 30.06.2020 and 31.12.2019 are analysed as follows:

	Group		Company	
	<u>30.06.2020</u>	<u>31.12.2019</u>	<u>30.06.2020</u>	<u>31.12.2019</u>
Shares listed on the Athens Stock Exchange	0	1.249	0	1.249
Other investments domestic	1.341.978	1.298.740	1.341.978	1.298.740
Foreign Mutual Funds	694.244	556.961	694.244	556.961
Other investments abroad – structured products	7.067.421	5.365.698	6.335.151	5.365.698
Provisions for impairment of investments	<u>-217.726</u>	<u>234.201</u>	<u>-217.726</u>	<u>234.201</u>
	<u>8.885.917</u>	<u>7.456.849</u>	<u>8.153.647</u>	<u>7.456.849</u>

The valuation of bonds and securities as of 30.06.2020 amounted to €463.013 which was charged against the Profit and Loss Account and the accrued interest income amounted to €58.677.

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 valued, 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 valued 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.

7.6 Cash and cash equivalents

Cash and cash equivalents for the Company and the Group on 30 June 2020 and 31 December 2019 are analyzed as follows:

Account description	<u>Group</u>		<u>Company</u>	
	<u>30.06.2020</u>	<u>31.12.2019</u>	<u>30.06.2020</u>	<u>31.12.2019</u>
Cash in hand	5.964	4.589	5.964	4.551
Deposits and time deposits	<u>6.972.381</u>	<u>8.838.587</u>	<u>6.199.576</u>	<u>7.307.991</u>
Total	<u>6.978.345</u>	<u>8.843.176</u>	<u>6.205.541</u>	<u>7.312.542</u>

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

Account description	<u>Group</u>		<u>Company</u>	
	<u>30.06.2020</u>	<u>31.12.2019</u>	<u>30.06.2020</u>	<u>31.12.2019</u>
EUR	5.772.523	7.654.392	5.095.022	6.313.636
Other currencies	<u>1.205.823</u>	<u>1.188.785</u>	<u>1.110.519</u>	<u>998.906</u>
Total	<u>6.978.345</u>	<u>8.843.176</u>	<u>6.205.541</u>	<u>7.312.542</u>

7.7 Share capital

By the decision dated 14.07.2020 of the Ordinary General Meeting of Shareholders of the Company it was decided a) the reduction of its share capital by € 918.821,40 and b) the increase of the Company's share capital by 1(one) cent per share from 0,42€ to 0,43€ through anew capitalization of the tax-free reserves and profit surplus, for an total amount of 131.260,21 EUR pursuant to article 27 of Law 4646/2019. Following the above, the Company's share capital amounts to € 5.644.188,60, divided into thirteen million one hundred twenty six thousand and twenty (13.126.020) common registered shares of a nominal value of € 0,43 each.

On 28.07.2020 it was uploaded in the General Electronic Commercial Registry the decision No. 80266 / 28.07.2020 of the Ministry of Development and Investment, which approved the amendment of article 5 of the Articles of Association of the Company.

The Corporate Acts Committee of the Athens Stock Exchange was informed at its meeting on 30.07.2020 of a) the share capital reduction for the purpose of returning cash to shareholders, amounting to € 0.07 per share, and b) the increase of the Company's share capital with an increase of its nominal value by (1) cent per share from €0,42 to €0,43 through anew capitalization of the tax-free reserves and profit surplus. The reduction of the Company's share capital by € 918,821,40 was completed in September 2020.

7.8 Turnover

Turnover for the Group and the Company on 30 June 2020 and 30 June 2019 is analyzed as:

	<u>Group</u>		<u>Company</u>	
	<u>1.01 to 30.06.2020</u>	<u>1.01 to 30.06.2019</u>	<u>1.01 to 30.06.2020</u>	<u>1.01 to 30.06.2019</u>
Domestic wholesales of merchandises	6.822.829	9.411.636	6.822.829	9.411.636
Wholesales of merchandises in EU	1.031.743	800.160	611.844	494.505
Wholesales of merchandises in Third Countries	100.353	140.534	100.353	140.534
Retail sales of merchandises	44.400	505.064	44.400	505.064
Sales of other stock and scrap	34	514	34	514
TOTAL	<u>7.999.359</u>	<u>10.857.908</u>	<u>7.579.460</u>	<u>10.552.253</u>

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

The Company is operating in the wholesale trade of toys for kids and was the exclusive distributor for the imported kids clothing of the well-known Italian company IDEXE until 31.07.2019.

The turnover of the retail sales represents 0,6% of the Company's total sales as compared to 4,7% of the previous year.

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

7.9 Administrative expenses

Administrative expenses for the Company and the Group on 30 June 2020 and 30 June 2019 are analyzed as follows:

Account description	<u>Group</u>		<u>Company</u>	
	<u>1.01 to 30.06.2020</u>	<u>1.01 to 30.06.2019</u>	<u>1.01 to 30.06.2020</u>	<u>1.01 to 30.06.2019</u>
Personnel expenses	575.494	529.478	525.185	492.217
Third party fees and expenses	252.642	197.288	206.270	166.799
Utilities	65.248	78.351	65.162	75.231
Taxes and duties	10.138	12.482	10.138	12.482
Miscellaneous expenses	113.511	114.752	104.114	105.626
Other operating provisions	4.835	4.622	4.835	4.622
Other income - expenses	<u>-22.823</u>	<u>31.303</u>	<u>-22.823</u>	<u>31.303</u>
	<u>999.045</u>	<u>968.276</u>	<u>892.881</u>	<u>888.279</u>

7.10 Distribution expenses

Distribution expenses for the Company and the Group on 30 June 2020 and 30 June 2019 are analyzed as follows:

Account description	<u>Group</u>		<u>Company</u>	
	<u>1.01 to</u>	<u>1.01 to</u>	<u>1.01 to</u>	<u>1.01 to</u>
	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>30.06.2020</u>	<u>30.06.2019</u>
Personnel expenses	927.671	1.069.080	873.693	1.026.793
Third party fees	301.160	391.251	278.292	382.360
Utilities	90.946	145.685	89.831	145.685
Taxes and duties	25.563	33.122	25.563	33.122
Miscellaneous expenses	515.772	673.762	510.969	648.258
Other operating provisions	8.044	13.752	8.044	13.752
Other income - expenses	0	-92.050	0	-92.050
	<u>1.869.156</u>	<u>2.234.601</u>	<u>1.786.392</u>	<u>2.157.920</u>

7.11 Research and development expenses

Research and development expenses for the Company and the Group on 30 June 2020 and 30 June 2019 are analyzed as follows:

Account description	<u>Group</u>		<u>Company</u>	
	<u>1.01 to</u>	<u>1.01 to</u>	<u>1.01 to</u>	<u>1.01 to</u>
	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>30.06.2020</u>	<u>30.06.2019</u>
Personnel expenses	79.886	73.875	79.886	73.875
Utilities	2.791	2.074	2.791	2.074
Taxes and duties	0	8	0	8
Miscellaneous expenses	7.943	6.822	7.943	6.822
Other operating Provisions	<u>735</u>	<u>1.051</u>	<u>735</u>	<u>1.051</u>
	<u>91.355</u>	<u>83.831</u>	<u>91.355</u>	<u>83.831</u>

7.12 Taxes

The taxes of the year for the Company and the Group on 30 June 2020 and 30 June 2019 are analyzed as follows:

Account description	<u>Group</u>		<u>Company</u>	
	<u>01.01 to</u>	<u>1.01 to</u>	<u>1.01 to</u>	<u>1.01 to</u>
	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>30.06.2020</u>	<u>30.06.2019</u>
Income tax for the year	161.118	584.167	138.712	567.979
Income tax differences of previous year	0	20.734	0	20.734
Deferred taxes recognized in the Profit and Loss Account	<u>-88.484</u>	<u>89.310</u>	<u>-88.484</u>	<u>89.310</u>
	<u>72.634</u>	<u>694.211</u>	<u>50.228</u>	<u>678.023</u>

The real tax rate for the current period is 24%, while in the corresponding comparable period the tax rate was 29%, mainly due to changes in the tax legislation.

The income tax rate for legal entities' business activities in Greece is 24% (the tax rate last year was 28%), while the tax rates in the countries where the Group is active fluctuate from 12,5% up to 16,0%.

The Company has received certificates of tax compliance with the consent of the certified 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 2014-2017 according to the provisions of article 65A of Law 4174/2013)). The Company does not expect for any additional taxes and surcharges to arise in the framework of the Greek tax authorities audits for the years 2014 to 2019. Furthermore, according to risk analysis criteria, the Greek tax authorities may choose the Company for tax audit on the basis of audits occurring to companies with certificates of tax compliance with the consent of the certified auditor. In that case, the Greek tax authorities are allowed to audit for the fiscal years they choose, while taking into account the work done for

the issuance of the tax compliance certificate. The Company has not received any audit mandate from the tax authorities for the years 2014 to 2019.

It should be noted that at 31.12.2019 the fiscal years up to 31.12.2013 were written-off pursuant to the provisions of par. 1 art. 36 of Law 4174/2013.

For the fiscal year 2019 the tax audit is under way and the Management does not expect a substantial change of that year's tax liabilities. The audit shall be completed after the release of that year's financial statement. Upon that audit's completion, the Management of the Company does not expect for any other tax liabilities to arise, other than those presented in the Financial Statements.

The Group projects upon any additional tax liabilities which shall arise from future tax audits to the extent that those liabilities are probable and may be adequately assessed.

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

<u>Company</u>	<u>Headquarters</u>	<u>Unaudited tax years</u>
AS COMPANY S.A.	Greece	2019
AS COMPANY CYPRUS LTD.	Cyprus	2016 - 2019
AS KIDS S.R.L.	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. Commitments and contingent liabilities

(a) The commitments of the Company consist of bank-issued letters of credit for proper contract execution.

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

(b) On the 30th of June 2020 the Company and the Group had operational lease agreements regarding the lease of transport means and buildings.

(c) There is a € 1,000,000 Parent Guarantee in favor of the subsidiary in Cyprus to finance working capital where necessary. The subsidiary in Cyprus did not make any use of borrowed funds in 2020.

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

Apart from those mentioned above, there are no other important contingent liabilities.

9. Related Party Transactions

Related parties are, pursuant to IAS 24 and apart from subsidiaries and affiliated companies, the members of Management and the Directors. The revenues, expenses and transactions with these members of the Management and Directors for the period of 1.1.2020 to 30.06.2020 as well as the balances of their receivables and liabilities at 30.06.2020, are as follows:

	<u>Group</u>		<u>Company</u>	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
a) Revenues	400.832	443.769	400.832	286.248
b) Receivables	380.135	166.264	380.135	164.513
c) Transactions and remuneration of Management members and the Board	588.101	638.763	540.646	591.899

The Revenues and the Receivables of the Company refer to sales and purchases of the Parent with its subsidiaries in Cyprus and Romania, which took place within the first semester of 2020.

The benefits towards members of the Management and the Board of the Company, are as follows:

	<u>Group</u>		<u>Company</u>	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
<u>Remuneration and Transactions of the Directors</u>				
Short-term provisions to employees				
Salaries	359.506	397.552	325.062	363.432
Social security cost	66.838	75.522	62.827	71.778
Σύνολο	426.344	473.074	387.889	435.210
<u>Remuneration and Transactions of the members of the Board of Directors</u>				
Short-term provisions				
Salaries	139.400	143.400	130.400	134.400
Social security cost and stamp	22.357	22.288	22.357	22.288
Total	161.757	165.688	152.757	156.688

No loans have been provided to members of the Board of Directors or any executives (and their families). There have not been any changes in the transactions between the Company and the persons affiliated to it which could have material impact to its financial position and output.

The remuneration of the Management and the executive members of the Board which were paid during the current period consist of the provision of services of depended employee relationship and management contracts, while the non executive members received remuneration due to their capacity as members of the BoD.

10. Earnings per share

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

Profit after tax per share	01.01 - 30.06.2020	01.01 - 30.06.2019
Total Comprehensive Income after taxes attributable to the shareholders	159.057	1.650.183
Weighted average number of shares	13.113.960	13.126.000
Earnings per share	0,0121	0,1257

11. Subsequent events after the date of the Financial Position

On 4.9.2020 (the cut-off date) the Company's shares were negotiable on the ATHEX. with the new nominal value of € 0.43 per share, without the right to participate in cash return to shareholders of € 0.07 per share. By the same date, the starting price of the Company's shares on the ATHEX. was formulated in accordance with the Athens Stock Exchange Regulation in conjunction with the no. 26 decision of the ATHEX Board of Directors as applicable. The beneficiaries of the return were the shareholders registered in the S.A.T archives on 7.9.2019 (beneficiary identification date - record date). The due date for the return of the capital was set on Friday, 11.09.2019 and the payment was made through the Bank "Eurobank Ergasias SA".

Thessaloniki, 24 September 2020

THE PRESIDENT OF THE BOARD OF
DIRECTORS AND CEO

EFSTRATIOS K. ANDREADIS
ID NO. AB691316

THE VICE PRESIDENT OF THE BOARD OF
DIRECTORS

ANASTASIA ANDREADOU
ID NO. AH 181790

THE CFO

PANAGIOTIS B. PAPASPYROU
ID NO. AE 032224
License No. 0019079 A' Class

