



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

**INTERIM FINANCIAL REPORT
of the period from 1 January 2021 to
30 June 2021**

According to article 5 of Law 3556/2007

GEMH No. : 57546304000 AMAE : 22949/06/B/90/107
HQ : Municipality of Oreokastro, Thessaloniki

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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 2021, of the Company "AS COMMERCIAL INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A.", as well as the companies that are included in the consolidation and are 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 2021, 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, 23 September 2021

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 FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

(in accordance with article 5 par. 6 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 2021 and the six-month period which expired on that date.

This report includes the actual depiction for the period from 1 January 2021 to 30 June 2021, the significant events that took place during the first half of 2021, the description of the main risks and uncertainties, the significant events that took place after the end of the first half of 2021 and until the composition of the present report 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 OF THE FIRST SEMESTER OF 2021

In the first half of 2021, the Group presented a reduction in turnover of - 6.9%, due to the continuation of the consequences of the COVID-19 pandemic, a phenomenon particularly intense in the domestic market which presented a reduction of -9.35%.

Our Company's products were sold in limited distribution channels while the Company, without interrupting its operation, continued to invoice customers who did not suspend their operation, responding to demand significantly lower than normal levels.

The most significant figures of the Company and the Group compared to the corresponding period of 2020 are as follows:

	Group			Company		
	<u>1.1 to</u> <u>30.06.2021</u>	<u>1.1 to</u> <u>30.06.2020</u>	<u>V %</u>	<u>1.1 to</u> <u>30.06.2021</u>	<u>1.01 to</u> <u>30.06.2020</u>	<u>V %</u>
Turnover	7.447.438	7.999.359	-6,90%	6.870.646	7.579.460	-9,35%
% Gross Profit margin	49,43%	48,91%		45,84%	46,41%	
EBITDA	1.006.092	984.785	2,16%	739.220	748.302	-1,21%
As a % of Sales	13,51%	12,31%		10,76%	9,87%	
Profit before tax	1.172.044	425.087	175,72%	923.715	209.285	341,37%
Profit after tax	953.717	352.453	170,59%	740.912	159.057	365,82%
Total Inflows / (outflows) from						
Operating Activities	1.478.237	-105.252	1504,47%	1.390.570	-53.629	-2692,95%
Cash & Investments	17.431.430	15.864.262	9,88%	15.363.503	14.359.188	6,99%

Interim Financial Report
of the period from 1 January 2021 to 30 June 2021

The percentage of gross profit at Group level shows a small increase compared to the corresponding percentage of 2020 by 0.52 percentage points and amounted to 49.43% from 48.91%. The continuous effort to evaluate the profitability of the product portfolio, the long-term relations with the suppliers but also the positive effect of the Dollar-to-Euro exchange rate is the main reason for the improvement of the gross profit ratio, with the average exchange rate between 1.1.2021 to 30.06.21 being 1.2047 EUR / USD against 1.1020 EUR / USD in the corresponding period of 2020.

The reduction of operating expenses offset the negative effect of the reduction in turnover, with the result that the profits before taxes, financial and investment results, present a slight improvement of +2.31%. EBIDTA increased by + 21 thousand euros with the % of EBIDTA on sales being 13.50% compared to 12.31% in the corresponding period last year.

The results before taxes of the Group marked a significant increase of € 747 thousand, ie + 175.72%, mainly due to the positive goodwill of the bonds against the negative of the corresponding period of 2020.

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

Company (A)

A. Decrease in sales volume	-324.896
B. Decrease in Gross Profit Margin %	-43.600
C. Decrease in Operating Costs	146.641
D. Increase of Financial Income	728.580
E. Increase in Other Income	212.773
F. Increase in depreciation	-5.068
Total change in Profits before taxes	714.430
Subsidiaries Activities (B)	32.528
Total Change (A + B)	746.958

Banking Liabilities: The status of Bank Lending as at 30.06.2021 was formulated as follows:

	Group			Company		
	30.06.2021	31.12.2020	V %	30.06.2021	31.12.2020	V %
Bank Loans	283.889	345.053		260.443	311.874	
less : Cash & Investments	<u>-17.431.430</u>	<u>-15.619.597</u>		<u>-15.363.503</u>	<u>-13.621.122</u>	
Net Debt	<u>-17.147.541</u>	<u>-15.274.543</u>	12,3%	<u>-15.103.060</u>	<u>-13.309.248</u>	13,5%
Equity	31.209.051	31.363.190	-0,5%	29.605.706	29.968.293	-1,2%
Gearing Ratio	-54,94%	-48,70%		-51,01%	-44,41%	

Bank lending in the first half of 2021 is nonexistent for the Company and for the Group, which certifies their sound financial position. There are only liabilities from real estate and car rental due to the adoption of IFRS. 16.

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

	<u>Group</u>			<u>Company</u>		
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>V %</u>	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>V %</u>
Current assets	30.926.103	29.280.259		28.655.209	27.528.577	
Short-term liabilities	<u>-3.996.63</u>	<u>-2.825.107</u>		<u>-3.852.548</u>	<u>-2.698.117</u>	
Working capital	<u>26.929.472</u>	<u>26.455.152</u>	1.8%	<u>24.802.661</u>	<u>24.830.460</u>	-0.1%

The Group's inventories remained on the same levels when compared with those of 30.06.2020 amounting to € 4.5 million representing 12,5% of Total Assets, compared to 12.5% in 2020. Receivables from customers at Group level increased by € 316 thousand compared with 30.06.2020.

	<u>Group</u>			<u>Company</u>		
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>V%</u>	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>V%</u>
Inventory and Receivables from Customers & Other receivables	13.494.672	13.415.997		13.291.707	13.169.390	
less : Accounts payable and other short term liabilities	<u>-3.896.138</u>	<u>-2.725.727</u>		<u>-3.757.920</u>	<u>-2.605.238</u>	
Net working capital	<u>9.598.534</u>	<u>10.690.270</u>	-10,2 %	<u>9.533.787</u>	<u>10.564.151</u>	-9,8 %
% sales	128,9%	133,6%		138,8%	139,4%	

Earnings per share: Earnings per share of the Company based on the weighted number of shares amounted to € 0,0566 compared to € 0,0121 in the previous period, showing an increase of 367%.

Capital expenditure: The Company's investments in capital expenditures for the first half of 2021 amount to €22.233.

Research and development costs: In the first half of 2021, the Company incurred expenses that amounted to € 90 thousand compared to € 93 thousand of the corresponding period.

Key Financial ratios: The key financial ratios for the first semester of 2021 compared to 31.12.2020 and 30.6.2020 are as follows:

Group:

a. Financial Structure ratios	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>31.12.2020</u>
Current Assets / Total Assets	85,9%	84,4%	85,4%
Equity / Total Liabilities	653,5%	835,4%	619,7%
Equity / Fixed Assets	654,0%	618,4%	632,1%
Current Assets / Short Term Liabilities	773,8%	1036,4%	727,9%
b. Performance and Efficiency ratios	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>31.12.2020</u>
EBITDA / Turnover	13,5%	12,3%	15,8%
Gross Profit / Turnover	49,4%	48,9%	48,2%
Turnover / Equity	23,9%	25,8%	62,5%

Company

a. Financial Structure ratios	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>31.12.2020</u>
Current Assets / Total Assets	83,7%	82,3%	83,2%
Equity / Total Liabilities	641,6%	838,9%	651,3%
Equity / Fixed Assets	623,1%	598,0%	605,1%
Current Assets / Short Term Liabilities	743,8%	1020,3%	751,0%
b. Performance and Efficiency ratios	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>31.12.2020</u>
EBITDA / Turnover	10,8%	9,9%	14,0%
Gross Profit / Turnover	45,8%	46,4%	44,7%
Turnover / Equity	23,2%	25,4%	60,8%

Building facilities: The parent company maintains in Oraiokastros Thessaloniki, in a privately owned space, the offices, the warehouse and the retail store. Also, the Company maintains a leased office and showroom in Attica. In Cyprus and Romania, subsidiaries rent office spaces.

Personnel: The number of staff employed at the end of the first half of 2021 amounted to 69 employees, i.e. 63 employees in the parent company and 6 employees in the subsidiaries. During the corresponding period last year, the Group employed 72 employees, i.e. 67 employees in the Company and 5 employees in the subsidiaries

Structure: The Group structure as of 30.06.2021 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 30.06.2021, 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 2021

1. General Meeting of Shareholders decisions

The Annual General Meeting of the Company's Shareholders was slated for the 25th of June 2021, taking the following decisions:

a) approved the Separate and Consolidated Annual Financial Statements for the year 1.1.2020 until 31.12.2020 (Management Report in consolidated form for the Company and its Group and the Annual Financial Statements for the Company and its Group, based on n 4548/2018 and the International Financial Reporting Standards) along the Report of the Certified Auditor).

b) approved the distribution of dividend for the year 2020, of gross amount of 8.372537 cents per share. The gross amount was increased by the dividend corresponding to the 37,906 treasury shares held by the Company which are not entitled to a dividend.

c) approved the overall management of the Board of Directors for the corporate year 1.1.2020–31.12.2020 according to article 108 of Law 4548/2018 and discharged the Auditors for the same year, according to article 117 par. of Law 4548/2018.

d) approved the Remunerations Report of the members of the Board of Directors for the corporate year 1.1.2020–31.12.2020, in accordance with article 112 par. 3 of law 4548/2018.

e) approved the remuneration and benefits to the members of the Board of Directors during the corporate year 1.1.2020–31.12.2020.

f) having the consent of the Remuneration Committee, approved the remuneration that has already been paid and the pre-approval of the remuneration that will be paid by the end of the fiscal year 2021 to the members of the Board of Directors, up to the total amount of € 500,000.00. It also approved an advance payment of fees to the members of the Board, within the same framework applicable in 2021, for the period up to the regular general meeting of the year 2022, subject to its final approval. The BoD was further authorized to determine the exact amount of remuneration of each member and the time of their payment, both for the approved remuneration of the current fiscal year 2021 and for the pre-approved remuneration of fiscal year 2022.

g) the shareholders were informed regarding the annual report of the Audit Committee, in accordance with article 44 par. 1 of Law 4449/2017, which included the description of the sustainable development policy followed by the Company. The Annual Report of the Audit Committee aims to inform the shareholders about the activities of the Audit Committee during the corporate year 1/1/2020 - 31/12/2020 and, therefore, no voting followed.

h) elected the Company of Certified Auditors under the name "KPMG Certified Auditors SA" (ID: 114), based in Athens, 3 Stratigou Tombra, PC 15342, Agia Paraskevi, for the audit of the Financial Statements and the issuance of the tax certificate for the fiscal year of 2021 (1.1.2021-31.12.2021).

i) unanimously approved the election of Mr. Michalis Zarkadis as an independent non-executive member of the Board of Directors, to replace the resigned member Mr. Petros Iakovos until the end of the term of the current Board of Directors, after ascertaining the fulfillment of the independence criteria thereof.

j) approved the definition of the type, composition and term of office of the Audit Committee, in accordance with Law 4449/2017, as amended by Law 4706/2020 and the instructions of the Hellenic Capital Market Commission, in accordance with the proposals of the Board.

k) approved the amendment of article 4 of the Company's Articles of Association, for the purpose of adding new business purposes.

l) approved the amendment of articles 10 and 12 of the Company's Articles of Association, on the composition and constitution of the Board of Directors, with the increase of its members

and the addition of a provision for a non-executive Vice President and an Executive Vice President.

m) approved the suitability policy of the members of the Board of Directors, according to article 3 par. 3 of Law 4706/2020, as submitted by the Board of Directors.

n) approved the purchase by the Company of its own shares, up to a percentage of 5% of the paid-up share capital of the Company, with a minimum acquisition price of € 0.50 / share and a maximum acquisition price of € 4.00 / share, in accordance with article 49 of Law 4548/2018.

2. Participation in exhibitions

Since the beginning of the Covid19 Pandemic in March 2020 the business reality for the whole world has changed drastically. National as well as international toy fairs that wither the company organized, participated in or attended were not accessible. Instead a new business environment has taken form via virtual showrooms & presentations which allow us to function on a "business as usual" basis.

The Company in February 2021 participated in the digital fair "The child and the toys" organized by the Chamber of Greek Craftsmen.

3. Dividend Distribution Approval for the Fiscal Year 2020.

The Ordinary General Meeting of Shareholders of the company that took place on 25.06.2021 decided to distribute a dividend for the year 2020 of a gross amount of 0.08372537 euros per share, increased by the dividend corresponding to the 37,906 treasury shares held by the company. According to the current tax provisions (article 64 of law 4172/2013, as amended and in force), 5% tax was withheld from the gross value of the dividend (with the exception or variation of the withholding rate for Shareholders who are subject to special provisions). As a result, the net amount collected by the Shareholders amounted to 0.0795391015 euros per share. Beneficiaries of this dividend were the registered Shareholders of the Company in the files of the Intangible Securities System (ISS) managed by the "Hellenic Central Securities Depository" on Thursday, July 29, 2021 (Record Date) while the payment of dividend was made on Tuesday, August 3, 2021 by the paying bank "Eurobank SA".

4. End of the Own Shares purchase program - New Own Shares purchase program

On 21.06.2021 the program of purchase of own shares ended, which had been approved by the Ordinary General Meeting of shareholders of 21 June 2019, in accordance with the provisions of article 49 of law 4548/2018. The General Assembly had decided to acquire on behalf of the Company, through the Athens Stock Exchange, and within a period of twenty-four (24) months from the date of the above decision, a maximum of 656,301 shares of the company, which corresponded to 5% of all existing shares, with a range of purchase prices from 0.50 € / share (minimum) to 4.00 € / share (maximum) and the provision of authorization to the Board of Directors of the Company for the implementation of the above decision.

In the context of the execution of the above decision of the General Meeting of Shareholders, throughout the duration of the program, the Company purchased a total of 37,906 own common registered shares, with an average purchase price of 1.8381 Euros per share, which corresponds to a percentage 0.28879% of the share capital.

Then the Ordinary General Meeting of shareholders, on 25.06.2021, approved the new purchase by the Company of its own shares, up to 5% of the paid-up share capital of the Company, with a minimum acquisition price of € 0.50 / share and a maximum price acquisition of € 4.00 / share, according to article 49 of Law 4548/2018.

5. Return of Property Tax

During the year 2020, the Company proceeded, based on Law 4495/2017 (arbitrary settlement), to settle the square meters and a change of use was declared in the building of

the facilities in Oreokastro, Thessaloniki, and then amending statements E9 of the years 2015-2020 were submitted. Based on the amended declarations, the Single Property Tax (ENFIA) should be recalculated due to the modification of the measures and especially the separation of them from a professional space in warehouses, shops and offices.

Due to the rejection decisions of tax office of Societe Anonymes of Thessaloniki on the amending declarations of the years 2015-2019, the Company, on 22.09.2020, filed an Appeal to the Dispute Resolution Division (DED) of the Independent Public Revenue Authority, at the request of their cancellation.

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

6. Digital Transformation of the Group

As part of its Digital Transformation, the Group has begun its investing in new technologies, for this reason it chose SAP Business One as their new ERP for its transition to the new, "digital" era. In order to optimize its internal operation, this option offers continuous use of real-time information from the SAP Analytics Cloud (recognized as the industry leader by BARC), for better decision making and profitable growth tools, combined with the greatest possible convenience of the user. With the use of the new ERP, all the basic functions of the Group will be integrated in a complete system that will cover the entire turnover. The total digital budget of the various projects will amount to Euro 300,000 and its production operation is scheduled to begin on January 1, 2022. The Group has made until 30.06.2021 the payment of approximately 1/3 of the total budget, i.e. 104.744 euros.

7. Continuation of the consequences of the restrictive measures of the pandemic.

The measures taken by the Greek Government to reduce the negative effects of COVID-19 continued throughout the first half of 2021, especially the Easter period which is the second best period of retail sales in the industry and limited the smooth operation of trade, including the mandatory suspension of operations of many companies that make up a large part of our customers. However, despite the difficulties that arose in the business sector and in retail in general, the Company continued its operation smoothly.

C. MAIN RISKS AND UNCERTAINTIES FOR THE SECOND SEMESTER OF 2021

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
- Other risks

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 which are invoiced in US dollars (USD). In the first semester of 2021 purchases in dollar comprised for 51% of total

purchases, compared to 78% of the prior period's purchases. The value of imports in dollar (USD) is 43,16% lower than the same period last year.

The Group in the first semester of 2021 did not use financial instruments to reduce its exposure from foreign exchange risk arising from the markets.

Interest rate risk

The Companies of the Group have credit limits in banks, however, due to the significant liquidity, they have not resorted to bank lending in the first half of 2021 and all their working capital needs are financed by own funds.

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

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

Risk from commodity prices fluctuations, transport costs 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, as well as the transport costs, 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 toy market by maintaining long lasting relationships with its suppliers. The Company also participates 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 fulfill 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 at a Group level, the potential credit risk for the Group is currently retained by the Company.

Liquidity risk exists in the event where the Group cannot fulfill 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).

<u>GROUP</u>	30.06.2021	30.06.2020
Current Assets / Short Term Liabilities	773,8%	1036,4%
<u>COMPANY</u>	30.06.2021	30.06.2020
Current Assets / Short Term Liabilities	743,8%	1020,3%

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, 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. The products are insured during their transport, both to the Company's warehouses and until their delivery to the subsidiaries.

Other risks

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

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

D. PERSPECTIVES FOR THE SECOND SEMESTER 2021

Despite the signs of stabilization of the economic climate, due to the uncertainty caused by the continuation of the covid-19 pandemic, reliable forecasts cannot be made at this point.

Shielding liquidity and achieving profitable results in an unquestionably unpredictable year is still a key goal for Management.

With the prospect of the gradual reversal of the financial environment, the Group continues its organizational and digital restructuring activities, in order to be ready to face the challenges of the upcoming changes in the market. In particular, emphasis has been placed on the digital footprint of the Group, with a high focus on the dynamic development of its products and customers.

The contribution in the financial figures of the subsidiaries to the total financial figures of the Group is estimated to be positive, with the effect of COVID-19 being limited and at lower levels than those of the parent company.

MANAGING THE EFFECTS OF THE COVID-19 PANDEMIC

The Management of the Group, adopting all the health and safety protocols, prepared and implemented a plan for the reduction of the potential threat from COVID-19 and to ensure the health of the employees and its business continuity. It has implemented and is implementing strict measures to ensure the health of its employees while it has implemented and maintains possibilities for the remote work of most of its employees.

Following all the developments, the Company's Management has additionally focused on the following main points:

- Security of Employees, Partners, Customers and Computer systems.
- Supply Chain for smooth and timely delivery of orders
- Retention of operating costs.

The total impact on the size of the Group in 2021 will depend on the time of return of trade to normal conditions and the general conditions that will be created in the whole economy in the post-COVID-19 era.

E. CORPORATE SOCIAL RESPONSIBILITY

The safety and quality of the products are the basic principles that govern the operation of the Group. Based on these, the course of the Group has been charted from the first day of its operation and the strategy for the future is created with these principles in mind. These values acquire special importance in a Group that deals with children and their entertainment.

Practically, this means that AS Company toys have a guarantee of safety and quality to offer carefree hours of entertainment and joy to children and parents. The Quality Assurance department is responsible for the control and observance of the safety and quality standards of the products. We work with internationally accredited quality and safety control laboratories, which are internationally recognized. The customer service department takes care of immediately responding to all the requests it receives, always guided by the family and its needs around the child and the toy.

Responsibility for the Society

The Company, through a Corporate Social Responsibility program, implements actions and initiatives for the mental health of children and the support of vulnerable social groups. In this context, it continues the campaign entitled "Put down the screen" and hashtag #asekatotinothoni in order to awaken parents to take a more active role, setting limits to protect children from the risk of screen addiction. As part of the campaign, the Company donates part of the proceeds from the sale of board games to support organizations that prevent and treat the negative side effects of the internet. Specifically, it supported the work of the NGO "DIADRASIS", as well as the internet addiction prevention programs of the KETHEA Organization. In the past it has supported the operation of the specialized detoxification clinic for children & adolescents addicted to electronic devices, the child psychiatric unit of the Ippokration Hospital of Thessaloniki, as well as the Hackathon Athens program of the Adolescent Health Unit of the 2nd Pediatric University of Pediatrics "P & A Kyriakou".

In addition, it continues to encourage and promote education through creative play. Specifically, it supports the model special education center "Charismatic Children", offering its educational games to enhance their teaching method.

Finally, it continues with a sense of responsibility for society as a whole, to make a series of product donations throughout the year, actively supporting organizations and associations,

such as "The Children's Smile", "Make a Wish", "Guardian Angel", as well as many local organizations, which mainly support children and families through their actions.

F. ENVIRONMENTAL AND WORK ISSUES

The Company and its subsidiaries, at their operating countries, are not involved in processing of the sold products. Furthermore, the operations of the Group's units are low impact. It's a core belief in the Group that the prudential environmental management and the protection of our ecosystem is our responsibility. Therefore, we try to provide merchandise friendly to the environment.

From 2020, AS has made the products of the collection "Play for future" of Clementoni available, made from recyclable and recycled materials, and maintains the development of the specific line of products with extra codes, exhibiting its commitment for responsible and sustainable products.

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

The Group is adhering to all legal requirements of the countries in which it is situated, and actively takes part in collective organizations and management systems for trash and recycling.

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.

Employment

AS Company is mainly its people, who daily support its smooth operation and progress. The selection, placement in specific positions, assignment of tasks and the corresponding remuneration are based on the principles of equal treatment and meritocracy. In this context, the company pays special attention to providing a positive, productive and safe work environment while implementing a recruitment and staffing policy that aims to develop its employees and develop their skills. The key points of its policy are:

- Providing equal recruitment opportunities to external candidates, based on meritocratic criteria, according to the specifications of each position.
- Providing equal development opportunities to its employees to ensure equal opportunities and the fight against discrimination.
- Implementing a fair remuneration and benefits policy.

Health & Safety

Creating a safe and healthy work environment is a priority for the Company. In the context of the protection of the health and safety of its employees, suppliers, customers and partners, implementing the following:

- Intensive inspections by security technicians in all facilities of the Company (Attiki and Thessaloniki)
- In addition, the Company proceeded to a Supplementary Occupational Risk Assessment Study for the safety and health of employees due to the coronavirus, according to the article Article 43 of Law 3850 (Government Gazette 84 / 02-06-2010)

- The Company provides the services of an occupational physician, based on the requirements of the legislation.
- The Company implements a series of preventive measures to deal with the pandemic according to the instructions of the NOPC, the respective JMC that enters into force by the state authorities as well as according to the instructions of the occupational physician and safety technicians (working by distance, zoning safety zones, special markings, provision of sanitary material, disinfection, thermometry, rapid tests, travel restrictions, implementation of extensive online meetings, etc.)
- The Company regularly trains its employees to deal with safety and health emergencies of both themselves and visitors to its facilities and has established an internal Fire Safety and First Aid team.
- The Company provides all its staff with additional Medical Insurance.

Business Ethics and Regulatory Compliance

The Company is oriented for regulatory compliance issues to three main pillars: corporate governance, business ethics and solidarity work behavior and in this context it has established and implements, Rules of Procedure, Audit Committee, Internal Audit Department, Candidate Nominations Committee and Remunerations Committee as well as a process of informing the Upper Administration and the Internal Audit for any incident of fraud or corruption. The appointment of a Regulatory Officer is imminent.

Privacy

The Company is committed to protecting the confidentiality and privacy of the information provided to it or the information it collects and complies with applicable law for the protection of personal data of visitors, associates, customers, suppliers, current and former, employees and prospective employees.

The Company has established a Team for Dealing with Violations & Leaks of Personal Data and the correct observance of the system is inspected on a regular basis by the Data Protection Officer (DPO). In the same context, e-training was conducted by the Data Protection Officer on all employees.

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 1.1.2021 to 30.06.2021 as well as the balances of their receivables and liabilities as at 30.06.2021 are set out in the table below:

	<u>Group</u>		<u>Company</u>	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
a) Revenues	503.767	400.832	503.767	400.832
b) Receivables	488.891	380.135	488.891	380.135
c) Transactions and Remuneration of Directors and Members of the Board	534.318	588.101	485.919	540.646

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 2021.

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

<u>Directors Remuneration and Transactions</u>	<u>Group</u>		<u>Company</u>	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Short-term employee benefits				
Salaries	296.902	359.506	261.938	325.062
Social Security cost	67.495	66.838	63.060	62.827
Total	364.397	426.344	324.998	387.889
<u>Remunerations and Transactions of Board Members</u>				
Short – term benefits				
Salaries	146.160	139.400	137.160	130.400
Social Security cost	23.761	22.357	23.761	22.357
Total	169.921	161.757	160.921	152.757

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. The Company, in the context of its usual transactions (customs clearance of goods coming from non-EU countries) and in compliance with the requirements of the Law, cooperates with a customs broker, non-executive member of the Board, paying the respective service fees.

H. INFORMATION REGARDING ACQUIRED OWN SHARES article 49 par. 2 Law 4548/2018

In the context of the execution of the decision of the General Meeting of Shareholders dated 21.6.2019, the Company proceeded to the purchase of a total of 37,906 own common registered shares, with an average purchase price of 1.8381 Euros per share, which correspond to 0.28879% of the share capital and which it maintains.

The Ordinary General Meeting of shareholders, on 25.06.2021, approved the purchase by the Company of its own shares, up to 5% of the paid-up share capital of the Company, with a minimum acquisition price of € 0.50 / share and a maximum acquisition price of 4, 00 € / share, according to article 49 of Law 4548/2018.

I. SIGNIFICANT EVENTS AFTER THE END OF THE FIRST SEMESTER OF 2021

In the context of application of the current legal framework and in accordance with the provisions of Article 17 of Law 4706/2020 and Article 4 of the Decision of the Hellenic Capital Market Commission (Decision 2/905 / 3.3.2021 of the Board of Directors of the Hellenic Capital Market Commission), the Company has adopted, with the decision of its Board of Directors dated 16.7.2021, in replacement of the Corporate Governance Code of SEV (2013), the Greek Corporate Governance Code (June 2021) of the Hellenic Corporate Governance Council, with deviations that are in line with the Company's specific characteristics and make

its management more flexible and functional. The deviations, in accordance with the provisions of the Hellenic Corporate Governance Code, will be reported and justified for in the annual report of the Company's Board of Directors and specifically in the section concerning the Corporate Governance Statement.

Also in the context of application of the provisions of article 14 of law 4706/2020, the Company approved, with the decision of its Board of Directors dated 16.7.2021, the amended Rules of Operation of the Company, a summary of which has been published on the company's investment relations website [https : //ir.ascompany.gr/el](https://ir.ascompany.gr/el).

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 2018, 2019, 2020 and 2021 was as follows:

	30.06.2021	30.06.2020	30.06.2019	30.06.2018
EBIDTA	1.006.092	984.785	2.329.565	2.861.193
% Sales	13,51%	12,31%	21,46%	23,95%

Leverage Factor Ratio and Clean Debt

This ratio arises from the addition of the items Short-term loan liabilities plus Long-term loan liabilities from which the Cash and cash equivalents and Short-term investments are deducted. The result of these funds is divided by the Equity to calculate the leverage ratio. The Group uses this indicator to assess its liquidity.

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

	30.06.2021	30.06.2020	30.06.2019	30.06.2018
% net debt/equity	-55,85%	-49,99%	-43,34%	-39,86%
Net debt (surplus)	-17.431.430	-15.481.338	-12.688.629	-10.820.040

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, 23 September 2021

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 SA
Stratigou Tombra 3
153 42 Aghia Paraskevi
Greece

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 Separate and Consolidated Statement of Financial Position of AS COMMERCIAL - INDUSTRIAL COMPANY OF COMPUTERS AND TOYS S.A. (the "Company") as at 30 June 2021 and the related condensed Separate 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 2021 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, 23 September 2021
KPMG Certified Auditors A.E.

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 2021**

**In accordance with International Financial Reporting Standards (IAS 34)
as adopted by the European Union**

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

ASSETS	Not e.	GROUP		COMPANY	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020
Non-current assets					
Property, plant and equipment	7.1	4.629.655	4.793.258	4.609.338	4.786.261
Intangible assets		142.325	168.463	141.987	166.075
Right of use of leased assets		270.649	332.152	249.202	301.061
Participations in subsidiaries	7.2	0	0	550.000	550.000
Other non-current assets		16.206	16.006	14.191	13.968
		5.058.835	5.309.878	5.564.718	5.817.364
Currents assets					
Inventories	7.3	4.492.579	4.617.751	4.492.183	4.609.080
Accounts receivables	7.4	8.849.090	10.512.885	8.655.466	10.188.650
Investments at fair value through P&	7.5	11.080.803	8.684.505	10.665.059	8.275.465
Other current assets		153.003	363.760	144.057	333.358
Cash and cash equivalents	7.6	6.350.627	6.935.091	4.698.444	5.345.657
		30.926.103	31.113.993	28.655.209	28.752.210
Total assets		35.984.937	36.423.872	34.219.928	34.569.575
EQUITY AND LIABILITIES					
Equity					
Share capital	7.7	8.663.173	8.663.173	8.663.173	8.663.173
Other reserves		1.823.092	1.835.139	1.839.182	1.846.874
Retained earnings		20.722.786	20.864.878	19.103.351	19.458.246
Equity attributable to shareholders of the Company		31.209.051	31.363.190	29.605.706	29.968.293
Total Equity		31.209.051	31.363.190	29.605.706	29.968.293
Long-Term Liabilities					
Leasing liabilities		183.395	230.717	165.814	217.087
Deferred tax liabilities		150.182	122.261	150.182	122.261
Staff leaving liabilities		397.352	383.031	397.352	383.031
Other long-term liabilities		48.326	50.320	48.326	50.320
		779.255	786.329	761.674	772.699
Current liabilities					
Account payables		1.457.154	1.776.855	1.455.226	1.776.855
Short-term leasing liabilities		100.493	114.336	94.628	94.787
Other short-term liabilities		2.438.984	2.383.161	2.302.694	1.956.940
		3.996.631	4.274.352	3.852.548	3.828.582
Total Liabilities		4.775.886	5.060.681	4.614.222	4.601.282
Total Equity and Liabilities		35.984.937	36.423.872	34.219.928	34.569.575

The accompanying notes set out on pages 26 to 39 form an integral part of these Interim Condensed Financial statements.

**B. INTERIM PROFIT AND LOSS ACCOUNT FOR THE PERIOD 01.01.2021
– 30.06.2021**

(Amounts in Euros)

	Σημ.	<u>GROUP</u>		<u>COMPANY</u>	
		<u>1.1 to</u> <u>30.06.2021</u>	<u>1.1 to</u> <u>30.06.2020</u>	<u>1.1 to</u> <u>30.06.2021</u>	<u>1.1 to</u> <u>30.06.2020</u>
Turnover	7.8	7.447.438	7.999.359	6.870.646	7.579.460
Cost of sales		-3.766.003	-4.086.991	-3.721.377	-4.061.695
Gross profit		3.681.435	3.912.368	3.149.269	3.517.765
Other operating income	7.12	214.189	31.972	213.938	1.165
Administrative expenses	7.9	-1.230.340	-1.204.628	1.122.723	-1.088.199
Distribution costs	7.10	-1.842.774	-1.930.560	-1.671.828	-1.844.730
Research and development expenses	7.11	-90.078	-93.276	-89.984	-93.180
Profit before interest, taxes, depreciation and amortization		732.431	715.877	478.671	492.821
Income/ (expenses) of financial operation - net		439.613	-290.790	445.044	-283.536
Profits before taxes		1.172.044	425.087	923.715	209.285
Income taxes	7.13	-218.328	-72.634	-182.803	-50.228
Profits after taxes (A)		953.717	352.453	740.912	159.057
Other comprehensive income after taxes (B)		0	0	0	0
Total Comprehensive income (A) + (B)		953.717	352.453	740.912	159.057
Net profit attributable to:					
- Shareholders of the Company	10	953.717	352.453	740.912	159.057
- Minority rights		0	0	0	0
Earnings per share after tax - (in €)	10	0,0729	0,0269	0,0566	0,0121
Earnings before taxes, financial, investment results and depreciation		1.006.092	984.785	739.220	748.302

Reclassifications - reclassifications were made to certain items of the Interim Condensed Income Statement of the previous period with the aim of improving presentation (see note 5.3).

The accompanying notes set out on pages 26 to 39 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 01.01.2020	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	0	0	-38.201	0	-38.201
Equity as of 30.06.2020	6.431.750	74.509	1.822.992	21.546.496	29.875.747
Equity as of 01.01.2021	8.663.173	0	1.846.874	19.458.246	29.968.293
Profit for the year after taxes	0	0	0	740.912	740.912
Own Share Acquisition	0	0	-7.692	0	-7.692
Dividend distribution	0	0	0	-1.095.807	-1.095.807
Equity as of 30.06.2021	8.663.173	0	1.839.182	19.103.351	29.605.706

Group

Amounts in Euro	Share capital	Share premium	Other reserves	Retained earnings	Total
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	0	0	-38.201	0	-38.201
Equity as of 30.06.2020	6.431.750	74.509	1.812.291	22.650.476	30.969.026
Equity as of 01.01.2021	8.663.173	0	1.835.139	20.864.878	31.363.190
Profit for the year after taxes	0	0	0	953.717	953.717
Exchange rate differences and other reserves	0	0	-4.355	0	-4.355
Own Share acquisition	0	0	-7.692	0	-7.692
Dividend distribution	0	0	0	-1.095.807	-1.095.807
Equity as of 30.06.2021	8.663.173	0	1.823.092	20.722.786	31.209.051

The accompanying notes set out on pages 26 to 39 form an integral part of these Interim Condensed Financial statements.

D. INTERIM CASH FLOW STATEMENT

(Amounts in Euros)

	Note	GROUP		COMPANY	
		<u>1.1 to</u> <u>30.06.2021</u>	<u>1.1 to</u> <u>30.06.2020</u>	<u>1.1 to</u> <u>30.06.2021</u>	<u>1.1 to</u> <u>30.06.2020</u>
<u>Operating activities</u>					
Profit before tax		1.172.044	425.087	923.715	209.285
<i>Adjustments for:</i>					
Depreciation		273.662	268.908	260.550	255.481
Provisions		59.663	23.538	59.663	23.538
Exchange differences		91.966	-41.852	95.416	-38.996
Results (Gain/loss) from investing activities		-476.816	300.641	-482.247	325.588
<i>Plus/Minus Working Capital Adjustments:</i>					
(Increase)/ decrease in inventories		79.816	607.196	71.555	608.095
Increase / (decrease) in receivables		1.932.163	1.690.584	1.727.767	1.404.666
(Decrease)/increase in payables (except loans)		-1.596.228	-3.306.429	-1.228.559	-2.783.396
Minus:					
Interest and related expenses paid		-54.869	-60.767	-43.101	-48.993
Income tax paid		-14.483	-12.159	-5.505	-8.898
Net cash flows from operating activities (α)		1.466.918	-105.252	1.379.254	-53.629
<u>Investing Activities</u>					
Purchase of tangible and intangible assets	7.1	-22.233	-65.961	-7.416	-65.358
(Purchase) / Sales of securities		-2.147.952	-1.787.898	-2.141.248	-1.086.435
Interest received		187.658	178.036	181.322	172.122
Net cash flows from investing activities (β)		-1.982.527	-1.675.823	1.967.342	-979.671
<u>Financing Activities</u>					
Own shares acquisition		-7.692	-38.201	-7.692	-38.201
Repayment of loans		0	-644	0	0
Repayment of finance lease		-61.164	-44.912	-51.432	-35.501
Net cash flows from financing activities (c)		-68.856	-83.757	-59.124	-73.702
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)		-584.464	-1.864.832	-647.213	-1.107.002
Cash and cash equivalents at the beginning of the year	7.6	6.935.091	8.843.176	5.345.657	7.312.542
Cash and cash equivalents at the end of the year	7.6	6.350.627	6.978.345	4.698.444	6.205.541

The accompanying notes set out on pages 26 to 39 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 2021 were approved by the Board of Directors on 23 September 2021.

The Company's number of employees as of 30 June 2021 was 63 persons and for the Group 69 persons.

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

The Board of Directors of the Company has been elected by the Ordinary General Meeting of the year 2019. The composition of this Board of Directors, as formulated by the decision of the Ordinary General Meeting of 25.6.2021, is as follows:

- Efstratios Andreadis of Konstantinos, executive member of the Board, Chairman of the Board. and CEO.
- Anastasia Andreadou, family of Angelos Kozlakidis, executive member of the Board, Executive Vice President of the Board.
- Apostolos Petalas of Dimitrios, independent non-executive member of the Board, Non-Executive Vice Chairman of the Board.
- Theodora Koufou of Dimitrios, executive member of the Board.
- Konstantinos Andreadis of Efstratios, non-executive member of the Board.
- Michael Zarkadis of Spyridon, independent non-executive member of the Board.
- Ioannis Apostolakos of Georgios, independent non-executive member of the Board.
- Theofilos Mehteridis of Ioannis, non-executive member of the Board.

The Audit Committee, under its current composition, following the decision of the General Assembly on 25.6.2021, consists of the following four members, three of whom are independent non-executive and its term expires on 21.06.2022, extended until the convening of the Ordinary General Meeting of the year 2022, if it takes place after 21.6.2022:

- Ioannis Apostolakos, independent non-executive member of the Board.
- Michael Zarkadis, independent non-executive member of the Board.
- Apostolos Petalas, independent non-executive member of the Board. and
- Theofilos Mehteridis, non-executive member of the Board.

Mr. Apostolos Petalas was appointed Chairman of the Audit Committee by its members.

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 2020, 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 31.12.2020, except from those that concern the adoption of the new IFRS as of January 1st 2021.

There are no changes in the applied accounting principles and methods compared with those applied in the preparation of the Financial Statements as of 31.12.2020 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. Basic accounting principles

The accounting policies under which the accompanying Interim Condensed Financial Statements are prepared are consistent with those used in the preparation of the annual Financial Statements for the comparative year 2020 and have been applied consistently for all years presented. The Group has adopted the new standards and interpretations, the application of which became mandatory for the years beginning on January 1, 2021. The Interpretation Committee of International Financial Reporting Standards ("the Commission") issued the final decision of the daily agenda in May 2021 entitled "Attributing Benefits to Periods of Service (IAS 19)" which includes explanatory material on how to distribute benefits over periods of service on a specifically defined benefit plan. The final decision on the agenda of the Commission is immediately applicable. The implementation of the above decision is expected to lead to a change in the existing applicable accounting policy. The estimated date of completion of its implementation plan is the annual Financial Statements of December 31, 2021. At this time it is not possible to reasonably determine the expected impact of the change in the aforementioned accounting policy.

Below are the new standards:

3b. New standards, amendments to standards and interpretations adopted by the Group and the Company

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

- IFRS 16 (Amendment) "COVID-19 Related Rental Concessions" (effective for annual periods beginning on or after 1 June 2020)

The amendment provides tenants (but not landlords) with an optional exemption from assessing whether the COVID-19-related lease concession is a lease amendment. Tenants may choose to account for rental concessions in the same way they would for non-lease changes.

The adoption of the amendment did not have an impact on the Interim Condensed Financial Statements of the Group and the Company.

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) "Reference rate adjustment - Phase 2" (effective for annual periods beginning on or after 1 January 2021).

The adoption of the amendment did not have an impact on the Interim Condensed Financial Statements of the Group and the Company.

The amendments complement those issued in 2019 and focus on the impact on the Financial Statements when a company replaces the old reference rate with an alternative reference rate as a result of the reform. In particular, the amendments relate to how a company will account for changes in the financial cash flows of its financial instruments, how it will account for changes in its hedging relationships and the information it needs to disclose.

Standards and Interpretations mandatory for later periods

- IAS 37 (Amendment) "Onerous Contracts - Cost of Performing a Contract" (effective for annual periods beginning on or after 1 January 2022). The amendment clarifies that "the cost of performing a contract" includes the costs directly attributable to that performance of the contract thereof and the allocation of other costs directly related to its execution. The amendment also clarifies that, before recognizing a separate provision for an onerous contract, an entity recognizes any impairment loss on the assets used to perform the contract, rather than on assets that were solely committed to that contract. The amendment has not yet been adopted by the European Union.

Annual improvements in IFRS 2018 - 2020

(apply to annual accounting periods beginning on or after 1 January 2022)

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

- IFRS 9 "Financial Instruments" The amendment addresses what costs should be included in the 10% assessment for the derecognition of financial liabilities. The relevant costs or fees could be paid either to third parties or to the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% rating.

- IFRS 16 "Leases" The amendment removed the example of landlord payments for rental improvements in the Explanatory Example 13 of the template, in order to eliminate any possible confusion regarding the handling of lease incentives.
- IAS 16 (Amendment) "Property, plant and equipment - Revenue before expected year" (effective for annual periods beginning on or after 1 January 2022). The amendment prohibits an entity from deducting from any property, plant and equipment costs any income received from the sale of items produced while the entity prepares the asset for its intended use. It also requires entities to disclose separately the amounts of revenue and expense associated with such items produced that are not the result of the entity's normal operation. The amendment has not yet been adopted by the European Union.
- IFRS 3 (Amendment) "Reference to the Conceptual Framework" (effective for annual periods beginning on or after 1 January 2022)
The amendment updates the template to refer to the Conceptual Framework for the Financial Report issued in 2018, when it must be determined what constitutes an asset or liability in a business combination. In addition, an exception has been added for certain types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize any assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been adopted by the European Union.
- IAS 1 (Amendment) "Classification of liabilities as short-term or long-term" (applicable to annual periods beginning on or after 1 January 2023). The amendment clarifies that liabilities are classified as current or long-term based on entitlements of the reference period. The classification is not affected by the entity's expectations or events after the reporting date. In addition, the amendment clarifies the meaning of the term "settlement" of an obligation in IAS 1. The amendment has not yet been adopted by the European Union.
- IAS 1 (Amendment) "Presentation of Financial Statements and IFRS 2 Practice Statement: Disclosure of Accounting Policies" (effective for annual periods beginning on or after 1 January 2023)
- The amendments provide guidance on the application of material judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with the requirement to disclose "material" accounting policies. Instructions and illustrative examples are also added to the Practice Statement to assist in applying the concept of materiality when making judgments about accounting policy disclosures.
- IAS 8 (Amendment) "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (effective for annual periods beginning on or after 1 January 2023)
The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and error corrections.
- Decision of the IFRS Interpretations Committee, on the "Distribution of benefits in periods of service (IAS 19)".

The Committee for the Interpretation of International Financial Reporting Standards issued in May 2021 the final decision of the agenda entitled "Distribution of benefits in periods of service (IAS 19)" (which includes explanatory material regarding the distribution of benefits in periods of service on a specific defined benefit plan similar to that defined in article 8 of Law 3198 / 1955 as regards the provision of compensation due to retirement (the "Defined

Benefits Program of Labor Law"). This explanatory information amends the means in which, in Greece, the basic principles and rules of IAS 19 have been applied in the past in this regard, and consequently, in accordance with the provisions of the "IASB Due Process Handbook (paragraph 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the above final decision of the Committee's agenda will be treated as a Change in Accounting Policy, with the differences being recognized at the beginning of the comparative period. The implementation of the above decision will be done in accordance with paragraphs 19-22 of IAS. 8.

The Group, which distributes the benefits in the period from the recruitment to the date of retirement of the employees, examines the effects of this decision with the aim of completing the evaluation by the end of the year to retroactively reflect the effects on the Financial Statements as of December 31, 2021. The changes are expected to reduce the Liabilities of the Group and the Company, however, given the amount of Equity, no significant effect is expected on the size of the Group and the Company.

The adoption of the standards is not expected to have a significant impact on the Financial Statements 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 of 31 December 2020.

5. Other Information

5.1 Consolidated Financial Statements

For the first semester of 2021 the consolidated financial statements that were 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.

5.3 Reclassification of Funds

The amounts recorded in Depreciation-Impairment in the accounts have been reclassified Administrative expenses, Operating expenses, Research and development expenses, as presented in notes 7.9, 7.10, 7.11.

Specifically, in the Interim Condensed Statement of Comprehensive Income, the item "Depreciation-Impairment" of the previous year has been divided into the above operations of the Group and the Company in order to improve the presentation of funds and no longer appears separately in the Statement of Comprehensive Income.

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	
	<u>1.01 to 30.06.2021</u>	<u>1.01 to 30.06.2020</u>	<u>1.01 to 30.06.2021</u>	<u>1.01 to 30.06.2020</u>
Sales of products in Greece	5.796.876	6.867.263	5.796.876	6.867.263
Sales of products abroad	1.650.562	<u>1.132.096</u>	<u>1.073.770</u>	<u>712.196</u>
TOTAL	<u>7.447.438</u>	<u>7.999.359</u>	<u>6.870.646</u>	<u>7.579.460</u>

The sales abroad represent 22,2% of the total consolidated sales for the current period and 14,2% for the corresponding period of 2020.

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 2021 and 31 December 2020 are analysed as follows:

Account description	Group		Company	
	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
Land	1.947.228	1.947.228	1.947.228	1.947.228
Buildings and technical installations	2.439.253	2.589.835	2.439.253	2.589.835
Transportation	119.983	134.093	119.983	134.093
Furniture and Fixtures	123.191	<u>122.101</u>	<u>102.874</u>	<u>115.104</u>
	<u>4.629.655</u>	<u>4.793.258</u>	<u>4.609.338</u>	<u>4.786.261</u>

The investments of the Company and the Group in fixed equipment during the period from 01.01.2021 to 30.06.2021 amounted to € 7.416 and € 22.233 respectively. The relevant numbers of the last year's period from 01.01.2020 to 30.06.2020 were € 65.358 for the Company and € 65.961 for the Group.

The rights of use leased assets of the Group and the Company's on 30 June 2021 and 31 December 2020 are analyzed as follows:

Περιγραφή λογαριασμού	Group		Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Right of use of leased buildings	168.428	200.119	146.981	169.028
Right of used of leased vehicles	102.221	<u>132.033</u>	<u>102.221</u>	<u>132.033</u>
	<u>270.649</u>	<u>332.152</u>	<u>249.202</u>	<u>301.061</u>

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 2021 and 31 December 2020 are analyzed as follows:

Account description	Group		Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
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 2021 and 31 December 2020 are analysed as follows:

Account description	Group		Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Merchandise	4.480.923	3.942.196	4.480.527	3.933.525
Less: Provisions for inventory obsolescence	-626.746	-581.403	-626.746	-581.403
Advances for inventory purchases	<u>638.402</u>	<u>1.256.959</u>	<u>638.402</u>	<u>1.256.959</u>
	<u>4.492.579</u>	<u>4.617.751</u>	<u>4.492.183</u>	<u>4.609.080</u>

The provision for inventory obsolescence of € 626.746 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 2021 and 31 December 2020 are analyzed as follows:

Account description	Group		Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Trade debtors	1.987.228	4.891.346	1.793.604	4.567.111
Notes recievable	6.787.851	5.560.616	6.787.851	5.560.616
Cheques receivables	<u>207.345</u>	<u>194.257</u>	<u>207.345</u>	<u>194.257</u>
	<u>8.982.423</u>	<u>10.646.219</u>	<u>8.788.799</u>	<u>10.321.984</u>
Less : Provisions for impairment	<u>-133.334</u>	<u>-133.334</u>	<u>-133.334</u>	<u>-133.334</u>
	<u>8.849.090</u>	<u>10.512.885</u>	<u>8.655.466</u>	<u>10.188.650</u>

The provisions for impairment of accounts receivables of € 133.334 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 of 31.12.2020 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 30.06.2021 and 31.12.2020 are analysed as follows:

	Group		Company	
	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
Shares listed on the Athens Stock Exchange	699.837	0	699.837	0
Other investments domestic	1.878.766	1.328.766	1.878.766	1.328.766
Foreign Mutual Funds	932.986	848.780	932.986	848.780
Other investments abroad – structured products	7.496.173	6.599.264	7.080.429	6.190.224
Provisions for impairment of investments	<u>73.041</u>	<u>-92.304</u>	<u>73.041</u>	<u>-92.304</u>
	<u>11.080.803</u>	<u>8.684.505</u>	<u>10.665.059</u>	<u>8.275.465</u>

The valuation of bonds and securities as of 30.06.2021 amounted to €183.840 which was charged against the Profit and Loss Account and the accrued interest income amounted to €19.567.

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, except for Mutual Funds which are categorized in Level 2.

7.6 Cash and cash equivalents

Cash and cash equivalents for the Company and the Group on 30 June 2021 and 31 December 2020 are analyzed as follows:

Account description	Group		Company	
	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
Cash in hand	9.200	4.837	9.200	4.837
Deposits and time deposits	<u>6.341.428</u>	<u>6.930.254</u>	<u>4.689.244</u>	<u>5.340.820</u>
Total	<u>6.350.627</u>	<u>6.935.091</u>	<u>4.698.444</u>	<u>5.345.657</u>

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

Account description	Group		Company	
	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
EUR	4.031.466	4.354.973	2.748.902	3.043.156
Other currencies	<u>2.319.161</u>	<u>2.580.118</u>	<u>1.949.542</u>	<u>2.302.500</u>
Total	<u>6.350.627</u>	<u>6.935.091</u>	<u>4.698.444</u>	<u>5.345.657</u>

7.7 Share capital

With the decision of 22.12.2020 of the Extraordinary General Meeting of the Company's shareholders, it was decided:

A) the increase of the share capital of the Company by the amount of € 74,509.17 with capitalization of the reserve at a premium with an increase of the nominal value of the share by € 0.00568 as the relevant amendment of article 5 of the Company's articles of association on capital. Following the above increase, the share capital of the Company now amounts to € 5,718,697.77 divided into 13,126,020 common registered shares, with a nominal value of € 0.43568 each. The Corporate Operations Committee of the Athens Stock Exchange was informed at its meeting of 04.02.2021 about the increase of the share capital by capitalization of a reserve at a premium.

B) the increase of the share capital of the Company by the amount of € 2,944,475.43 with capitalization of profits of previous years, in accordance with the provisions of article 24 of N.4646 / 2019 as the relevant amendment of article 5 of the Company's articles of association capital. After the above increase, the share capital of the Company now amounts to € 8,663,173.20 divided into 13,126,020 common registered shares, with a nominal value of € 0.66 each. The Corporate Transactions Committee of the Athens Stock Exchange was informed at its meeting of 04.02.2021 on the increase of the share capital by capitalization of profits of previous years, in accordance with the provisions of article 24 of N.4646 / 2019. Pursuant to the provisions of article 24 of Law 4646/2019 regarding the taxation of dividends, the Company proceeded with the return of withholding tax of 5%. The payment of the withheld tax in the amount of € 11,317.66 was completed within February 2021.

7.8 Turnover

Turnover for the Group and the Company on 30 June 2021 and 30 June 2020 is analyzed as:

	Group		Company	
	<u>1.01 to 30.06.2021</u>	<u>1.01 to 30.06.2020</u>	<u>1.01 to 30.06.2021</u>	<u>1.01 to 30.06.2020</u>
Domestic wholesales of merchandises	5.757.693	6.822.829	5.757.693	6.822.829
Wholesales of merchandises in EU	1.287.775	1.031.743	710.983	611.844
Wholesales of merchandises in Third Countries	362.787	100.353	362.787	100.353
Retail sales of merchandise in Greece	39.160	44.400	39.160	44.400
Sales of other stock and scrap	<u>23</u>	<u>34</u>	<u>23</u>	<u>34</u>
TOTAL	<u>7.447.438</u>	<u>7.999.359</u>	<u>6.870.646</u>	<u>7.579.460</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 turnover of the retail sales represents 0,6% of the Company's total sales as compared to 0,6% 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 2021 and 30 June 2020 are analyzed as follows:

Account description	Group		Company	
	<u>1.01</u>	<u>to</u>	<u>1.01</u>	<u>to</u>
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
Personnel expenses	530.478	575.494	483.429	525.185
Third party fees and expenses	320.536	252.642	276.892	206.270
Utilities	82.510	65.248	78.914	65.162
Taxes and duties	11.257	10.138	10.820	10.138
Miscellaneous expenses	64.944	113.511	62.165	104.114
Utilization projections	3.580	4.835	3.580	4.835
Immediate income - expenses	7.819	-22.823	7.729	-22.823
Depreciations	<u>209.217</u>	<u>205.583</u>	<u>199.193</u>	<u>195.318</u>
	<u>1.230.340</u>	<u>1.204.628</u>	<u>1.122.723</u>	<u>1.088.199</u>

7.10 Distribution expenses

Distribution expenses for the Company and the Group on 30 June 2021 and 30 June 2020 are analyzed as follows:

Account description	Group		Company	
	<u>1.01</u>	<u>to</u>	<u>1.01</u>	<u>to</u>
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
Personnel expenses	823.440	927.671	766.775	873.693
Third party fees	429.984	301.160	347.917	278.292
Utilities	61.009	90.946	49.478	89.831
Taxes and duties	22.698	25.563	22.698	25.563
Miscellaneous expenses	422.773	515.772	405.084	510.969
Other operating provisions	9.308	8.044	9.308	8.044
Other income - expenses	11.072	0	11.072	0
Depreciations	<u>62.490</u>	<u>61.404</u>	<u>59.496</u>	<u>58.338</u>
	<u>1.842.774</u>	<u>1.930.560</u>	<u>1.671.828</u>	<u>1.844.730</u>

7.11 Research and development expenses

Research and development expenses for the Company and the Group on 30 June 2021 and 30 June 2020 are analyzed as follows:

Account description	Group		Company	
	<u>1.01 to</u> <u>30.06.2021</u>	<u>1.01 to</u> <u>30.06.2020</u>	<u>1.01 to</u> <u>30.06.2021</u>	<u>1.01 to</u> <u>30.06.2020</u>
Personnel expenses	78.005	79.886	78.005	79.886
Third party fees	2.380	2.791	2.380	2.791
Miscellaneous expenses	6.306	7.943	6.306	7.943
Utilization projections	1.432	735	1.432	735
Depreciations	<u>1.955</u>	<u>1.921</u>	<u>1.861</u>	<u>1.825</u>
	<u>90.078</u>	<u>93.276</u>	<u>89.984</u>	<u>93.180</u>

7.12 Other operating income

The other operating income mainly concerns a tax refund (ENFIA) of a total amount of 205,843 euros which was collected by the company on 07.04.2021, following an appeal filed by the Company to the Dispute Resolution Division (D.E.D.) of the Independent Public Revenue Authority.

A decision (No. 59 / 20-1-2021) of D.E.D. was issued on this appeal, by which the request of the Company was accepted and the return resulted.

7.13 Taxes

The taxes of the year for the Company and the Group on 30 June 2021 and 30 June 2020 are analyzed as follows:

Account description	Group		Company	
	<u>01.01 to</u> <u>30.06.2021</u>	<u>1.01 to</u> <u>30.06.2020</u>	<u>1.01 to</u> <u>30.06.2021</u>	<u>1.01 to</u> <u>30.06.2020</u>
Income tax for the year	190.407	161.118	154.882	138.712
Income tax differences of previous year	0	0	0	0
Deferred taxes recognized in the Profit and Loss Account	<u>27.921</u>	<u>-88.484</u>	<u>27.921</u>	<u>-88.484</u>
	<u>218.328</u>	<u>72.634</u>	<u>182.803</u>	<u>50.228</u>

In May 2021, a new tax law came into force in Greece (Law 4799/2021). The new tax law introduced some amendments to the corporate income tax such as the reduction of the tax rate from 24%, which is valid until December 31, 2020, to 22% for the years beginning on January 1, 2021.

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

The Company has received certificates of tax compliance with the consent of its certified auditor for each year from 2011 to 2019 in accordance with Greek tax legislation (2011-2013 in accordance with the provisions of article 82 of Law 2238/1994 and 2014 -2019 in accordance with the provisions of article 65A of Law 4174/2013 The Company does not expect to incur additional taxes and surcharges in the context of the audit of the Greek tax authorities for the years 2015 to 2020. tax authorities for the years 2015 to 2020.

It should be noted that at 31.12.2020 the fiscal years up to 31.12.2014 were written-off pursuant to the provisions of par. 1 art. 36 of Law 4174/2013.

For the fiscal year 2020 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	2015 - 2020
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 € 200.000 to ALPHA BANK ROMANIA S.A.. Until the date of the Financial Statements publication, the credit line has not been used by the subsidiary.

(b) On the 30th of June 2021 the Company and the Group had operational lease agreements regarding the lease of transport means and buildings.

(c) There is a € 500.000 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 2021.

(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.

Litigation - Court Cases

(1) The Company maintained against the former customer "KOUKOU SOCIETE ANONYME CHILDREN'S TOYS", a capital claim of € 1,352,782.45. The debtor has been declared bankrupt. Due to currently available data's estimation that the minute assets of the bankruptcy, compared to the verified claims of third parties - including the State and insurance funds - do not support the satisfaction of the Company's claim, the amount of the claim was partially written off in 31.12.2014 according to the law. The Company continues to monitor the bankruptcy process, which is still ongoing.

(2) The Company maintains claims against third parties from the sale of goods, in the context of its normal operation, which it claims in court. Due to the small amount of the claimed amounts in relation to the financial figures of the Company, it is estimated with certainty that

their non-collection will not have any material impact on the net position of the Company and the general operation of the Group.

(3) With the lawsuit of a Swedish company from 23/12/2019 against the Company before the Athens Multi-Member Court of First Instance, the prohibition of the circulation of a specific product is sought. The lawsuit filed has not yet been heard in the first instance. It is pointed out that there has been no claim for payment of any amount as compensation. Even the most unfavorable development for the Company of the pending lawsuit, given the strong financial position of the Company, is estimated to have no significant and substantial effect on the size of the Company.

9. Related Party Transactions

As related party transactions are considered, pursuant to IAS 24, apart from subsidiaries and affiliated companies, the members of the Management, and the Directors. The revenues and the expenses, the transactions with the members of the Management and the Directors for the period of 1.1.2021 to 30.06.2021 as well as the balances of their receivables and liabilities at 30.06.2021, are as follows:

	<u>Group</u>		<u>Company</u>	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
a) Revenues	503.767	400.832	503.767	400.832
b) Receivables	488.891	380.135	488.891	380.135
c) Transactions and remuneration of Management members and the Board	534.318	588.101	485.919	540.646

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 2021.

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

	<u>Group</u>		<u>Company</u>	
<u>Remuneration and Transactions of the Directors</u>	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Short-term provisions to employees				
Salaries	296.902	359.506	261.938	325.062
Social security cost	67.495	66.838	63.060	62.827
Σύνολο	364.397	426.344	324.998	387.889

Remuneration and Transactions of the members of the Board of Directors

Short-term provisions				
Salaries	146.160	139.400	137.160	130.400
Social security cost and stamp	23.761	22.357	23.761	22.357
Total	169.921	161.757	160.921	152.757

No loans have been provided to members of the Board of Directors or any executives (and their families).

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.

The transactions with related parties are conducted in market terms.

10. Earnings per share after tax

The earnings per share after tax 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 - 30.06.2021	01.01 - 30.06.2020
Total Comprehensive Income after taxes attributable to the shareholders	740.912	159.057
Weighted average number of shares	13.089.352	13.113.960
Earnings per share	0,0566	0,0121

11. Subsequent events after the date of the Financial Position

In the context of application of the current legal framework and in accordance with the provisions of Article 17 of Law 4706/2020 and Article 4 of the Decision of the Hellenic Capital Market Commission (Decision 2/905 / 3.3.2021 of the Board of Directors of the Hellenic Capital Market Commission), the Company has adopted, with the decision of its Board of Directors dated 16.7.2021, in replacement of the Code of Corporate Governance of SEV (2013), the Greek Code of Corporate Governance (June 2021) of the Hellenic Corporate Governance Council, with deviations that are consistent with the specific characteristics and make its management more flexible and functional. The discrepancies, in accordance with the provisions of the Greek Corporate Governance Code, will be reported and justified for in the annual report of the Board of Directors of the Company and specifically in the section concerning the Corporate Governance Statement.

Furthermore, in the context of application of the provisions of article 14 of law 4706/2020, the Company approved, with the decision of its Board of Directors dated 16.7.2021, the amended Rules of Operation of the Company, a summary of which has been published on the company's investment relations website <https://ir.ascompany.gr/el>.

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

Thessaloniki, 23 September 2021

THE PRESIDENT OF THE BOARD OF
DIRECTORS AND CEO

THE VICE PRESIDENT OF THE BOARD OF
DIRECTORS

EFSTRATIOS K. ANDREADIS
ID NO. AB691316

ANASTASIA ANDREADOU
ID NO. AH 181790

THE CFO

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