

Figures and information for the period of 1 January 2020 until 31 March 2020

The figures illustrated below provide summary information about the financial position of KARELIA TOBACCO COMPANY INC, and its subsidiaries. We advise the reader, before making any investment decision or other transaction concerning the company, to visit the company's web site where the financial statements together with the review report of the external auditor, when required, are presented.

Company's web address:

www.karelia.gr

Board of Directors approval date:

12/06/2020

CONDENSED STATEMENT OF FINANCIAL POSITION (Amounts in thousand Euros)				CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Amounts in thousand Euros)					
	GROUP		COMPANY			GROUP		COMPANY	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019		31/3/2020	31/3/2019	31/3/2020	31/3/2019
ASSETS					Revenue	246,454	225,169	172,252	161,835
Tangible assets	83,700	85,457	83,491	85,211	Gross profit	30,421	25,193	29,061	24,218
Intangible assets	647	687	637	677	Profit before interest, taxes and depreciation	24,003	19,754	23,131	19,327
Other non current assets	35	35	1,126	1,085	Profit before taxes	27,341	21,880	26,494	21,475
Inventories	79,094	64,674	67,260	59,256	Profit after taxes (a)	20,755	15,770	20,048	15,449
Trade receivables	17,637	25,644	20,041	19,988	– Shareholders of the Company	20,756	15,771	20,048	15,449
Other current assets	455,847	442,983	444,156	424,769	– Minority interests	–1	–1	0	0
TOTAL ASSETS	636,960	619,480	616,711	590,986	Other comprehensive income/(expenses) after taxes (b)	–207	301	0	49
SHAREHOLDERS EQUITY AND LIABILITIES					Total comprehensive income after taxes (a) + (b)	20,548	16,071	20,048	15,498
Share Capital	32,651	32,651	32,651	32,651	– Shareholders of the Company	20,549	16,072	20,048	15,498
Retained earnings and other reserves	500,924	480,375	486,876	466,828	– Minority interests	–1	–1	0	0
Total share capital and reserves (a)	533,575	513,026	519,527	499,479	Basic earnings per share (in Euros)	7.5199	5.7138	7.2638	5.5975
Minority interests (b)	–11	–10	0	0	Profit before interest, taxes, depreciation and amortization	25,945	21,135	25,036	20,706
Total Equity (c) = (a) + (b)	533,564	513,016	519,527	499,479					
Provisions and other long-term liabilities	9,808	9,948	9,718	9,783					
Other short-term liabilities	93,588	96,516	87,466	81,724					
Total liabilities (d)	103,396	106,464	97,184	91,507					
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)	636,960	619,480	616,711	590,986					

NOTES (Amounts in thousand Euros)

- Prenotation for mortgages amounting to EUR 71,733 thousand on the Company's property, plant and equipment have been pledged as guarantee to the Greek State for Excise Taxes deferment.
- Number of employees at the end of the reporting period: Group 572 (31/03/2019: 544), Company 540 (31/03/2019: 510).
- The unaudited by the tax authorities fiscal years for the Company and the Group's subsidiaries are presented in detail in the note 14 of the financial statements.
- The Kalamata customs office, under the No 157/2012/17.01.2013 Assessment Act, assessed against the Company additional Excise Duty for EUR 343 thousand, as the difference between the tobacco excise duty which was declared and paid and the corresponding excise duty deriving from the amendment of the provisions of L.2960/2001 «National Customs Codes» of article 1 of L.2960/2001. Against this Act, the Company filed a legal recourse in front the Tripoli Administrative Court of First Instance in 2013 and formed a provision. Finally, the Company filed an annulment petition with the Council of State for acts of assessments of Excise Duty amounting to EUR 4,681 thousand, which the Company paid during January 2011 to the Greek State. This amount has been recorded as an expense in a previous Financial Year.
- During the first six-month period of 2015, the Company paid to the Kalamata Tax Authorities an amount of EUR 3,059 thousand relating to tax on non-taxable reserves from the profits of FY 2003. These non-taxable reserves were created in accordance with Law 3220 / 2004. In accordance with article 107, paragraph 1 of the EU Treaty, these reserves have been considered as unlawful state aid which must be recovered by the Greek State, in accordance with Law 4099/2012 and Ministry of Finance Directive 1231/2013. Against this ruling, the Company filed, on 23 June 2015, a legal recourse in front of the Administrative Court of Tripoli, which was discussed, on 14 March 2017. The appeal was accepted by the court, and by virtue of its decision No 433/2017, this amount was returned to the Company on 31 July 2018. The Greek Tax Authorities have appealed against this Act.
- During November of 2016, the Company paid to the Kalamata Tax Authorities an amount of EUR 667 thousand relating to tax on non-taxable reserves from the profits of FY 2004. These non-taxable reserves were created in accordance with Law 3220 / 2004. In accordance with article 107, paragraph 1 of the EU Treaty, these reserves have been considered to amount to unlawful state aid which must be recovered by the Greek State, in accordance with Law 4099/2012 and Ministry of Finance Directive 1231/2013. Against this ruling, the Company filed, on 20 April 2017, a legal recourse in front of the Administrative Court of Tripoli, which, with its Decision No 500/2018 accepted the company's appeal; subsequently, this provision was reversed in FY 2018. The Greek Tax Authorities reserve the right to appeal against this Court ruling.
- In March 2016, the Hellenic Capital Market Commission, charged the Company with EUR 748 thousand for 2016, as per the official document "Notice of Account Fees". Against the aforementioned act, the Company submitted an annulment petition to the Athens Administrative Court of Appeal. In November 2016, the Hellenic Capital Market Commission affirmed to the Tax Authorities, the amount due by the Company of EUR 1,991 thousand, relating to contributions for the fiscal years 2014, 2015, and 2016. Against the aforementioned acts, the Company submitted an annulment petition to the Athens Administrative Court of Appeal for the contributions relating to the fiscal years 2014, 2015 and 2016. The Company paid the total amount of EUR 1,991 thousand in December 2016 and recognized an equal receivable amount from the Greek State. In respect of this receivable, the Company formed an equal doubtful debt provision in 2016, as the outcome of the case is uncertain. The account "Litigated Duties" in 2016 relates to this provision. In March 2017, the Hellenic Capital Market Commission, charged the Company with EUR 388 thousand for the fiscal year 2017, as per the official document "Notice of Account Fees". Against the aforementioned act, the Company submitted an annulment petition to the Athens Administrative Court of Appeal. The Company formed a provision. The Court of Appeal dismissed - for formal reasons - our appeals, stating that the amount of fees should be judged by the Administrative Court of Kalamata, during the hearing on the objections that we have already filed.
- The companies of the Karelia Group, their respective addresses, the percentage of the parent Company participation in their share capital and their consolidation method are comprehensively presented in note 1 of the financial statements.
- The balance of other provisions on 31.03.2020 amounted:

	GROUP	COMPANY
Provision for litigations	152	152
10) The accounting principles applied in preparing these condensed financial statements are the same as those applied for preparing the financial statements on 31.12.2019 except for the adoption of the new or amended standards and interpretations.		
11) Transactions during the period 1.1-31.03.2020 and balances with related parties, as defined in IAS 24, are as follows:		
Amounts in thousand Euros	GROUP	COMPANY
a) Revenue	–	9,988
b) Commercial Receivables	–	5,158
c) Loans Granted to Subsidiaries	–	–
d) Commercial Liabilities	–	–
e) Receivables from loans to subsidiaries	–	21
f) Salaries and other short-term benefits of directors	1,383	1,327
g) Remuneration of the members of the BOD	122	122
h) Receivables from key management	–	–
i) Payables to key management	–	–

KALAMATA June 12, 2020

VICE CHAIRMAN
EFSTATHIOS G. KARELIAS

MANAGING DIRECTOR
ANDREAS G. KARELIAS

FINANCE DIRECTOR
GEORGE D. ALEVIZOPOULOS

ACCOUNTING MANAGER
JOHN A. ARGIRIS