

KARELIA TOBACCO COMPANY INC.

Company's Number in the General Electronic Commercial Registry: 15082945000
(former Company's Number in the Register of Societes Anonymes: 10174/06/B/86/126)

Athinon str 24100 Kalamata

Figures and information for the period of 1 January 2020 until 30 June 2020

According to 4/507/28.4.2009 resolution of Greek Capital Committee

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: 25/9/2020
Name of the auditor: Filippos Kassos
Auditing firm: KPMG Certified Auditors SA
Category of report: Auditors on Review: Unmodified

CONDENSED STATEMENT OF FINANCIAL POSITION (Amounts in thousand Euros)				
	GROUP		COMPANY	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
ASSETS				
Tangible assets	82,181	85,457	82,010	85,211
Intangible assets	606	687	596	677
Other non current assets	41,525	35,072	42,567	36,122
Inventories	60,241	64,674	54,338	59,256
Trade receivables	16,553	25,644	16,101	19,988
Other current assets	438,151	407,946	420,945	389,732
TOTAL ASSETS	639,257	619,480	616,557	590,986
SHAREHOLDERS EQUITY AND LIABILITIES				
Share Capital	32,651	32,651	32,651	32,651
Retained earnings and other reserves	486,353	480,375	471,904	466,828
Total share capital and reserves (a)	519,004	513,026	504,555	499,479
Minority interests (b)	-13	-10	0	0
Total Equity (c)=(a)+(b)	518,991	513,016	504,555	499,479
Provisions and other long-term liabilities	8,815	9,948	8,683	9,783
Other short-term liabilities	111,451	96,516	103,319	81,724
Total liabilities (d)	120,266	106,464	112,002	91,507
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)	639,257	619,480	616,557	590,986

- NOTES (Amounts in thousand Euros)**
- On property, plant and equipment of the Company, prenotation for, mortgages amounting to Euros 71,733 thousand, have been registered as guarantee to the Greek State for deferment of Excise Duty.
 - Number of employees at the end of the reporting period: Group 555 (30.6.2019: 549), Company 523 (30.6.2019: 516).
 - The unaudited by the tax authorities fiscal years for the Company and the Group's subsidiaries are presented in detail in the note 7 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 of 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 the appropriate provision in FY 2017. The Court of Appeal dismissed - for formal reasons - our appeals, stating that the disputed amounts should be decided 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 30.6.2020 amounted:

	GROUP	COMPANY
Provision for litigations and claims	152	152
10) The accounting principles applied in preparing these interim 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 1.1-30.6.2020 with related parties, as defined in IAS 24, are as follows:		
	GROUP	COMPANY
a) Revenue	-	18,990
b) Commercial Receivables	-	3,706
c) Loans Granted to Subsidiaries	-	-
d) Commercial Liabilities	-	-
e) Receivables from loans to subsidiaries	-	21
f) Salaries and other short-term benefits of directors	2,133	2,021
g) Remuneration of the members of the BOD	252	252
h) Receivables from key management	-	-
i) Payables to key management	-	-

CONDENSED COMPREHENSIVE INCOME STATEMENT (Amounts in thousand Euros)				
	GROUP			
	1/1-30/6/2020	1/1-30/6/2019	1/4-30/6/2020	1/4-30/6/2019
Revenue	515,440	476,184	268,986	251,015
Gross profit	55,154	47,421	24,733	22,228
Profit before interest, taxes	42,042	34,790	18,039	15,036
Profit before taxes	42,094	37,565	14,753	15,685
Profit after taxes (a)	32,246	27,003	11,491	11,233
- Shareholders of the Company	32,249	27,005	11,493	11,234
- Minority interests	-3	-2	-2	-1
Other comprehensive income/(expenses) after tax (b)	-327	87	-120	-215
Total comprehensive income after tax (a) + (b)	31,919	27,090	11,371	11,018
- Shareholders of the Company	31,922	27,092	11,373	11,019
- Minority interests	-3	-2	-2	-1
Basic earnings per share (in Euros)	11.6833	9.7837	4.1634	4.0699
Profit before interest, taxes, depreciation and amortization (EBITDA)	45,691	37,714	19,746	16,579

CONDENSED COMPREHENSIVE INCOME STATEMENT (Amounts in thousand Euros)				
	COMPANY			
	1/1-30/6/2020	1/1-30/6/2019	1/4-30/6/2020	1/4-30/6/2019
Revenue	354,869	344,093	182,617	182,258
Gross profit	52,640	45,840	23,579	21,622
Profit before interest, taxes	40,522	34,337	17,391	15,010
Profit before taxes	40,604	37,158	14,110	15,683
Profit after taxes (a)	31,020	26,690	10,972	11,241
- Shareholders of the Company	31,020	26,690	10,972	11,241
- Minority interests	0	0	0	0
Other comprehensive income/(expenses) after tax (b)	0	70	0	21
Συγκριση συνολικά έσοδα μετά από φόρους (A)+(B)	31,020	26,760	10,972	11,262
- Shareholders of the Company	31,020	26,760	10,972	11,262
- Minority interests	0	0	0	0
Basic earnings per share (in Euros)	11.2391	9.6703	3.9754	4.0728
Profit before interest, taxes, depreciation and amortization (EBITDA)	44,096	37,211	19,060	16,505

CONDENSED STATEMENT OF CHANGES IN EQUITY (Amounts in thousand Euros)				
	GROUP		COMPANY	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
Equity balance at beginning of the period (1/1/2020 and 1/1/2019 respectively)	513,016	471,768	499,479	460,201
Total comprehensive income net of tax	31,919	27,090	31,020	26,760
Dividends	-25,944	-26,220	-25,944	-26,220
Equity balance at the end of the period (30/6/2020 and 30/6/2019 respectively)	518,991	472,638	504,555	460,741

CASH FLOW STATEMENT (Amounts in thousand Euros)				
	GROUP		COMPANY	
	1/1-30/6/2020	1/1-30/6/2019	1/1-30/6/2020	1/1-30/6/2019
Operating activities				
Profit before taxes	42,094	37,565	40,604	37,158
Adjustments for:				
Depreciations	3,649	2,924	3,574	2,874
Provisions	-839	-1,103	-840	-1,013
Results (income, expenses, gains and losses) of investing activities	-1,304	-3,565	-1,254	-3,444
Interest expense	637	659	608	607
Adjustments related to working capital accounts or to operating activities:				
Decrease/(Increase) in inventories	5,255	8,085	5,740	8,458
Decrease/(Increase) in trade and other receivables	9,092	13,729	3,886	18,204
(Decrease)/Increase in liabilities	-21,968	-15,418	-14,975	1,460
Less:				
Interest expense	-637	-659	-608	-607
Corporate tax (paid)	-220	-229	0	0
Net cash flows (used in)/from operating activities (a)	35,759	41,988	36,735	63,697
Cash flows from investing activities				
Purchase of tangible assets	-190	-7,969	-190	-7,955
Sales of tangible assets	1	0	1	0
Purchase of financial assets through OCI	0	5,000	0	5,000
Purchase of securities	1,449	68,643	1,449	46,949
(Purchase) of financial assets at amortized cost	86,004	-34,312	86,004	-34,312
Repayment/(granting) of loans to subsidiaries	0	0	0	23,000
Capital increase of subsidiary	0	0	-41	0
Interest received	2,066	1,453	2,066	1,453
Net cash flows (used in)/from investing activities (b)	89,330	32,815	89,289	34,135
Cash flows from financing activities				
Pledged account	-45,500	-34,000	-45,500	-34,000
Lease payments	-200	-151	-127	-106
Dividends paid to shareholders of the Company	-14	-24	-14	-24
Net cash flows from financing activities (c)	-45,714	-34,175	-45,641	-34,130
Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)	79,375	40,628	80,383	63,702
Cash and cash equivalents at beginning of the period	279,622	218,344	261,407	181,339
Cash and cash equivalents at end of the period	358,997	258,972	341,790	245,041

KALAMATA September 25 2020

Vice Chairman
Efstathios G. Karelias

Managing Director
Andreas G. Karelias

Finance Director
George D. Alevizopoulos

Accounting Manager
John A. Argiris