

# 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 31 December 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](http://www.karelia.gr)  
Board of Directors approval date: 26/4/2021  
Name of the auditor: Phillipos Kassos  
Auditing firm: KPMG Certified Auditors SA  
Certificate of Certified Auditor Accountant: Unqualified opinion

**Board of Directors**  
Victoria-Margarita G, Karelia Chairman  
Efsthios G, Karelias Vice Chairman-Executive Member  
Andreas G, Karelias Managing Director-Executive Member  
Robin Derlwyn Joy Member  
Vassilios G, Antonopoulos Member

| CONDENSED STATEMENT OF FINANCIAL POSITION<br>(Amounts in thousand Euros) |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
|  | GROUP          |                | COMPANY        |                |
|  | 31/12/2020     | 31/12/2019     | 31/12/2020     | 31/12/2019     |
| <b>ASSETS</b>  |                |                |                |                |
| Tangible assets  | 83,137         | 85,457         | 83,027         | 85,211         |
| Intangible assets  | 576            | 687            | 566            | 677            |
| Other non current assets   | 35             | 35             | 1,682          | 1,085          |
| Inventories  | 60,106         | 64,674         | 55,297         | 59,256         |
| Trade receivables  | 15,073         | 25,644         | 15,034         | 19,988         |
| Other current assets   | 466,948        | 442,983        | 448,844        | 424,769        |
| <b>TOTAL ASSETS</b>  | <b>625,875</b> | <b>619,480</b> | <b>604,450</b> | <b>590,986</b> |
| <b>SHAREHOLDERS EQUITY AND LIABILITIES</b>                               |                |                |                |                |
| Share Capital  | 32,651         | 32,651         | 32,651         | 32,651         |
| Retained earnings and other reserves                                     | 508,761        | 480,375        | 495,100        | 466,828        |
| Total share capital and reserves (a)                                     | 541,412        | 513,026        | 527,751        | 499,479        |
| Minority interests (b)   | 0              | -10            | 0              | 0              |
| Total Equity (c)=(a)+(b)   | 541,412        | 513,016        | 527,751        | 499,479        |
| Provisions and other long-term liabilities                               | 7,474          | 9,948          | 7,351          | 9,783          |
| Other short-term liabilities   | 76,989         | 96,516         | 69,348         | 81,724         |
| Total liabilities (d)  | 84,463         | 106,464        | 76,699         | 91,507         |
| <b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)</b>                 | <b>625,875</b> | <b>619,480</b> | <b>604,450</b> | <b>590,986</b> |

| CONDENSED STATEMENT OF COMPREHENSIVE INCOME<br>(Amounts in thousand Euros) |                  |                  |                |                |
|--|------------------|------------------|----------------|----------------|
|  | GROUP            |                  | COMPANY        |                |
|  | 31/12/2020       | 31/12/2019       | 31/12/2020     | 31/12/2019     |
| <b>Revenue</b>   | <b>1,108,718</b> | <b>1,035,695</b> | <b>754,091</b> | <b>736,670</b> |
| Gross profit   | 111,088          | 108,183          | 105,750        | 103,646        |
| Profit before interest, taxes and depreciation                             | 84,414           | 80,461           | 81,215         | 78,229         |
| Profit before taxes  | 73,005           | 87,727           | 72,119         | 85,594         |
| <b>Profit after taxes (a)</b>  | <b>54,656</b>    | <b>67,404</b>    | <b>54,284</b>  | <b>65,660</b>  |
| - Shareholders of the Company  | 54,660           | 67,408           | 54,284         | 65,660         |
| - Minority interests   | -4               | -4               | 0              | 0              |
| Other comprehensive income/(expenses) after taxes (b)                      | -330             | 64               | -68            | -162           |
| Total comprehensive income after taxes (a) + (b)                           | 54,326           | 67,468           | 54,216         | 65,498         |
| - Shareholders of the Company  | 54,330           | 67,472           | 54,216         | 65,498         |
| - Minority interests   | -4               | -4               | 0              | 0              |
| Basic earnings per share (in Euros)  | 19.8029          | 24.4217          | 19.6681        | 23.7899        |
| Proposed dividend per share  | 9,4000           | 9,4000           | 9,4000         | 9,4000         |
| Profit before interest, taxes, depreciation and amortization               | 91,708           | 87,040           | 88,370         | 84,697         |

| CONDENSED STATEMENT OF CHANGES IN EQUITY<br>(Amounts in thousand Euros)             |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
|   | GROUP          |                | COMPANY        |                |
|   | 31/12/2020     | 31/12/2019     | 31/12/2020     | 31/12/2019     |
| Equity balance at beginning of the period<br>(1/1/2020 and 1/1/2019 respectively)   | 513,016        | 471,768        | 499,479        | 460,201        |
| Total comprehensive income net of tax   | 54,326         | 67,468         | 54,216         | 65,498         |
| Minority Participation to Capital increase of subsidiary                            | 14             | 0              | 0              | 0              |
| Dividends   | -25,944        | -26,220        | -25,944        | -26,220        |
| Equity balance at the end of the period<br>(31/12/2020 and 31/12/2019 respectively) | <b>541,412</b> | <b>513,016</b> | <b>527,751</b> | <b>499,479</b> |

**NOTES (Amounts in thousand Euros)**

1) Prenotation for mortgages amounting to EUR 88,889 thousand on the Company's property, plant and equipment have been pledged as guarantee to the Greek State for Excise Taxes deferment and VAT.

2) Number of employees at the end of the reporting period: Group 554 (31.12.2019: 580), Company 522 (31.12.2019: 542).

3) The unaudited by the tax authorities fiscal years for the Company and the Group's subsidiaries are presented in detail in the note 24 of the financial statements.

4) The outcome of pending litigation and claims are presented in detail in the note 27 of the financial statements.

5) 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.

| CONDENSED CASH FLOW STATEMENT<br>(Amounts in thousand Euros)                       |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
|  | GROUP          |                | COMPANY        |                |
|  | 31/12/2020     | 31/12/2019     | 31/12/2020     | 31/12/2019     |
| <b>Operating activities</b>  |                |                |                |                |
| Profit before taxes  | 73,005         | 87,727         | 72,119         | 85,594         |
| Adjustments for:   |                |                |                |                |
| Depreciations  | 7,294          | 6,579          | 7,155          | 6,468          |
| Impairment of tangible and intangible assets                                       | 0              | 110            | 0              | 110            |
| Provisions   | -423           | -660           | -526           | -575           |
| Results (income, expenses, gains and losses) of insting activities                 | -459           | -6,332         | -2,298         | -6,114         |
| Interest expense   | 3,554          | 1,293          | 3,463          | 1,184          |
| <b>Adjustments related to working capital accounts or to operating activities:</b> |                |                |                |                |
| Decrease/(Increase) in inventories   | 5,390          | -616           | 4,780          | 1,003          |
| Decrease/(Increase) in trade and other receivables                                 | 10,571         | 5,888          | 4,954          | 12,304         |
| (Decrease)/Increase in trade & other payables (excluding banks)                    | -20,736        | -9,359         | -13,211        | 1,666          |
| (Decrease) in liability for employee retirement from service                       | -340           | -54            | -340           | -45            |
| Less:  |                |                |                |                |
| Interest expense   | -3,554         | -1,293         | -3,463         | -1,184         |
| Income tax (paid)/received   | -19,615        | -15,033        | -19,199        | -14,838        |
| <b>Net cash flows from operating activities (a)</b>                                | <b>54,687</b>  | <b>68,250</b>  | <b>53,434</b>  | <b>85,573</b>  |
| <b>Cash flows from investing activities</b>  |                |                |                |                |
| (Purchase) of tangible and intangible assets                                       | -4,863         | -9,277         | -4,860         | -9,266         |
| Sales of financial assets available for sale                                       | 0              | 7,703          | 0              | 7,703          |
| Sales of securities of financial assets through P&L                                | 6,527          | 68,675         | 6,527          | 47,009         |
| Loan to Subsidiaries   | 0              | 0              | 0              | 23,000         |
| Sales of tangible assets   | 1              | 0              | 1              | 0              |
| Capital increase of subsidiary   | 0              | 0              | -979           | 0              |
| (Purchase) of financial assets at amortized cost                                   | 76,147         | -50,607        | 76,147         | -50,607        |
| Dividends received   | 0              | 0              | 2,221          | 0              |
| Interest received  | 3,080          | 3,114          | 3,080          | 3,114          |
| <b>Net cash flows (used in)/from investing activities (b)</b>                      | <b>80,892</b>  | <b>19,608</b>  | <b>82,137</b>  | <b>20,953</b>  |
| <b>Cash flows from financing activities</b>  |                |                |                |                |
| Minority Participation to Capital increase of subsidiary                           | 14             | 0              | 0              | 0              |
| Dividends paid to shareholders of the company                                      | -25,951        | -26,206        | -25,951        | -26,206        |
| Collateral deposits  | -11,500        | -34,000        | -11,500        | -34,000        |
| Lease capital payments   | -381           | -374           | -249           | -251           |
| <b>Net cash flows used in financing activities (c)</b>                             | <b>-37,818</b> | <b>-60,580</b> | <b>-37,700</b> | <b>-60,457</b> |
| <b>Net increase in cash and cash equivalents (a)+(b)+(c)</b>                       | <b>97,761</b>  | <b>27,278</b>  | <b>97,871</b>  | <b>46,069</b>  |
| <b>Cash and cash equivalents at beginning of the period</b>                        | <b>245,622</b> | <b>218,344</b> | <b>227,408</b> | <b>181,339</b> |
| <b>Cash and cash equivalents at end of the period</b>                              | <b>343,383</b> | <b>245,622</b> | <b>325,279</b> | <b>227,408</b> |
| <b>Pledged account</b>   | <b>45,500</b>  | <b>34,000</b>  | <b>45,500</b>  | <b>34,000</b>  |
| <b>Cash and cash equivalents and pledged account at the end of the year</b>        | <b>388,883</b> | <b>279,622</b> | <b>370,779</b> | <b>261,408</b> |

6) 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.

7) The Company's transactions with its related parties, as defined in IAS 24, are analyzed as follows: Sales of goods for the year 2020, amounted to EURO 41,223 thousand and the outstanding balance of receivables amounted to EURO 2,774 thousand. Remuneration for the members of the Board of Directors, and salaries and other short-term benefits for heads of Departments for the year 2020, amounted for the Company, to EURO 495 thousand and EURO 3,623 thousand respectively, and for the Group level, for the year 2020, amounted to EURO 495 thousand and EURO 3,847 thousand respectively.

KALAMATA 26 April 2021

Vice Chairman  
Efsthios G. Karelias

Managing Director  
Andreas G. Karelias

Finance Director  
George D. Alevizopoulos

Accounting Manager  
John A. Argiris