

# KARATZIS S.A.

## INDUSTRIAL AND HOTEL ENTERPRISES

**FIGURES AND INFORMATION for the period from 1st of January 2017 to 31st of December 2017**

( Issued in accordance with the C.L. 2190/20 art. 135 for companies that issue annual financial statements, consolidated or not, according to the I.F.R.S. )

The financial statements illustrated below aim to provide general information about the financial position and results of KARATZIS S.A. and the GROUP. We advise therefore the reader before he proceeds with any kind of financial choice or other transaction with the company or the group to refer to the website address of the issuer, where the annual consolidated and company financial statements as well as the auditor's report are available.

### COMPANY'S DATA

|   |   |   |  |
|---|---|---|--|
| Address of the Company:                       | Municipality of Archanes-Asterousia, Melidochori Monofatsi, Heraklion Crete | Board of Directors:                                     |  |
| Registry Number of Sas:                       | 11396/06/B/86/89  | Antonios M. Karatzis - Chairman & CEO, Executive Member | Eleutherios K. Antonakakis - Non-Executive Member          |
| Number in General Commercial Register:        | 77088427000   | Athina S. Karatzi - Vice Chairman, Executive Member     | Iason E. Papastefanakis - Independent Non-Executive Member |
| Supervisor Authority:                         | Ministry of Economy, Development & Tourism                                  | Maria M. Karatzi - CEO, Executive Member                | Fanourios M. Zampetakis - Independent Non-Executive Member |
|   | G.R. of Commerce & Consumer Protection                                      | Konstantinos L. Archontakis, Executive Member           | Veneris V. Georgios - Independent Non-Executive Member     |
| Date of approval of the financial statements: | April 25, 2018  | Ilias A. Kalathas, Executive Member                     |  |
| Certified Chartered Auditor:                  | Konstantinos Emm. Antonakakis - Reg. No. in Body of C.A.A. 22781            |   |  |
| Audit firm:                                   | Grant Thornton S.A. - Reg. No. in Body of C.A.A. 127                        |   |  |
| Type of auditors' review:                     | Unqualified   | Web site:   | <a href="http://www.karatzis.gr">www.karatzis.gr</a>       |

### STATEMENT OF COMPREHENSIVE INCOME (group and company)

amounts in th. €

|   | THE GROUP             |                         |               |                       |                         |              | THE COMPANY           |                         |               |                       |                         |              |
|---|-----------------------|-------------------------|---------------|-----------------------|-------------------------|--------------|-----------------------|-------------------------|---------------|-----------------------|-------------------------|--------------|
|   | 1/1 - 31/12/2017      |                         |               | 1/1 - 31/12/2016      |                         |              | 1/1 - 31/12/2017      |                         |               | 1/1 - 31/12/2016      |                         |              |
|   | Continuing operations | Discontinued operations | Total         | Continuing operations | Discontinued operations | Total        | Continuing operations | Discontinued operations | Total         | Continuing operations | Discontinued operations | Total        |
| Turnover  | 100.483               | -                       | 100.483       | 77.611                | -                       | 77.611       | 70.431                | -                       | 70.431        | 65.853                | -                       | 65.853       |
| Gross profits/(losses)  | 26.152                | -                       | 26.152        | 21.087                | -                       | 21.087       | 21.131                | -                       | 21.131        | 18.625                | -                       | 18.625       |
| Profits/(losses) before taxes, financial and investment results                     | 14.864                | (7)                     | 14.857        | 13.842                | (14)                    | 13.829       | 13.031                | -                       | 13.031        | 12.547                | -                       | 12.547       |
| Profits/(losses) before taxes   | 13.310                | 10.829                  | 24.139        | 12.008                | (14)                    | 11.994       | 11.750                | 10.836                  | 22.587        | 11.024                | -                       | 11.024       |
| <b>Profits/(losses) after taxes (A)</b>   | <b>8.958</b>          | <b>7.687</b>            | <b>16.644</b> | <b>8.452</b>          | <b>(14)</b>             | <b>8.439</b> | <b>8.152</b>          | <b>7.694</b>            | <b>15.846</b> | <b>7.777</b>          | <b>(5)</b>              | <b>7.777</b> |
| Distributed:  |                       |                         |               |                       |                         |              |                       |                         |               |                       |                         |              |
| Owners of parent company  | 9.226                 | 7.687                   | 16.913        | 8.453                 | (14)                    | 8.439        | 8.152                 | 7.694                   | 15.846        | 7.777                 | -                       | 7.777        |
| Non-controlling interests   | (268)                 | -                       | (268)         | -                     | -                       | -            | -                     | -                       | -             | -                     | -                       | -            |
| <b>Other comprehensive post-tax income (B)</b>                                      | <b>(26)</b>           | <b>-</b>                | <b>(26)</b>   | <b>(10)</b>           | <b>-</b>                | <b>(10)</b>  | <b>-</b>              | <b>-</b>                | <b>-</b>      | <b>-</b>              | <b>-</b>                | <b>(5)</b>   |
| <b>Total revenue after taxes (A)+(B)</b>  | <b>8.932</b>          | <b>7.687</b>            | <b>16.618</b> | <b>8.442</b>          | <b>(14)</b>             | <b>8.429</b> | <b>8.152</b>          | <b>7.694</b>            | <b>15.846</b> | <b>7.772</b>          | <b>-</b>                | <b>7.772</b> |
| Distributed:  |                       |                         |               |                       |                         |              |                       |                         |               |                       |                         |              |
| Owners of parent company  | 9.200                 | 7.687                   | 16.887        | 8.443                 | (14)                    | 8.429        | 8.152                 | 7.694                   | 15.846        | 7.772                 | -                       | 7.772        |
| Non-controlling interests   | (268)                 | -                       | (268)         | -                     | -                       | -            | -                     | -                       | -             | -                     | -                       | -            |
| Profit after taxes per share (€)  | 0,6102                | 0,5236                  | 1,1338        | 0,5758                | (0,0009)                | 0,5748       | 0,5553                | 0,5241                  | 1,0794        | 0,5298                | -                       | 0,5298       |
| Profits/(losses) before taxes, financial investment results and total depreciations | 21.292                | (7)                     | 21.284        | 19.958                | (14)                    | 19.944       | 18.488                | -                       | 18.488        | 17.687                | -                       | 17.687       |

### STATEMENT OF FINANCIAL POSITION (group and company)

amounts in th. €

|   | THE GROUP      |                | THE COMPANY    |                |
|---|----------------|----------------|----------------|----------------|
|   | 31/12/2017     | 31/12/2016     | 31/12/2017     | 31/12/2016     |
| <b>ASSETS</b>   |                |                |                |                |
| Property, plant and equipment                         | 105.630        | 103.601        | 93.193         | 85.275         |
| Intangible assets                                     | 1.572          | 1.605          | 226            | 236            |
| Other non current assets                              | 909            | 844            | 10.190         | 15.326         |
| Inventories   | 25.632         | 25.585         | 22.057         | 22.452         |
| Trade receivables                                     | 15.188         | 11.592         | 10.088         | 8.884          |
| Other current assets                                  | 12.588         | 4.671          | 7.003          | 4.300          |
| Cash and cash equivalents                             | 36.814         | 20.038         | 34.658         | 18.680         |
| <b>TOTAL ASSETS</b>                                   | <b>198.333</b> | <b>167.937</b> | <b>177.415</b> | <b>155.154</b> |
| <b>EQUITY AND LIABILITIES</b>                         |                |                |                |                |
| Share capital   | 24.662         | 24.662         | 24.662         | 24.662         |
| Other equity components                               | 101.139        | 85.647         | 96.266         | 81.448         |
| Total equity attributable to owners of the parent (a) | 125.801        | 110.309        | 120.928        | 106.110        |
| Non-controlling interests in equity (b)               | (166)          | 85             | -              | -              |
| Total equity (c) = (a) + (b)                          | 125.634        | 110.394        | 120.928        | 106.110        |
| Long term interest bearing loans and liabilities      | 22.447         | 8.851          | 19.750         | 3.995          |
| Deferred tax liabilities                              | 5.020          | 5.314          | 4.613          | 5.366          |
| Provisions and other long term liabilities            | 3.646          | 3.274          | 2.544          | 2.482          |
| Short term bank borrowings                            | 15.977         | 27.748         | 10.826         | 26.268         |
| Other short term liabilities                          | 25.608         | 12.355         | 18.755         | 10.933         |
| Total liabilities (d)                                 | 72.699         | 57.543         | 56.486         | 49.044         |
| <b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>         | <b>198.333</b> | <b>167.937</b> | <b>177.415</b> | <b>155.154</b> |

### STATEMENT OF CHANGES IN EQUITY (group and company)

amounts in th. €

|   | THE GROUP      |                | THE COMPANY    |                |
|---|----------------|----------------|----------------|----------------|
|   | 31/12/2017     | 31/12/2016     | 31/12/2017     | 31/12/2016     |
| Equity at the beginning of the year (01/01/2017 & 01/01/2016 respectively)      | 110.394        | 101.917        | 106.110        | 98.338         |
| Total comprehensive income after taxes (contin. oper.)                          | 8.932          | 8.442          | 8.152          | 7.772          |
| Total comprehensive income after taxes (discontin. oper.)                       | 7.687          | (14)           | 7.694          | -              |
| Distributed dividends   | (1.028)        | -              | (1.028)        | -              |
| Payment of founding share capital   | -              | 49             | -              | -              |
| Other subsidiary sales effects  | (350)          | -              | -              | -              |
| <b>Equity at the end of the year (31/12/2017 &amp; 31/12/2016 respectively)</b> | <b>125.634</b> | <b>110.394</b> | <b>120.928</b> | <b>106.110</b> |

### ADDITIONAL DATA AND INFORMATION

- The accounting principles adopted in the preparation of the financial statements are consistent with those adopted for the financial statements of 31/12/2017.
- The companies that are included in the consolidated financial statements as well as their country of incorporation, the percentage of the parent company and the method of consolidation, are mentioned in note 2.2 of the annual financial report.
- The company and its subsidiaries do not hold any own shares.
- The financial statements of the parent company are included solely in the consolidated financial statements presented above.
- Information concerning the unaudited by tax authorities fiscal years of the Group's companies are presented in note 33 of the financial statements.
- On 28/7/2017 the company's stake in STELLA POLARIS CRETA SA was sold to the tourist agency TUI AG for a price of 15.8m. €. The results from this transaction are presented in the results from discontinued operations as figures of the STATEMENT OF COMPREHENSIVE INCOME above (note 38 of the financial statements).
- The number of employees as at 31/12/2017 and 31/12/2016 was 351 and 326 employees for the Company and 464 and 406 employees for the Group respectively.
- Provisions formed as at 31/12/2017 amount to (amounts in th. €) :

|   | Group | Company |
|---|-------|---------|
| Provisions for litigations                                      | -     | -       |
| Provisions for tax obligations regarding unaudited fiscal years | 120   | 120     |
| Other provisions  | 517   | 480     |
- Other comprehensive income after tax relates to consolidation foreign exchange difference of the Group.
- The Group's assets are subject to liens amounting to € 7.416 thousand.
- There are no litigation or under arbitration disputes or decisions of judicial or arbitration bodies that have or are likely to have a material effect on the financial position of the Company or the
- The company has filed a lawsuit against the Greek State requesting an amount of €3 million, which relates to the interest on the unduly paid grant amount of an implemented investment (note 35 of the financial statements).

### STATEMENT OF CASH FLOWS (group and company)

amounts in th. €

|  | THE GROUP      |                | THE COMPANY    |                |
|--|----------------|----------------|----------------|----------------|
|  | 01/01-31/12/17 | 01/01-31/12/16 | 01/01-31/12/17 | 01/01-31/12/16 |
| <i>Indirect Method</i>   |                |                |                |                |
| <b>Operating Activities</b>  |                |                |                |                |
| Earnings (Losses) before taxes (contin. oper.)   | 13.310         | 12.008         | 11.750         | 11.024         |
| Earnings (Losses) before taxes (discontin. oper.)  | 10.829         | (14)           | 10.836         | -              |
| Plus: Adjustments for:   |                |                |                |                |
| Depreciation   | 6.620          | 6.316          | 5.571          | 5.254          |
| Provisions   | 1.294          | 144            | 1.116          | 138            |
| Investment results   | (97)           | (39)           | (24)           | (11)           |
| Financial Results  | 1.609          | 1.895          | 1.305          | 1.534          |
| Other non cash expenses (income)   | (192)          | (241)          | (114)          | (113)          |
| Plus (minus) adjustments for changes in working capital accounts                             |                |                |                |                |
| Decrease / (increase) in inventories   | (346)          | (5.367)        | 95             | (4.932)        |
| Decrease / (increase) in receivables   | (12.735)       | (4.287)        | (3.865)        | (3.460)        |
| Increase / (decrease) in liabilities (except for banks)                                      | 10.282         | 1.513          | 4.033          | 1.391          |
|  | 30.574         | 11.929         | 30.703         | 10.825         |
| Minus:   |                |                |                |                |
| Interest paid  | 1.641          | 1.887          | 1.323          | 1.536          |
| Taxes paid   | 3.925          | 3.129          | 3.706          | 2.956          |
| Operating flows from discontinued operations   | 10.835         | -              | 10.836         | -              |
| <b>Total cash inflows (outflows) from operating activities (a)</b>                           | <b>14.713</b>  | <b>6.912</b>   | <b>14.838</b>  | <b>6.333</b>   |
| <b>Investing Activities</b>  |                |                |                |                |
| Acquisition of subsidiaries, affiliated companies, joint ventures and other investments      | -              | -              | -              | (874)          |
| Purchase of tangible and intangible fixed assets   | (14.018)       | (6.646)        | (13.509)       | (6.352)        |
| Proceeds from sale of tangible and intangible assets   | 55             | 24             | 55             | 33             |
| Proceeds from sales of securities and other investments                                      | 15.800         | -              | 15.800         | -              |
| Interest received  | 42             | 4              | 28             | 14             |
| Dividends received   | -              | -              | -              | -              |
| Other cash inflows (outflows) not included in working capital                                | (29)           | (70)           | (519)          | (457)          |
| Investment flows from discontinued operations  | 0              | 0              | 0              | 0              |
| <b>Total cash inflows (outflows) from investing activities (b)</b>                           | <b>1.851</b>   | <b>(6.688)</b> | <b>1.855</b>   | <b>(7.636)</b> |
| <b>Financing Activities</b>  |                |                |                |                |
| Proceeds from bank borrowings  | 44.262         | 36.304         | 41.302         | 35.875         |
| Repayments of bank borrowings  | (42.479)       | (35.886)       | (40.990)       | (34.517)       |
| Payment of founding share capital  | (1.027)        | 49             | (1.027)        | -              |
| <b>Total cash inflows (outflows) from financing activities (c)</b>                           | <b>756</b>     | <b>467</b>     | <b>(715)</b>   | <b>1.358</b>   |
| <b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b> | <b>16.780</b>  | <b>691</b>     | <b>15.978</b>  | <b>55</b>      |
| <b>Cash and cash equivalents at the beginning of the period (continuing operations)</b>      | <b>20.038</b>  | <b>19.347</b>  | <b>18.680</b>  | <b>18.625</b>  |
| <b>Cash and cash equivalents at the beginning of the period (discontinued operations)</b>    | <b>4</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Cash and cash equivalents at the end of the period</b>                                    | <b>36.814</b>  | <b>20.038</b>  | <b>34.658</b>  | <b>18.680</b>  |

13. Transactions and balances with related parties (IAS 24) for the period 01/01 to 31/12/2017 are as follows (amounts in thousand €):

|  | Group | Company |
|--|-------|---------|
| a) Revenues  | 1.999 | 5.198   |
| b) Expenses  | 444   | 1.505   |
| c) Receivables from related parties                            | 155   | 3.557   |
| d) Liabilities to related parties                              | -     | 373     |
| e) Remuneration & expenses of Managing Directors & BoD members |       |         |