



a Grimaldi Group company

MINOAN LINES SHIPPING S.A.

Interim Financial Report **for the period ended June 30th 2017 (1/1–30/6/2017)**

In accordance with article 5 of law 3556 / 2007

TRANSLATED FROM THE GREEK ORIGINAL

(In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document).

Shipping Societe Anonyme
Company's No in the General Electronic Commercial Registry: 77083027000
17, 25th August Str. – 71 202 Heraklion Crete

Table of Contents

Page

Statements of the members of the Board of Directors	1
Report of the Board of Directors for the period ended June 30th 2017 (1/1–30/6/2017)	2
Auditor’s Review Report of the interim financial information	7
Condensed interim Company stand–alone and consolidated financial statements for the period ended June 30th 2017 (1/1–30/6/2017)	8
Financial data and Information for the period ended June 30th 2017 (1/1–30/6/2017)	31

The amounts of the interim financial report are presented in thousands of € unless explicitly stated otherwise. Any last digit discrepancies are due to rounding of the figures.

The comparative amounts of the period 1/1–30/6/2017 have been adjusted so as to present the continuing operations of the Group and the Company.

Statements of the members of the Board of Directors

(In accordance with article 5 par. 2 of law 3556 / 2007)

We, the undersigned, hereby state that to the best of our knowledge:

1. The condensed interim Company stand-alone and consolidated financial statements of “MINOAN LINES SHIPPING S.A.” for the period from January 1st 2017 to June 30th 2017, as prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets, liabilities, equity, and the financial results for the period ended June 30th 2017, both of the Company “MINOAN LINES SHIPPING S.A.”, and of the companies included in the consolidation, taken as a whole, in accordance with the provisions of paragraphs 3 and 5 of article 5 of law 3556 / 2007 and,
2. The report of the Board of Directors for the period ended June 30th 2017 gives a true view of the information required in accordance with paragraph 6 of article 5 of law 3556 / 2007.

Heraklion, September 27th, 2017

The Chairman
of the B.o.D.

The Managing
Director

The Member
of the B.o.D.

Emanuele
Grimaldi

Pass No IT / AA 2179472

Antonios
Maniadakis

ID C No AI 944699

Georgios
Papageorgiou

ID C No AK 469642

Report of the Board of Directors for the period ended June 30th 2017 (1/1–30/6/2017)

This report refers to the company as well as to the consolidated financial statements for the six months ended June 30th 2017, and has been prepared in accordance with paragraph 6 of article 5 of law 3556 / 2007.

Significant events for the six-month period of 1/1–30/6/2017 – Effect on Financial Statements

On 1/1/2017 the time-charter agreements of both vessels “Cruise Europa” and “Cruise Olympia” were expired. The said vessels were active on the Adriatic Route (Patra–Igoumenitsa–Ancona–Trieste). Furthermore, the company continues to be active in the Adriatic market having undertaken since 1/1/2017 the General Agency of the vessels “Cruise Europa” and “Cruise Olympia” in Greece operating on the route “Patra–Igoumenitsa–Ancona–Venice”.

Financial Results

The turnover from continuing operations for the first half of 2017 stood at consolidated level to € 35,497 compared to € 29,780 in the first half of 2016, recording an increase of € 5,717. Moreover from continuing operations Group’s operating profit (E.B.I.T.D.A.) was shaped at € 9,682 in comparison with € 11,998 in the corresponding period of 2016, noting a decrease of € 2,316 while the net profits during 6-month period of 2017 shaped at € 1,663 versus € 3,602 the respective period of 2016 presenting a decline of € 1,939. Finally, the net results of Minoan Lines from continuing and discontinued operations for the first half of the current year amounted to net profits of € 1,585 against net profits of € 12,205 in the corresponding period of 2016, noting a decrease of € 10,620. The decline of net profits is mainly due to significant increase of fuel prices compared to the first half period of 2016.

It is noted that the above-mentioned comparative amounts of first half 2016 have been adjusted so as to present the continuing operations.

Moreover, losses of the current period amounted to € 78 that is included in the parent and consolidated level of 6-month financial statements has been reclassified in the discontinued operations following the expiration of agreements related to the time-charter of the vessels “Cruise Europa” and “Cruise Olympia” that were deployed in the north Adriatic market.

Traffic Volumes

During the first half of 2017, the Company was active on the domestic line of Piraeus–Heraklion. Minoan Lines carried 272 thousands passengers, 33 thousands private cars and 29 thousands freight units. Moreover, Company’s market share on this route shaped at 66.3% for passengers, 62.9% for private cars and 46.3% for freight units.

Consolidated Financial Results – Balance Sheet

In the below table are presented the consolidated financial statements which include both the Company and its subsidiary, and also, the consolidation method :

Name	Consolidation Method	Headquarters	% Interest	
			2017	2016
Minoan Italia S.p.A.	Full	Palermo–Italy	100%	100%

The most important items of the Balance Sheet and Income Statement of the Group are presented below:

<u>Financial position key data</u>	<u>30/6/2017</u>	<u>31/12/2016</u>	<u>Change</u> €
Non – Current Assets	398,422	402,692	-4,270
Current Assets	63,442	77,679	-14,237
Equity	281,780	280,195	1,585
Total Liabilities	180,084	200,176	-20,092
<u>Comprehensive Income key data</u>	<u>1/1–30/6/2017</u>	<u>1/1–30/6/2016</u>	<u>Change</u> €
Revenue	35,497	29,780	5,717
Cost of sales	25,519	21,069	4,450
Selling and Administrative Expenses	8,246	7,289	957
Other operating income	1,101	3,644	-2,543
Profit of the period before interest, taxes, depreciation and amortization (E.B.I.T.D.A.)	9,682	11,998	-2,316
Net Financial Results	854	1,083	-229
Profit of the period after taxes from continuing operations	1,663	3,602	-1,939
(Loss) / profit of the period after taxes from discontinued operations	-78	8,603	-8,681
Profit of the period after taxes	1,585	12,205	-10,620

Note: The above financial data derive directly from Consolidated Financial Statements

Balance Sheet & Financial Results at Stand Alone basis

The most important items of Company's Balance Sheet and Income Statement, prepared in accordance with I.F.R.S., are presented below:

Financial position key data	30/6/2017	31/12/2016	Change
			€
Non – Current Assets	390,803	392,309	-1,506
Current Assets	61,777	76,649	-14,872
Equity	273,502	269,817	3,685
Total Liabilities	179,078	199,141	-20,063
Comprehensive Income key data	1/1–30/6/2017	1/1–30/6/2016	Change
			€
Revenue	30,362	24,616	5,746
Cost of Sales	22,743	18,282	4,461
Selling and Administrative Expenses	8,172	7,215	957
Other operating income	1,101	3,644	-2,543
Profit of the period before interest, taxes, depreciation and amortization (E.B.I.T.D.A.)	4,634	6,933	-2,299
Net Financial Results	863	1,095	-232
Profit of the period after taxes from continuing operations	3,763	5,018	-1,255
(Loss) / profit of the period after taxes from discontinued operations	-78	8,603	-8,681
Profit of the period after taxes	3,685	13,621	-9,936

Note: The above financial data derive directly from Company's (stand-alone) Financial Statements

Share price

(amounts in €)

Company's share price as of 30/6/2017 and respectively as of 30/6/2016 closed at € 2.40. Both the Company and its subsidiary did not held own shares during the period.

Subsequent Events

There are no other subsequent events as of 30/6/2017.

Prospects for the second half of the year 2017

During the second half of 2017 Company expects that its financial results are affected by Greek economic developments, intense competition level among companies of ferry sector, fuel prices and touristic volume. In addition to this, the imposition of capital controls, which continues until today, is not expected to have a significant negative impact on the Company's traffic volume, due to the relaxation of relevant implementation law. Moreover, for the second half period of 2017, it is expected that the decreasing trend of net financial expenses will continue. Finally, the average net fares are not expected to change significantly in comparison with the first half of 2017.

Risks and Uncertainties

Macroeconomic conditions in Greece–Capital controls

The macroeconomic and financial environment in Greece has become volatile especially after the enforcement of capital controls on June 2015, which include constraints affecting domestic transactions and intra-community & international transactions originating from Greece. Capital controls' continuing enforcement, despite the relaxation of relevant legal framework, is gradually presenting a significant effect on national economy.

The successful evaluations of the Greek economy by the international creditors, based on agreed timetables, and the implementation of the measures that have been legislated for the restructuring of the Greek economy create the necessary conditions for achieving economic growth, the improvement of country's economic indicators and the further relaxation and gradual elimination of the imposed controls.

Within the aforementioned political and economic framework, all activities of the Group continue without any disruption, while the Management takes all the necessary actions as to secure a smooth operation.

Fuel prices

The main risk in which the company is exposed is the sensitivity of fuel prices. Due to the nature of the sector and as fuel cost is the most significant part of cost of sales, the Company is exposed to the said risk. Moreover, the Company considers

several financial derivatives' strategies that will be used accordingly in case the proper situation arises. Having already taken a series of actions, the Company has succeeded in reducing substantially the fuel consumption in the current financial year. Additionally, on January 1st 2017 the time-charter agreements of vessels "Cruise Europa" and "Cruise Olympia", operating in the north Adriatic market, were expired without to be renewed. Hence, the Company depends on a lesser degree from fuel prices fluctuation. It is noted that during first half of 2017 there was a significant increase in the level of international fuel prices in comparison with the respective period of 2016.

Liquidity risk

The liquidity risk is referred to the Company's or the Group's ability to meet their financial obligations as they fall due. The approach adopted by the Company and the Group regarding liquidity management is to ensure the necessary liquidity to meet their liabilities when due. Therefore, it has ensured an appropriate combination of cash, cash equivalents and approved bank credits.

At 30/6/2017 the Group's cash and cash equivalents amounted to € 35,420 compared to € 29,379 as at 31/12/2016 while maintaining credit lines with cooperating banks, which as at 30/6/2017 and 31/12/2016 amounting to € 7,000 and in total were unused. The interest on the credit lines charged is based on the sum of the EURIBOR rate and the banks' margin and are mainly secured by post-dated cheques. Moreover, a lien has been registered on two of the Company's properties.

Credit risk

The Company's turnover comes from a range of categories like passenger and private vehicles transportation, on board sales (restaurants, bars and shops), transportation of freight units, agency services on the Group's vessels of the overlying parent company and vessels' chartering. Hence, the Company's customer base is analyzed as follows:

A) Those with professional collaboration such as:

- Travel Agents
- Central Agents
- Cargo Companies
- Cargo Owners
- Car rental companies
- Shipping Companies

B) Individuals-Passengers

There are ongoing efforts to attract more potential customers (in all the above categories) in order to enhance sales and develop the Company's customer base. Under the Company's set credit policy, every new customer is analyzed individually for creditworthiness before the Company's standard payment and credit terms and conditions are offered. The Company constantly monitors the balance of its clients and examines the prospect of forming provisions. Hence, a possible failure of the clients to meet their obligations, may affect the Company's results through the creation of relevant provisions. It should be noted that the current economic conditions both in Greece and internationally, create cases of high credit risk, resulting in an increasingly imperative need for provisioning of impairment losses, having adverse effects in the financial results and financial condition of the Company.

Market conditions risk

A common feature of a perfectly competitive market is the freedom of entry and exit. Thus, the deliberate routes in which the Company operates are highly competitive. The effort for growth and increase of each company's market shares could possibly create an overwhelming competition reflected to the financial results of the sector. In this respect the Company, in cooperation with the overlying parent company's Group, reschedules its itineraries seeking efficiency and profit while remaining competitive in terms of pricing, and also, maintains branches in Greece and abroad. A possible intensification of the market conditions in the routes the Company operates could lead to adverse impacts on its operating results, cash position and financial performance. The Company, in cooperation with the overlying parent company's Group, monitors closely the above mentioned competition and acts accordingly.

Interest rates risk

The long-term borrowings of the Company have agreed to be remunerated in a floating interest rate of Euribor plus margin. Therefore, the Company is exposed to interest rate risk since in case of a Euribor increase, the Company shall be incurred with additional interest expenses. During the first half of 2017, the continuation of interest rates at very low levels, contributed positively to the reduction of Company's borrowing costs. The exposure to the risk of the increase of interest rates is closely monitored and the Company calculates the effect on its operation. Hedging activities have already been considered and financial instruments could be used in case conditions allow it.

Foreign exchange risk

Considering the fact that all transactions performed abroad are mainly in the Euro currency, after the adoption of the common European currency, the company's foreign exchange risk is almost eliminated. Furthermore, the Company is not subject to foreign currency risk regarding its loans, taking under consideration that these are denominated in Euro. Indirectly, the Company is exposed to currency risk from the bunkers supplies.

Environmental risk

The Company pays great attention to environmental issues. In this context, and being aware of the importance of environmental safeguard and protection for human activities as well as of the needs arising from technology, progress and the market, it has been created an environmental policy, which complies not only with the IMO ISM Code and ISO 14001:2004 but also with the environmental regulatory framework.

Non-Discrimination / Equal employment opportunity policies

The Company provides equal employment opportunities and treatment despite the age, sexual orientation, race or ethnic origin, religion or belief. Promoting equality and equal opportunities in the employment field is a key pursuit and priority of the Company and applies to all levels of the administrative pyramid.

Candidates in each department, administrative position, or supervisory body should have the appropriate qualifications and skills as well as deep knowledge and experience in their field of employment. Furthermore, the Company invests in the training of its employees aiming at their continuous improvement as well as their professional development while the Company protects the rights of its employees.

Promoting the principles of the essential equality in the workplace for all participants, regardless of their personal characteristics and / or choices, combined with the continuing training of the employees and the Company's code of ethics which includes, among others, values such as quality, transparency, responsibility, respect, innovation, contribute to the upgrading of the services provided and the overall performance optimization of the Company's human resources.

Significant transactions among the related parties

The tables below present the most significant transactions among the related parties according to I.A.S. 24 for the period 1/1–30/6/2017:

<u>company</u>	<u>Minoan Lines Shipping S.A.</u>				<u>The Company</u>	<u>Minoan Italia S.p.A.</u>	<u>The Group</u>
	<u>Grimaldi Group S.p.A. *</u>	<u>Grimaldi Euromed S.p.A.</u>	<u>Grimaldi Deep Sea S.p.A.</u>	<u>Grimaldi Belgium n.v.</u>	<u>Totals</u>	<u>Grimaldi Group S.p.A.</u>	<u>Totals</u>
Expenses related to the on-board sales (concession fees etc)	-	3,907	-	-	3,907	-	3,907
Attributing costs related to agency operation	-	-1,227	-110	-	-1,337	-	-1,337
Other expenses	-2	-7	-	1	-8	10	2
Totals	-2	2,673	-110	1	2,562	10	2,572
Revenue from crew coat reduction of vessels	-	240	-	-	240	-	240
Revenue from services rendered (commissions, fees and other revenue related to agency operation)	62	4,616	26	-	4,704	-	4,704
Revenue related to the on-board sales	-	1,321	-	-	1,321	-	1,321
Revenue from bunker disposal	318	275	-	-	593	-	593
Totals	380	6,452	26	-	6,858	-	6,858

* Grimaldi Tours is included

The aforementioned transactions were made at arm's length.

Here below the most significant outstanding balances on 30/6/2017 between the related parties are presented:

<u>company</u>	<u>Minoan Lines Shipping S.A.</u>					<u>The Company</u>	<u>Minoan Italia S.p.A.</u>	<u>The Group</u>
	<u>Grimaldi Group S.p.A. *</u>	<u>Grimaldi Euromed S.p.A.</u>	<u>Grimaldi Deep Sea S.p.A.</u>	<u>Grimaldi Belgium n.v.</u>	<u>Finnlines Plc</u>	<u>Totals</u>	<u>Grimaldi Group S.p.A.</u>	<u>Totals</u>
due from	-	-	44	-	1	45	-	45
payable to	5,601	5,832	-	1	-	11,433	10	11,443

* Grimaldi Tours is included

Compensations to Directors and members of the Board of Directors

The short-term compensations of the Company to Directors and members of the Board of Directors are presented on the table below:

Executive members	261
Non-executive members	104
Directors	413
Total	778

Of the total remunerations above, an amount of € 63 remains unpaid as at 30/6/2017. Moreover, for the period ended 30/6/2017, amounts, resulting from commercial activities with B.o.D. members, of € 95 while € 1 was payable. Finally, transactions with relatives of the Management and executives for the period ended 30/6/2017 amounted to € 105 while remains unpaid as at 30/6/2017 € 16. The nature of these transactions was mainly labor (payroll) and commercial cooperation (fees for goods and services received).

Board of Directors – Size and Composition

The Ordinary General Shareholders' Meeting of 22/6/2017 elected the members of the current Board of Directors of the Company, and also the members of the Audit Committee. The elected on 22/6/2017 B.o.D consists of nine (9) members, of which two executive, five non-executive members and two independent non-executive members. The executive members are occupied in the company or serve it by exerting administrative duties. The non-executive members of the B.o.D. do not exert administrative duties. Moreover, 3 members of the Audit Committee meet the conditions as independent in the sense of the provisions of Law 3016/2002 and have no relationship of dependence with the Company or its affiliated persons, as required by art. 44 par. 1 of Law 4449/2017.

Name	Status	Starting of tenure	Expiry of tenure
1. Emanuele Grimaldi	Chairman - Executive member	22/6/2017	G.A. of 2021
2. Michael Hatzakis	Vice Chairman - Non-executive member & member of the Audit Committee	22/6/2017	G.A. of 2021
3. Antonis Maniadakis	Managing Director - Executive member	22/6/2017	G.A. of 2021
4. Gianluca Grimaldi	Non-executive member	22/6/2017	G.A. of 2021
5. Paul Kyprianou	Non-executive member & member of the Audit Committee	22/6/2017	G.A. of 2021
6. Diego Pacella	Non-executive member & member of the Audit Committee	22/6/2017	G.A. of 2021
7. Mario Fuduli	Non-executive member	22/6/2017	G.A. of 2021
8. Constantine Mamalakis	Non-executive member – independent member & member of the Audit Committee	22/6/2017	G.A. of 2021
9. George Papageorgiou	Non-executive member – independent member & member of the Audit Committee	22/6/2017	G.A. of 2021

Heraklion, September 27th, 2017
For and on behalf of the B.o.D.

The Chairman
of the B.o.D.

Emanuele
Grimaldi

Pass No IT / AA 2179472

The Managing
Director

Antonios
Maniadakis

ID C No AI 944699



[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Shareholders of «MINOAN LINES SHIPPING S.A»

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of «MINOAN LINES SHIPPING S.A» (the “Company”) as of 30 June 2017 and the related condensed company and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 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 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 interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 28 September 2017



PricewaterhouseCoopers S.A.
268 Kifissias Avenue
152 32 Halandri, Greece
SOEL Reg. No. 113

The Certified Auditor
Despina Marinou
SOEL Reg. No.17681

*PricewaterhouseCoopers SA, 268 Kifissias Avenue, 15232 Halandri, Greece
T: +30 210 6874400, F: +30 210 6874444, www.pwc.gr*

*260 Kifissias Avenue & Kodrou Str., 15232 Halandri, T: +30 210 6874400, F: +30 210 6874444
17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487*



a Grimaldi Group company

Condensed interim Company stand-alone and consolidated financial statements for the period ended June 30th 2017 (1/1–30/6/2017)

**IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
as adopted by the European Union**

The condensed interim Company stand-alone and consolidated financial statements were approved by the Company's Board of Directors' meeting on **September 27th, 2017** and have been published to the electronic address www.minoan.gr. It is noted that the published, in the press, condensed financial data aim to provide the user with general information of the Company's and Group's financial results and position, according to International Financial Reporting Standards.

Table of Contents**Page**

Condensed interim statement of comprehensive income		11
Condensed interim statement of financial position		12
Condensed interim statement of changes in equity		13
Condensed interim consolidated statement of changes in equity		14
Condensed interim statement of cash flows		15
Notes to the condensed interim Company stand-alone and consolidated financial statements for the period ended June 30th 2017 (1/1–30/6/2017)		
Note		
1	General Company's information	16
2	Basis of preparation of the Financial Statements	16
2.1	Statement of compliance	16
2.2	Use of estimates	16
3	Significant accounting policies	17
3.1	New standards, interpretations and amendments of existing standards	17
4	Financial risk management	18
4.1	General	18
4.2	Macroeconomic conditions in Greece–Capital controls	18
4.3	Liquidity risk	18
4.4	Credit risk	19
4.5	Market conditions risk	19
4.6	Interest rate risk	19
4.7	Currency risk	19
4.8	Fair value estimation	19
5	Revenue	20
6	Cost of sales	20
7	Other operating income	20
8	Selling expenses	20
9	Administrative expenses	21
10	Other operating expenses	21
11	Dividends income from subsidiaries	21
12	Income tax	21
13	Earnings per share	21
14	Tangible and intangible assets	22
15	Investment property	23
16	Investments in subsidiaries	23
17	Available for sale financial assets	23
18	Other non-current assets	24
19	Inventories	24
20	Trade and Other receivables–Other current assets	24
21	Cash and Cash equivalents	24
22	Share capital	25
23	Loans–Short term bank borrowings	25

Note		Page
24	Trade and other payables	25
25	Operating segments	25
26	Related party transactions	26
26.1	Group of ultimate parent company	27
26.2	Subsidiaries	28
26.3	Members of the Board of Directors and management	28
27	Discontinued operations	28
28	Offsetting of financial assets and liabilities	29
29	Contingent liabilities	29
30	Subsequent events	30

The amounts of the condensed interim financial statements are presented in thousands of € unless explicitly stated otherwise. Any last digit discrepancies are due to rounding of the figures.

The comparative amounts of the period 1/1–30/6/2017 have been adjusted so as to present the continuing operations of the Group and the Company

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	The Group		The Company	
		1/1–30/6/2017	1/1–30/6/2016	1/1–30/6/2017	1/1–30/6/2016
Continuing operations					
Revenue	5	35,497	29,780	30,362	24,616
Cost of sales	6	-25,519	-21,069	-22,743	-18,282
Gross Profit of the period		9,978	8,711	7,619	6,334
Other operating income	7	1,101	3,644	1,101	3,644
Selling expenses	8	-5,066	-4,289	-5,008	-4,235
Administrative expenses	9	-3,180	-3,000	-3,164	-2,980
Other operating expenses	10	-198	-262	-196	-260
Operating Profit / (loss) of the period before financing costs		2,635	4,804	352	2,503
Finance income		36	61	27	49
Finance expenses		-890	-1,144	-890	-1,144
Net finance results		-854	-1,083	-863	1,095
Dividend income from participations	11	–	–	4,274	3,610
Profit / (loss) of the period before taxes		1,781	3,721	3,763	5,018
Income tax	12	-118	-119	–	–
Profit of the period after taxes from continuing operations		1,663	3,602	3,763	5,018
(Loss) / profit of the period after taxes from discontinued operations	27	-78	8,603	-78	8,603
Profit of the period after taxes (a)		1,585	12,205	3,685	13,621
Other comprehensive income of the period (b)		–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)		1,585	12,205	3,685	13,621
The profit of the period is attributable to :					
Owners of the parent company		1,585	12,205	3,685	13,621
Non–controlling Interests		–	–	–	–
Profit of the period after taxes (a)		1,585	12,205	3,685	13,621
The total comprehensive income of the period is attributable to :					
Owners of the parent		1,585	12,205	3,685	13,621
Non–controlling interests		–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)		1,585	12,205	3,685	13,621
Basic Earnings of the period after taxes per share (in €)					
from continuing operations	13	0.0155	0.0337	0.0352	0.0469
from discontinued operations		-0.0007	0.0804	-0.0007	0.0804
Basic Earnings per Share after Taxes (in €)		0.0148	0.1141	0.0344	0.1273

The accompanying notes on pages 16–30 are an integral part of the Condensed Interim Financial Statements.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	The Group		The Company	
		30/6/2017	31/12/2016	30/6/2017	31/12/2016
Assets					
Non – current assets					
Property, plant and equipment	14	298,548	303,308	158,686	160,682
Intangible assets	14	149	105	149	105
Investment property	15	1,196	1,217	1,196	1,217
Investments in subsidiaries	16	-	-	132,243	132,243
Available for sale financial assets	17	83,414	82,907	83,414	82,907
Other long term assets - receivables	18	15,115	15,155	15,115	15,155
Total non – current assets		398,422	402,692	390,803	392,309
Current assets					
Inventories	19	3,050	3,261	3,050	3,261
Trade and other receivables	20	22,572	41,638	22,756	42,109
Other current assets	20	2,400	3,401	1,655	2,006
Cash and cash equivalents	21	35,420	29,379	34,316	29,273
Total current assets		63,442	77,679	61,777	76,649
Total Assets		461,864	480,371	452,580	468,958
Equity and liabilities					
Equity					
Share capital	22	240,705	240,705	240,705	240,705
Share premium		25,744	25,744	25,744	25,744
Other reserves		13,783	13,558	13,073	13,073
Retained earnings		1,548	188	-6,020	-9,705
Total Equity attributable to equity holders of the parent		281,780	280,195	273,502	269,817
Non-controlling interests		-	-	-	-
Total Equity		281,780	280,195	273,502	269,817
Non – current liabilities					
Loans	23	134,359	138,928	134,359	138,928
Deferred tax liabilities	12	226	246	-	-
Retirement benefit obligations		1,509	1,473	1,509	1,473
Other provisions		223	161	223	161
Total Non – current liabilities		136,317	140,808	136,091	140,562
Current liabilities					
Loans-current portion of long term loans	23	13,818	13,930	13,818	13,930
Income tax obligations	12	33	1,072	-	1,031
Trade and other payables	24	29,916	44,366	29,169	43,618
Total Current liabilities		43,767	59,368	42,987	58,579
Total Liabilities		180,084	200,176	179,078	199,141
Total Equity and Liabilities		461,864	480,371	452,580	468,958

The accompanying notes on pages 16–30 are an integral part of the Condensed Interim Financial Statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance as at 1/1/2016	240,705	25,744	60,239	-76,642	250,046
Changes in equity 1/1–30/6/2016					
Profit of the period after taxes (a)				13,621	13,621
Other comprehensive income of the period (b)				–	–
Total comprehensive income of the period after taxes (a) + (b)				<u>13,621</u>	<u>13,621</u>
Balance as at 30/6/2016	<u>240,705</u>	<u>25,744</u>	<u>60,239</u>	<u>-63,021</u>	<u>263,667</u>
Balance as at 1/1/2017					
	240,705	25,744	13,073	-9,705	269,817
Changes in equity 1/1–30/6/2017					
Profit of the period after taxes (a)				3,685	3,685
Other comprehensive income of the period (b)				–	–
Total comprehensive income of the period after taxes (a) + (b)				<u>3,685</u>	<u>3,685</u>
Balance as at 30/6/2017	<u>240,705</u>	<u>25,744</u>	<u>13,073</u>	<u>-6,020</u>	<u>273,502</u>

The accompanying notes on pages 16–30 are an integral part of the Condensed Interim Financial Statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributed to owners of the parent company				<u>Total Shareholders' Equity</u>	<u>Non-controlling interests</u>	<u>Total Equity</u>
	<u>Share Capital</u>	<u>Share Premium</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>			
Balance as at 1/1/2016	240,705	25,744	60,534	-67,418	259,565	–	259,565
Changes in equity 1/1–30/6/2016							
Transfer between retained earnings and other reserves (ordinary reserve)			190	-190	–	–	–
Profit of the period after taxes (a)				12,205	12,205	–	12,205
Other comprehensive income of the period (b)				–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)				12,205	12,205	–	12,205
Balance as at 30/6/2016	240,705	25,744	60,724	-55,403	271,770	–	271,770
Balance as at 1/1/2017	240,705	25,744	13,558	188	280,195	–	280,195
Changes in equity 1/1–30/6/2017							
Transfer between retained earnings and other reserves (ordinary reserve)			225	-225	–	–	–
Profit of the period after taxes (a)				1,585	1,585	–	1,585
Other comprehensive income of the period (b)				–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)				1,585	1,585	–	1,585
Balance as at 30/6/2017	240,705	25,744	13,783	1,548	281,780	–	281,780

The accompanying notes on pages 16–30 are an integral part of the Condensed Interim Financial Statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

<u>Indirect Presentation Method</u>	<u>Note</u>	<u>The Group</u>		<u>The Company</u>	
		<u>1/1–30/6/2017</u>	<u>1/1–30/6/2016</u>	<u>1/1–30/6/2017</u>	<u>1/1–30/6/2016</u>
<u>Cash Flows from Operating Activities</u>					
Profit of the period before taxes		1,703	12,324	3,685	13,621
<i>Plus / (less) adjustments for:</i>					
Net depreciation	14 & 15	7,047	7,337	4,283	4,573
Provisions		-615	259	-615	259
Net Foreign Exchange (Gain) / loss		-12	4	-12	4
(Income), (gains) from investing activities		–	-3,524	-4,274	-7,135
Interest and other financial expenses		890	1,159	890	1,159
<i>Plus / (less) adjustments for changes in working capital or operating activities</i>					
Decrease / (increase) in inventories		212	-953	212	-953
Decrease / (increase) in trade and other receivables		18,442	-11,953	17,793	-13,151
(Decrease) in liabilities other than borrowings		-13,598	-4,869	-13,596	-4,849
<i>(less) :</i>					
Interest and related expenses paid		-830	-1,016	-830	-1,016
Income taxes paid		-1,175	-127	-1,030	–
Net cash generated by / (used in) operating activities		12,064	-1,359	6,506	-7,488
(a)					
<u>Cash Flows from Investing activities</u>					
Purchase of other investments	17	-507	-29,866	-507	-29,866
Return of capital from affiliate		–	–	286	–
Purchase of tangible and intangible assets	14	-780	-527	-780	-527
Proceeds from sale of tangible and intangible assets		–	55,000	–	55,000
Dividends received	11	–	–	4,274	3,610
Net cash (used in) / generated by investing activities		-1,287	24,607	3,273	28,217
(b)					
<u>Cash Flows from Financing activities</u>					
Repayment of long term borrowings		-4,736	-32,681	-4,736	-32,681
Net cash (used in) financing activities (c)		-4,736	-32,681	-4,736	-32,681
Net Increase / (decrease) in cash and cash equivalents		6,041	-9,433	5,043	-11,952
(a) + (b) + (c)					
Cash and cash equivalents at the beginning of the period		29,379	24,704	29,273	24,566
Cash and cash equivalents at the end of the period	21	35,420	15,271	34,316	12,614

The accompanying notes on pages 16–30 are an integral part of the Condensed Interim Financial Statements.

Notes to the condensed interim Company stand-alone and consolidated financial statements for the period ended June 30th 2017 (1/1–30/6/2017)

1. General Company's information

The Company was established on May 25th 1972 (Government Gazette 939–25/5/1972), is based in the Municipality of Heraklion–Crete and its discrete name is “MINOAN LINES”. It operates in the Ferry shipping sector both in Domestic and International sea routes.

The number of the personnel employed during the six–month periods ended June 30th 2017 and June 30th 2016 was 390 and 393, respectively.

Minoan Lines' shares are listed on the Athens Stock Exchange (code: MINOA). The corresponding code under Reuters is MILr.AT and under Bloomberg is MINOA GA.

The total number of ordinary shares outstanding on 30/6/2017 and on 30/6/2016 was 106,980,050. The weighted average number of shares on 30/6/2017 and on 30/6/2016 was 106,980,050. The total market capitalization reached € 256,752. Every share carries one voting right.

From 2008, the majority of the Company's shares are held by “Grimaldi Group S.p.A.” a member of the Grimaldi Group which is based in Palermo–Italy and became overlying parent company which has control of both the Company and the Group.

The General Shareholders' Meeting elects the Board of Directors which consists of 7–9 members. The current structure of the Board of Directors is comprised by nine (9) members, who were elected by the General Shareholders' Meeting held on 22/6/2017. On 30/6/2017, two (2) members of the board were executive, five (5) were non–executive and two (2) were non–executive–independent members.

The condensed interim financial statements for the period ended June 30th 2017, which were approved by the Board of Directors meeting on September 27th, 2017, include the condensed interim Company stand–alone and the consolidated financial statements (the «Financial Statements»).

The condensed interim consolidated financial statements include the Company and its subsidiaries (the Group).

The subsidiary that is included in the consolidated financial statements and the ownership interests that the parent Company holds, directly or indirectly, are outlined in the table below:

<u>company</u>	<u>Consolidation Method</u>	<u>Headquarters</u>	<u>% Interest</u>	
			<u>2017</u>	<u>2016</u>
Minoan Italia S.p.A.	Full	Palermo–Italy	100%	100%

2. Basis of preparation of the Financial Statements

2.1 Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 (interim financial reporting).

The condensed interim financial statements do not include all notes and information required and it is recommended they be read in conjunction with the Annual Financial Statements for the year ended December 31st 2016.

These financial statements have been prepared on the basis that the Group operates as a going concern which implies that it takes all necessary measures and proceeds to all the necessary actions and negotiations in order to has sufficient financial resources to meet its financial and operating obligations for the foreseeable future. More specifically, the Group through the measures taken by the Management in the previous years as well as in the current period has generated profitable results, which are constantly improved from period to period. Moreover, despite the difficulties created by the recent imposition of capital controls in Greece (note 4.2), the Group has sufficient liquidity and is fully consistent with its debt obligations as well as its obligations to the Social Security's Organizations, to the Tax Authorities, to its employees and to its suppliers. This fact enables the Group to smoothly continue its activities.

The comparative amounts of the statement of comprehensive income and the related notes have been adjusted to include continuing operations. The presentation of discontinued operations is presented in note 27.

The amounts of the condensed interim financial statements are presented in thousands of €, unless explicitly stated otherwise. Any last digit discrepancies are due to the rounding of the figures.

2.2 Use of estimates

The preparation of the Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Significant estimates and critical judgements in applying accounting policies that have significant effect on the Financial Statements as well as those which involve potential risk for adjustment in the next fiscal year do not differ from those applied in the Annual Financial Statements as of December 31st 2016.

3. Significant accounting policies

The significant accounting policies adopted for the preparation of the Financial Statements on 30/6/2017 are those applied for the preparation of the Annual Financial Statements on 31/12/2016 and have been published in the Company's web site www.minoan.gr.

3.1 New standards, interpretations and amendments of existing standards

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group is in the process of assessing the impact of the implementations of the IFRS amendments in the financial statements. In any such case, unless otherwise stated, the Group considers that the following amendments have no or insignificant effect to the interim condensed financial statements.

Standards and Interpretations effective for the current financial year

There are no new standards, amendments to standards and interpretations that are mandatory for periods beginning on 1/1/2017.

Standards and Interpretations effective for subsequent periods

IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. **The Group is currently investigating the impact of IFRS 9 on its financial statements.**

IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. **The Group is currently investigating the impact of IFRS 15 on its financial statements.**

IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently investigating the impact of IFRS 16 on its financial statements. **The standard has not yet been endorsed by the EU.**

IAS 7 (Amendments) “Disclosure initiative” (effective for annual periods beginning on or after 1 January 2017)

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. **The amendments have not yet been endorsed by the EU.**

IAS 40 (Amendments) “Transfers of Investment Property” (effective for annual periods beginning on or after 1 January 2018)

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. **The amendments have not yet been endorsed by the EU.**

IFRIC 22 “Foreign currency transactions and advance consideration” (effective for annual periods beginning on or after 1 January 2018)

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. **The interpretation has not yet been endorsed by the EU.**

IFRIC 23 “Uncertainty over income tax treatments” (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. **The interpretation has not yet been endorsed by the EU.**

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle)

The amendments set out below describe the key changes to two IFRSs. **The amendments have not yet been endorsed by the EU.**

IFRS 12 “Disclosures of Interests in Other Entities”

The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information. The amendment is effective for annual periods beginning on or after 1 January 2017.

IAS 28 “Investments in associates and Joint ventures”

The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition. The amendment is effective for annual periods beginning on or after 1 January 2018.

4. Financial risk management

4.1 General

The Company and the Group are exposed mainly to the following financial risks which might possibly be affected by the macroeconomic and operating environment as analyzed below:

- Liquidity
- Credit
- Market conditions

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s and the Group’s risk management framework. The Board has delegated authority to the finance division for monitoring of financial risks. The Company’s and Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks, adherence to limits and to hedge such risk depending on the prevailing market conditions each period of time. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. Cash and cash equivalents are also elements with high credit risk as the current conditions in Greece exert considerable pressure on domestic banks. In order for the risk to be reduced, the Company’s and Group’s cash and cash equivalents are only deposited for a short amount of time.

4.2 Macroeconomic conditions in Greece–Capital controls

The macroeconomic and financial environment in Greece has become volatile especially after the enforcement of capital controls on June 2015, which include constraints affecting domestic transactions and intra-community & international transactions originating from Greece. Capital controls’ continuing enforcement, despite the relaxation of relevant legal framework, is gradually presenting a significant effect on national economy.

The successful evaluations of the Greek economy by the international creditors, based on agreed timetables, and the implementation of the measures that have been legislated for the restructuring of the Greek economy create the necessary conditions for achieving economic growth, the improvement of country’s economic indicators and the further relaxation and gradual elimination of the imposed controls.

Within the aforementioned political and economic framework, all activities of the Group continue without any disruption, while the Management takes all the necessary actions as to secure a smooth operation.

Company’s Management has assessed that at 30/6/2017 no additional provisions for impairment of financial and non-financial assets are required, than those conducted and reported in note 10.

4.3 Liquidity risk

The liquidity risk is referred to the Company’s or the Group’s ability to meet their financial obligations as they fall due. The approach adopted by the Company and the Group regarding liquidity management is to ensure the necessary liquidity to meet their liabilities when due. Therefore, it has ensured an appropriate combination of cash, cash equivalents and approved bank credits.

At 30/6/2017 the Group’s cash and cash equivalents amounted to € 35,420 compared to € 29,379 as at 31/12/2016 while maintaining credit lines with cooperating banks, which as at 30/6/2017 and 31/12/2016 amounting to € 7,000 and in total were unused. The interest on the credit lines charged is based on the sum of the EURIBOR rate and the banks’ margin and are mainly secured by post-dated cheques. Moreover, a lien has been registered on two of the Company’s properties. Considering that the available to the Company bank credit balances as of 30/6/2017 and the level of the Group’s cash balance, the Management is in a position to claim the non-existence of liquidity risk in the foreseeable future.

4.4 Credit risk

The Company's turnover comes from a range of categories like passenger and private vehicles transportation, on board sales (restaurants, bars and shops), transportation of freight units, agency services on the Group's vessels of the overlying parent company and vessels' chartering. Hence, the Company's customer base is analyzed as follows:

A) Those with professional collaboration such as:

- Travel Agents
- Central Agents
- Cargo Companies
- Cargo Owners
- Car rental companies
- Shipping Companies

B) Individuals-Passengers

There are ongoing efforts to attract more potential customers (in all the above categories) in order to enhance sales and develop the Company's customer base. Under the Company's set credit policy, every new customer is analyzed individually for creditworthiness before the Company's standard payment and credit terms and conditions are offered. The Company constantly monitors the balance of its clients and examines the prospect of forming provisions. Hence, a possible failure of the clients to meet their obligations, may affect the Company's results through the creation of relevant provisions. It should be noted that the current economic conditions both in Greece and internationally, create cases of high credit risk, resulting in an increasingly imperative need for provisioning of impairment losses, having adverse effects in the financial results and financial condition of the Company.

4.5 Market conditions risk

A common feature of a perfectly competitive market is the freedom of entry and exit. Thus, the deliberate routes in which the Company operates are highly competitive. The effort for growth and increase of each company's market shares could possibly create an overwhelming competition reflected to the financial results of the sector. In this respect the Company, in cooperation with the overlying parent company's Group, reschedules its itineraries seeking efficiency and profit while remaining competitive in terms of pricing, and also, maintains branches in Greece and abroad. A possible intensification of the market conditions in the routes the Company operates could lead to adverse impacts on its operating results, cash position and financial performance. The Company, in cooperation with the overlying parent company's Group, monitors closely the above mentioned competition and acts accordingly.

4.6 Interest rate risk

The long-term borrowings of the Company have agreed to be remunerated in a floating interest rate of Euribor plus margin. Therefore, the Company is exposed to interest rate risk since in case of a Euribor increase, the Company shall be incurred with additional interest expenses. During the first half of 2017, the continuation of interest rates at very low levels, contributed positively to the reduction of Company's borrowing costs. The exposure to the risk of the increase of interest rates is closely monitored and the Company calculates the effect on its operation. Hedging activities have already been considered and financial instruments could be used in case conditions allow it.

4.7 Foreign exchange risk

Considering the fact that all transactions performed abroad are mainly in the Euro currency, after the adoption of the common European currency, the company's foreign exchange risk is almost eliminated. Furthermore, the Company is not subject to foreign currency risk regarding its loans, taking under consideration that these are denominated in Euro. Indirectly, the Company is exposed to currency risk from the bunkers supplies.

4.8 Fair value estimation

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all data with significant effect on the recorded fair value are visible, either directly or indirectly.

Level 3: techniques which use data with significant effect on the recorded fair value and are based on apparent market data.

On 30/6/2017 and 31/12/2016 respectively, the Group and the Company held the following financial instruments measured at fair value:

Financial instruments	Level	The Group		The Company	
		30/6/2017	31/12/2016	30/6/2017	31/12/2016
Available for sale financial assets	3	83,414	82,907	83,414	82,907

During the period there were no transfers into and out of Level 3 fair value measurement. Available for sale financial assets are mainly concerned with the Company's investment to Hellenic Seaways S.A. The Management of the Group decided to

enhance the Company's participation, thus as from February 2016 until 30/6/2017 the Company shaped its stake to 48.53%.

The Company's management bases the valuation on a study by an independent appraiser who takes into account all available appraising methods in order to reach the fair value of the investment.

The available methods being used during the year 2016 is the discounted cash flow method (D.C.F.), which obtained with increased weight, and the resent (until March 2017) transactions on Hellenic Seaways S.A. shares. Finally, the Company's management uses its experience in the sector to take into account all other qualitative factors which due to the specific features in the company's operation, shall be included in the fair value estimation in order for it to be considered reliable and objective.

The remaining available for sale financial assets of Level 3 are related to investments in stocks of two non-listed cooperative banks and one non-listed domestic company in which the Group holds negligible shares. Their valuation is based on their financial statements, which reflect the assets at fair value.

Finally, the fair value of the following financial assets and liabilities is reflected in their book value:

- Trade and other receivables
- Other current assets
- Cash and cash equivalents (other than bank overdrafts)
- Trade and other payables
- The following assets and liabilities of the Group are held for sale:
 - Cash and cash equivalents
 - Other current assets
 - Trade and other payables
 - Other current liabilities

5. Revenue

	The Group		The Company	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Continuing operations				
Revenue from vessels' operations (fares, chartering & agency fees)	28,453	26,286	23,318	21,122
Revenue from restaurants-bars	4,283	1,909	4,283	1,909
Revenue from shops on board	2,761	1,585	2,761	1,585
Totals	35,497	29,780	30,362	24,616

6. Cost of sales

	The Group		The Company	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Continuing operations				
Payroll cost	4,549	5,257	4,549	5,257
Bunkers and lubricants-on board sales costs	8,154	5,160	8,154	5,160
Port expenses-Maintenances-Consumables	665	1,110	665	1,110
Various other costs-Depreciation	12,151	9,542	9,375	6,755
Totals	25,519	21,069	22,743	18,282

7. Other operating income

	The Group		The Company	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Continuing operations				
Gain from sale of vessel	-	3,518	-	3,518
Commissions received & Income from services to third parties	60	35	60	35
Rental income	5	5	5	5
Reversal of provisions for contingent liabilities	844	-	844	-
Income from reversal of impairment loss due to debt recovery (note 20)	89	-	89	-
Various other income	103	86	103	86
Totals	1,101	3,644	1,101	3,644

8. Selling expenses

	The Group		The Company	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Continuing operations				
Payroll cost	2,288	2,103	2,288	2,103
Commissions paid-Advertising and promotion expenses	2,486	1,799	2,428	1,745
Various other costs-Depreciation	292	387	292	387
Totals	5,066	4,289	5,008	4,235

9. Administrative expenses

	Continuing operations		The Group		The Company	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Payroll cost	1,567	1,523	1,567	1,523	1,567	1,523
Third parties fees and expenses	912	735	906	727	906	727
Various other costs–Depreciation	701	742	691	730	691	730
Totals	3,180	3,000	3,164	2,980	3,164	2,980

10. Other operating expenses

As at 30/6/2017 is included mainly an impairment provision for certain clients which conducted amounting € 220, whilst has reduced the item "Receivables" of the condensed interim financial statements (note 20). As at 30/6/2016 the respective amount was € 199.

11. Dividends income from subsidiaries

The amounts presented are dividends for the fiscal years 2016 and 2015 respectively received by the parent from the subsidiary Minoan Italia S.p.A. The decision for the year 2016 was taken in the regular General Assembly of the company held in April 2017.

12. Income tax

	Continuing operations		The Group		The Company	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Income tax expense estimation for the period ended	138	119	–	–	–	–
Deferred tax	-20	–	–	–	–	–
Totals	118	119	–	–	–	–

In the statement of financial position under current liabilities are presented the amounts of the "Income tax obligations" which on 30/6/2017 and 31/12/2016 on a consolidated basis amounted to €33 and € 1,072 respectively. On 2016 a provision made by the Company for tax liability expected to arise due to the submission of the amending tax declarations for the previous years (2006 – 2015), based on the provisions of Law 4446/2016 as well as for tax differences that might arise from previous tax audits. In the first half of 2017, the submission of amended tax declarations and the full payment of the resulting tax amount of € 1,017 were completed. In addition, the tax audits of fiscal years 2006 and 2008–2011 were also completed in the first half of 2017 and the additional tax amounts established and paid reached to € 14 respectively. The aforementioned amounts were fully covered by the provision made in the year 2016 for contingent tax liabilities, thus the financial results for the period 1/1–30/6/2017 are not affected. Finally, in the long-term liabilities of financial position are included the amounts of "Deferred tax liabilities" of the Group which at 30/6/2017 were amounted to € 226 while on 31/12/2016 at € 246.

13. Earnings per share

	The Group		The Company	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Profit of the period attributable to shareholders of the Parent				
from continuing operations	1,663	3,602	3,763	5,018
from discontinued operations	-78	8,603	-78	8,603
Total Profit	1,585	12,205	3,685	13,621
Weighted average number of shares outstanding	106,980,050	106,980,050	106,980,050	106,980,050
Basic Earnings of the period per share after taxes (in €)				
from continuing operations	0.0155	0.0337	0.0352	0.0469
from discontinued operations	-0.0007	0.0804	-0.0007	0.0804
Total Earnings per share	0.0148	0.1141	0.0344	0.1273

14. Tangible and intangible assets

	<u>The Group</u>						
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Vessels – Spare parts– Vessels' other equipment</u>	<u>Furniture – Computers – Other equipment – Mobile phones & tablets</u>	<u>Software</u>	<u>Totals</u>
Cost at 1/1/2016	2,110	6,278	8	535,886	3,379	3,244	550,905
Acquisitions and additions 1/1–31/12/2016	–	19	–	879	147	41	1,086
Less / (plus): Disposals–Transfers–Write offs 1/1–31/12/2016	–	–	–	84,481	23	–	84,504
Costs at 31/12/2016	2,110	6,297	8	452,284	3,503	3,285	467,487
Cost at 1/1/2017	2,110	6,297	8	452,284	3,503	3,285	467,487
Acquisitions and additions 1/1–30/6/2017	–	23	–	626	54	77	780
Less / (plus): Disposals–Transfers–Write offs 1/1–30/6/2017	–	–	–	-1,525	7	–	-1,518
Costs at 30/6/2017	2,110	6,320	8	454,435	3,550	3,362	469,785
Accumulated Depreciation at 1/1/2016	–	2,863	7	171,584	2,958	3,121	180,533
Depreciation for the period 1/1–31/12/2016	–	256	1	13,501	148	59	13,965
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–31/12/2016	–	–	–	30,401	23	–	30,424
Accumulated Depreciation at 31/12/2016	–	3,119	8	154,684	3,083	3,180	164,074
Accumulated Depreciation at 1/1/2017	–	3,119	8	154,684	3,083	3,180	164,074
Depreciation for the period 1/1–30/6/2017	–	128	–	6,789	76	33	7,026
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–30/6/2017	–	–	–	5	7	–	12
Accumulated Depreciation at 30/6/2017	–	3,247	8	161,468	3,152	3,213	171,088
Net book value at :							
1/1/2016	2,110	3,415	1	364,302	421	123	370,372
31/12/2016	2,110	3,178	–	297,600	420	105	303,413
30/6/2017	2,110	3,073	–	292,967	398	149	298,697
	<u>The Company</u>						
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Vessels – Spare parts– Vessels' other equipment</u>	<u>Furniture – Computers – Other equipment – Mobile phones & tablets</u>	<u>Software</u>	<u>Totals</u>
Cost at 1/1/2016	2,110	6,278	8	322,165	3,379	3,244	337,184
Acquisitions and additions 1/1–31/12/2016	–	19	–	879	147	41	1,086
Less / (plus): Disposals–Transfers–Write offs 1/1–31/12/2016	–	–	–	84,481	23	–	84,504
Costs at 31/12/2016	2,110	6,297	8	238,563	3,503	3,285	253,766
Cost at 1/1/2017	2,110	6,297	8	238,563	3,503	3,285	253,766
Acquisitions and additions 1/1–30/6/2017	–	23	–	626	54	77	780
Less / (plus): Disposals–Transfers–Write offs 1/1–30/6/2017	–	–	–	-1,525	7	–	-1,518
Costs at 30/6/2017	2,110	6,320	8	240,714	3,550	3,362	256,064
Accumulated Depreciation at 1/1/2016	–	2,863	7	106,017	2,958	3,121	114,966
Depreciation for the period 1/1–31/12/2016	–	256	1	7,973	148	59	8,437
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–31/12/2016	–	–	–	30,401	23	–	30,424
Accumulated Depreciation at 31/12/2016	–	3,119	8	83,589	3,083	3,180	92,979

Minoan Lines Shipping S.A. – condensed interim Company stand-alone and consolidated financial statements for the period 1/1–30/6/2017
(amounts in thousands of €)

Accumulated Depreciation at 1/1/2017	–	3,119	8	83,589	3,083	3,180	92,979
Depreciation for the period 1/1–30/6/2017	–	128	–	4,025	76	33	4,262
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–30/6/2017	–	–	–	5	7	–	12
Accumulated Depreciation at 30/6/2017	–	3,247	8	87,609	3,152	3,213	97,229

Net book value at :

1/1/2016	2,110	3,415	1	216,148	421	123	222,218
31/12/2016	2,110	3,178	–	154,974	420	105	160,787
30/6/2017	2,110	3,073	–	153,105	398	149	158,835

Information on mortgages, liens on the above mentioned assets is included in note 23. It was examined whether there are any indications of impairment in their value as at 30/6/2017 and no reason for impairment arisen.

15. Investment property

The movement of investment property is presented in the table below:

	<u>The Group</u>			<u>The Company</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>	<u>Totals</u>
Cost at 1/1/2016	557	1,195	1,752	557	1,195	1,752
Costs at 31/12/2016	557	1,195	1,752	557	1,195	1,752
Cost at 1/1/2017	557	1,195	1,752	557	1,195	1,752
Costs at 30/6/2017	557	1,195	1,752	557	1,195	1,752
Accumulated Depreciation at 1/1/2016	–	494	494	–	494	494
Depreciation for the period 1/1–31/12/2016	–	41	41	–	41	41
Accumulated Depreciation at 31/12/2016	–	535	535	–	535	535
Accumulated Depreciation at 1/1/2017	–	535	535	–	535	535
Depreciation for the period 1/1–30/6/2017	–	21	21	–	21	21
Accumulated Depreciation at 30/6/2017	–	556	556	–	556	556
Net book value at :						
1/1/2016	557	701	1,258	557	701	1,258
31/12/2016	557	660	1,217	557	660	1,217
30/6/2017	557	639	1,196	557	639	1,196

In order to secure obligations of the Company, a mortgage has been registered on the property (note 24). It was examined whether there are any indications of impairment in its value as at 30/6/2017 and no reason for impairment arisen.

16. Investments in subsidiaries

Investments in subsidiaries are as follows:

<u>company</u>	<u>Participation amount</u>	
	<u>30/6/2017</u>	<u>31/12/2016</u>
Minoan Italia S.p.A.	132,243	132,243
Totals	132,243	132,243

The shares of Minoan Italia S.p.A. have been pledged as collateral to Minoans' bond loan (note 23).

17. Available for sale financial assets

The available for sale financial assets refer mainly to the Company's investment in the non-listed company Hellenic Seaways Shipping S.A. Since February 2016, the Company, decided to increase its participation and therefore proceeded to purchase shares of this company from interested shareholders. Up to 30/6/2017 the Company had completed transactions for 15.18% of the share capital of Hellenic Seaways Shipping S.A., shaping the Company's overall participation to approximately 48.53%.

The Company, despite this increase, believes that on 30/6/2017 it has no significant influence in the management / financial policy of the company. According to I.A.S. 28, the existence of significant influence by an investor is usually evidenced in one or more of the following ways: (a) representation on the board of directors or equivalent governing body of the investee, (b) participation in the policy-making process, (c) material transactions between the investor and the investee, (d)

interchange of managerial personnel, (e) provision of essential technical information. As at 30/6/2017 none from the above mentioned criteria, is met.

Furthermore, the following are mentioned:

- 1) following the election of a new Board of Directors on the Ordinary General Shareholders' Meeting of Hellenic Seaways Shipping S.A. held on 24/06/2016, there is no longer any member of the Board associated to or representing the Company,
- 2) the exercise of significant influence is being prevented by another investor who holds substantial or majority ownership. It is noted, the imposition of the majority opinion to the Board of the company, on very significant issues concerning management / economic policies, disregarding the Company's view or recommendations, while had minority participation on Hellenic Seaways Shipping S.A. BoD,
- 3) the lack or the provision of minimum and selective information,
- 4) the repeated distress arising from the lack of influence by the Company's management and economic policy in Hellenic Seaways Shipping S.A. was evident both by the repeated interference of the Company in receiving necessary financial figures from the company and by
- 5) the exercise of the Company's right to provide information in accordance with art. 39 par. 4 and 5 of the Law 2190/1920 regarding the company's affairs.

Therefore, the Company believes that on 30/6/2017 no significant / material influence is exercised to Hellenic Seaways Shipping S.A. and thus, the investment was valued in accordance with IAS 39. It was examined whether there are any indications of impairment in its value as at 30/6/2017 and no reason for impairment arisen.

18. Other non-current assets

In the other non-current assets, receivables of the Company mainly included which are expected to be collected in a period exceeding one year. For these receivables the Company has respectively recorded provisions and adjustments to present value. By including these adjustments the present value of these receivables, which is expected to be recovered, amounts to € 15,079 as at 30/6/2017 and € 15,120 as at 31/12/2016 respectively.

19. Inventories

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2017</u>	<u>31/12/2016</u>	<u>30/6/2017</u>	<u>31/12/2016</u>
Merchandise	2,396	1,981	2,396	1,981
Consumables	654	1,280	654	1,280
Totals	3,050	3,261	3,050	3,261

20. Trade and other receivables–Other current assets

	<u>Trade and Other Receivables</u>			
	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2017</u>	<u>31/12/2016</u>	<u>30/6/2017</u>	<u>31/12/2016</u>
Customers–Cheques Receivable	21,192	38,905	21,192	38,905
Trade receivables due from affiliates	–	–	185	471
Other Receivables	1,380	2,733	1,379	2,733
Totals	22,572	41,638	22,756	42,109

	<u>Other current assets</u>			
	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2017</u>	<u>31/12/2016</u>	<u>30/6/2017</u>	<u>31/12/2016</u>
Prepaid Expenses	1,173	1,920	1,173	1,920
Accrued Income	1,227	1,481	482	86
Totals	2,400	3,401	1,655	2,006

The decrease observed in "Customers–Cheques Receivable" are mainly due to the collection of receivables that existed on 31/12/2016 and were connected to the Adriatic route, where the Company ceased its activity with vessels operated by itself, and appointed as Grimaldi Group's General Sales Agency.

21. Cash and Cash equivalents

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2017</u>	<u>31/12/2016</u>	<u>30/6/2017</u>	<u>31/12/2016</u>
Cash on hand	497	587	497	481
Cash in banks and time deposits	34,923	28,792	33,819	28,792
Totals	35,420	29,379	34,316	29,273

Deposits are located mainly in banks with high credit rating index.

22. Share capital

(the amounts of note 22 are presented in €)

The share capital of the Company is divided into 106,980,050 ordinary shares with a nominal value of € 2.25 each. The equity holders of ordinary shares receive dividend when it is approved for distribution by the General Shareholders' Meeting. Every ordinary share carries one voting right at the General Shareholders' Meetings. The weighted average number of shares on 30/6/2017 and on 30/6/2016 was 106,980,050. Both the Company and its subsidiary did not held own shares during the period.

23. Loans – Short-term bank borrowings

The long-term debt of the Company is analyzed as follows:

	<u>Average</u> <u>interest rate</u> <u>1/1–30/6/2017</u>	<u>30/6/2017</u>	<u>Average</u> <u>interest rate</u> <u>1/1–30/6/2016</u>	<u>31/12/2016</u>
Bond Loan–Agent National Bank of Greece	0.85%	148,493	0.85%	153,230
Less : Net book value of transaction costs		-316		-372
Total bond loan		148,177		152,858
Less : current portion of long-term loan		-13,818		-13,930
Total long-term debt		134,359		138,928

The bond loan agreement is denominated in Euro with a variable interest rate (Euribor), plus a spread as defined in the particular agreement. The loan is repayable by 2019. Nevertheless, a partial or full early repayment of the loan is permitted according to the bond loan agreement.

The table below presents the contractual expiry dates of the Bond Loan Agreement of the Company:

	<u>Total</u>	<u>within</u> <u>one year</u>	<u>2–3</u> <u>years</u>	<u>4–5</u> <u>years</u>	<u>over</u> <u>5 years</u>
Bond loan	148,177	13,818	134,359	–	–

The interest expense of the above long-term debt for the periods ended June 30th 2017 and 2016 amounted to € 655 and € 810 respectively.

In order to secure the aforementioned debt, first preferred mortgages amounting to € 375,000 have been registered on the Company's vessels (note 14). Moreover, the shares of subsidiary Minoan Italia S.p.A. have been pledged for an amount of € 138,000 (note 16). As at 30/6/2017 and 31/12/2016 there are no short-term borrowings. To secure the approved short-term borrowings two of the Company's properties have been mortgaged (note 14). Information related to the exposure of the Company to financial risk is included in note 4.

24. Trade and other payables

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2017</u>	<u>31/12/2016</u>	<u>30/6/2017</u>	<u>31/12/2016</u>
Suppliers–cheque payables	4,258	10,263	4,238	10,263
Withholding taxes–social security contributions payable	3,131	4,167	3,131	4,167
Sundry creditors	13,849	3,231	13,839	3,231
Accrued expenses	2,227	21,886	2,227	21,886
Customer advances	2,964	1,640	2,964	1,640
Deferred income	3,487	3,179	2,770	2,431
Totals	29,916	44,366	29,169	43,618

The decrease observed in "Suppliers–cheques payables" and in "Accrued expenses" are mainly due to the repayment of liabilities that existed on 31/12/2016 and were connected to the Adriatic route where the Company ceased its activity with vessels operated by itself, and appointed as Grimaldi Group's General Sales Agency on this route. Consequently, this justifies the increase observed in "Sundry creditors".

25. Operating segments

The Group operates its business mainly in the passenger ferry shipping industry and has been engaged in the agency service of vessels / routes as well as on-board sales (bars–restaurants, shops etc.) on vessels owned by the group of the overlying parent company.

Following the discontinuation of operations on the Greece-Italy routes, the way of monitoring the operational sectors was modified. Hereinafter the Management monitors the Group's operations based on the type of exploitation and allocates these operations as follows:

- Vessels' operations that include an analysis of all operations / activities associated with the Group's owned vessels.

Minoan Lines Shipping S.A. – condensed interim Company stand-alone and consolidated financial statements for the period 1/1–30/6/2017 (amounts in thousands of €)

• Other activities that include an analysis of all operations related to vessels / routes agency services and to on-board sales on vessels of the overlying parent company's group.

Due to the nature of its business activities, the Company encounters the effect of seasonality relating to the revenue from passengers' and private cars' fares, the commissions received for agency services as well as the revenue from on-board services (bars–restaurants, shops etc). On the contrary, the revenue from truck fares is evenly spread throughout the year.

The Group

	<u>1/1–30/6/2017</u>	<u>Vessels' operations</u>	<u>Other commercial activities</u>	<u>Unallocated items</u>	<u>Totals</u>
Revenue		23,585	11,912	–	35,497
Gross Profit		4,387	5,591	–	9,978
Profit / (loss) before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)		10,701	3,766	-4,785	9,682
Depreciation		-6,789	-34	-224	-7,047
Profit / (loss) before taxation, financing and investment costs		3,912	3,732	-5,009	2,635
Financial income		8	–	28	36
Financial expense		-554	-157	-179	-890
Profit / (loss) of the period before taxes		3,366	3,575	-5,160	1,781
Income tax		-118	–	–	-118
Profit / (loss) of the period after taxes from continuing operations		3,248	3,575	-5,160	1,663
(Loss) of the period after taxes from discontinued operations		-78	–	–	-78
Profit / (loss) of the period after taxes		3,170	3,575	-5,160	1,585
	<u>30/6/2017</u>				
Total assets		309,933	106,457	45,474	461,864
Total liabilities		115,453	45,274	19,357	180,084
Capital expenditure		626	28	126	780

Based on the above, the data of the comparison period were also adjusted as follows:

The Group

	<u>1/1–30/6/2016</u>	<u>Vessels' operations</u>	<u>Other commercial activities</u>	<u>Unallocated items</u>	<u>Totals</u>
Revenue		26,466	3,314	–	29,780
Gross Profit		7,266	1,445	–	8,711
Profit / (loss) before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)		17,049	1,057	-6,108	11,998
Depreciation		-6,952	-18	-224	-7,194
Profit / (loss) before taxation, financing and investment costs		10,097	1,039	-6,332	4,804
Financial income		12	–	49	61
Financial expense		-713	-245	-187	-1,144
Profit / (loss) of the period before taxes		9,396	794	-6,470	3,721
Income tax		-119	–	–	-119
Profit / (loss) of the period after taxes from continuing operations		9,277	794	-6,470	3,602
Profit of the period after taxes from discontinued operations		8,603	–	–	8,603
Profit / (loss) of the period after taxes		17,880	794	-6,470	12,205
	<u>31/12/2016</u>				
Total assets		344,889	82,917	52,565	480,371
Total liabilities		136,686	39,527	23,963	200,176
Capital expenditure		905	9	172	1,086

The Unallocated items which cannot be reasonably allocated, thus are totally monitored by Management analyzed as follows:

- Total profit / loss before depreciation, tax, financing and investing costs, mainly relate to administrative and selling expenses.
- Total financial income / expenses refer to interest income and general financial expenses.
- Total assets relate mainly the cash and cash equivalents as well as receivables from customers / debtors who operate in both operation categories.
- Total liabilities include mainly the suppliers and creditors who provide services / goods that are also related to both operation categories.

26. Related party transactions

During 2008, the company “GRIMALDI GROUP S.p.A.” having its registered address in Palermo Italy, acquired the majority of the Company's shares, and thus became the ultimate controlling party exercising control on the Company and the Group. Related parties are considered the Group of the ultimate parent company, the members of the Board of Directors and management of subsidiaries of the Group, as well as the financially dependent members and first-degree relatives of the members of the Board of Directors and management, and the associate companies.

Presented in the tables below are the receivable and payable balances between the related parties on 30/6/2017 and 31/12/2016, as well as purchases (services received) and sales (services provided) for the periods 1/1–30/6/2017 and 1/1–30/6/2016 respectively:

26.1 Group of ultimate parent company

<u>30/6/2017</u>						<u>The Company</u>	<u>Minoan Italia S.p.A.</u>	<u>The Group</u>
<u>company</u>	<u>Minoan Lines Shipping S.A.</u>					<u>Totals</u>	<u>Grimaldi Group S.p.A.</u>	<u>Totals</u>
	<u>Grimaldi Group S.p.A.*</u>	<u>Grimaldi Euromed S.p.A.</u>	<u>Grimaldi Deep Sea S.p.A.</u>	<u>Grimaldi Belgium n.v.</u>	<u>Finnlines Plc</u>			
due from	–	–	44	–	1	45	–	45
payable to	5,601	5,832	–	1	–	11,434	10	11,444
* Grimaldi Tours is included								

<u>31/12/2016</u>						<u>The Company</u>	<u>The Group</u>	
<u>company</u>	<u>Minoan Lines Shipping S.A.</u>					<u>Totals</u>	<u>Totals</u>	
	<u>Grimaldi Group S.p.A.*</u>	<u>Grimaldi Euromed S.p.A.</u>	<u>Grimaldi Deep Sea S.p.A.</u>	<u>Finnlines Plc</u>				
due from	2,423	16,837	–	1		19,261	19,261	
payable to	–	–	48	–		48	48	
* Grimaldi Tours is included								

<u>1/1–30/6/2017</u>						<u>The Company</u>	<u>The Group</u>	
<u>company</u>	<u>Minoan Lines Shipping S.A.</u>					<u>Totals</u>	<u>Minoan Italia S.p.A. Grimaldi Group S.p.A.</u>	<u>Totals</u>
	<u>Grimaldi Group S.p.A.*</u>	<u>Grimaldi Euromed S.p.A.</u>	<u>Grimaldi Deep Sea S.p.A.</u>	<u>Grimaldi Belgium n.v.</u>				
Expenses related to the on-board sales (concession fees etc)	–	3,907	–	–	–	3,907	–	3,907
Attributing agency costs	–	-1,227	-110	–	–	-1,337	–	-1,337
Other expenses	-2	-7	–	1	–	-8	10	2
Totals	-2	2,673	-110	1	–	2,562	10	2,572
Revenue from crew coat reduction of vessels	–	240	–	–	–	240	–	240
Revenue from services rendered (commissions, fees and other revenue related to agency operation)	62	4,616	26	–	–	4,704	–	4,704
Revenue related to the on-board sales	–	1,321	–	–	–	1,321	–	1,321
Revenue from bunker disposal	318	275	–	–	–	593	–	593
Totals	380	6,452	26	–	–	6,858	–	6,858
* Grimaldi Tours is included								

<u>1/1–30/6/2016</u>						<u>The Company</u>	<u>Minoan Italia S.p.A.</u>	<u>The Group</u>
<u>company</u>	<u>Minoan Lines Shipping S.A.</u>					<u>Totals</u>	<u>Grimaldi Group S.p.A.</u>	<u>Totals</u>
	<u>Grimaldi Group S.p.A.*</u>	<u>Grimaldi Euromed S.p.A.</u>						
Chartering cost	7,776	7,087				14,863	–	14,863
Crew wages cost	91	85				176	–	176
Adjustment of the on-board operating result	457	418				875	–	875
Attributing crew wages cost of chartered owned vessels	–	-372				-372	–	-372
Attributing agency costs	–	-943				-943	–	-943
Bunkers cost	–	268				268	–	268
Other expenses	2	853				855	10	865
Totals	8,326	7,396				15,722	10	15,732
Chartering revenue	–	2,098				2,098	–	2,098
Revenue from crew coat reduction of chartered vessels	79	174				253	–	253
Revenue from services rendered	29	907				936	–	936
Proceeds of tangible asset sale	–	55,000				55,000	–	55,000
Revenue from bunker disposal	–	431				431	–	431
Other revenue	14	319				333	–	333
Totals	122	58,929				59,051	–	59,051
* Grimaldi Tours is included								

26.2 Subsidiaries

30/6/2017

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
Minoan Lines Shipping S.A. due from	185	185

31/12/2016

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
Minoan Lines Shipping S.A. due from	471	471

1/1–30/6/2017

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
Minoan Lines Shipping S.A. 2016 Dividend received	4,274	4,274
Totals	4,274	4,274

1/1–30/6/2016

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
Minoan Lines Shipping S.A. 2015 Dividend received	3,610	3,610
Totals	3,610	3,610

All the above transactions, as referred to notes 26.1 and 26.2, were entered into at arm's length.

26.3 Members of the Board of Directors and management

The remuneration to the Members of the Board of Directors and the Company's management are analysed as follows:

	<u>30/6/2017</u>	<u>30/6/2016</u>
Executive directors	261	254
Non-executive directors	104	95
Management	413	439
Totals	778	788

Of the total remunerations above, an amount of € 63 and € 62 remains unpaid as at 30/6/2017 and 30/6/2016 respectively. Moreover, for the period ended 30/6/2017, amounts, resulting from commercial activities with B.o.D. members, of € 95 while € 1 was payable. Finally, transactions with relatives of the Management and executives for the period ended 30/6/2017 amounted to € 105 while remains unpaid as at 30/6/2017 € 16. The nature of these transactions was mainly labor (payroll) and commercial cooperation (fees for goods and services received).

27. Discontinued operations

As at 1/1/2017 the time-charter agreements made between the Company and Grimaldi Group for the vessels "Cruise Europa" and "Cruise Olympia", operated in the Adriatic route, concluded. Consequently, from 1/1/2017 a subsidiary of the ultimate parent company took over the operation of those ships, while simultaneously the Company appointed as Grimaldi Group's General Sales Agency. Due to the aforementioned business restructuring, the Company's activity on the Adriatic routes has been classified as discontinued.

The results from this operation for the period of activity in 2017 as well as the comparatives of the previous period 1/1–30/6/2016 are presented below:

	<u>The Group</u>		<u>The Company</u>	
	<u>1/1–30/6/2017</u>	<u>1/1–30/6/2016</u>	<u>1/1–30/6/2017</u>	<u>1/1–30/6/2016</u>
Revenue	594	42,632	594	42,632
Cost of sales	-635	-30,538	-635	-30,538
Gross (Loss) / profit	-41	12,094	-41	12,094
Other operating income	268	–	268	–
Selling expenses	–	-3,476	–	-3,476
Administrative expenses	–	–	–	–
Other operating expenses	-305	–	-305	–
Operating (Loss) / profit before financing costs	-78	8,618	-78	8,618
Finance income	–	–	–	–
Finance expenses	–	-15	–	-15
Net finance results	–	-15	–	-15
(Loss) / profit of the period before taxes	-78	8,603	-78	8,603
Income tax	–	–	–	–
(Loss) / profit of the period after taxes	-78	8,603	-78	8,603

Minoan Lines Shipping S.A. – condensed interim Company stand-alone and consolidated financial statements for the period 1/1–30/6/2017 (amounts in thousands of €)

The (Loss) / profit of the period after taxes is attributable to :

Owners of the parent company	-78	8,603	-78	8,603
Non-controlling Interests	–	–	–	–
(Loss) / profit of the period after taxes	-78	8,603	-78	8,603
Operating cash flow from discontinued operations	3,828	-2,717	3,828	-2,717
(Loss) / profit of the period before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)	-78	8,761	-78	8,761

28. Offsetting of financial assets and liabilities

The following table shows the compensation of financial assets and liabilities held in current and previous year:

	<u>Initial Balances</u>		<u>Balances to be offset</u>		<u>Net Balances as presented in the Financial Statements</u>	
	<u>30/6/2017</u>	<u>31/12/2016</u>	<u>30/6/2017</u>	<u>31/12/2016</u>	<u>30/6/2017</u>	<u>31/12/2016</u>
	<u>The Group</u>					
Financial assets						
Trade and other receivables	41,637	51,694	-19,065	-10,056	22,572	41,638
Financial liabilities						
Trade and other payables	48,981	54,422	19,065	10,056	29,916	44,366
	<u>The Company</u>					
Financial assets						
Trade and other receivables	41,821	52,165	-19,065	-10,056	22,756	42,109
Financial liabilities						
Trade and other payables	48,234	53,674	19,065	10,056	29,169	43,618

29. Contingent liabilities

Further the mentioned below, there are no other changes in contingent liabilities of the Company and the Group as referred to the Annual Financial Statements of 2016.

The unaudited tax years for the Companies that are included in the Financial Statements are presented below:

<u>company</u>	<u>Unaudited tax years</u>
Minoan Lines Shipping S.A.	2012–2017
Minoan Italia S.p.A.	2012–2017

The Company has not been audited by the tax authorities for the financial year 2012 and onwards. The audits for the year 2006 and the years 2008–2011 were completed on 2017 and the Company received the Audit Reports. The results of these audits are presented in note 12. The provision, amounting to € 1,875, which had been conducted cumulatively up to 2016, against any potential tax obligation of previous years covered fully the final paid amount. Consequently, the Group's 2017 results will not be burdened. Respectively, the Italian subsidiary Minoan Italia S.p.A. has not been audited for the years 2012 to 2017. On 12/6/2017, the audit of the subsidiary by the Italian tax authorities for the years 2012–2014 started. Until the approval date of the interim financial report, this audit is in progress and has not been finalized. During this check, the management believes that no significant additional tax liabilities will be arisen.

The Company has been informed by the competent tax authorities that has been selected for partial tax audit for the years 2006 and 2008–2011. The tax audit processes are in progress. Respectively, the Italian subsidiary Minoan Italia S.p.A. has not been checked for the years 2009 to 2016. Concerning the outcome of these audits, the management of the Company believes that no additional taxes and surcharges will be imposed and therefore no provision has been established.

For the year 2011 onwards, the Company receives annually a "Tax Compliance Report". The "Tax Compliance Report" is issued by the statutory auditor that audits the annual financial statements. Following the completion of a tax audit, the auditor issues the "Tax Compliance Report" which submits electronically to the Ministry of Finance.

For the Company the "Tax Compliance Report" for the unaudited by the tax authorities years 2012–2016 has been issued by the statutory auditors and no adjustments with respect to the tax expense and corresponding tax provision as reflected in the annual financial statements of those years has arisen.

30. Subsequent events

There are no other subsequent events relating to the Company or the Group that have occurred and need to be disclosed according to International Accounting Standard 34.

Heraklion, September 27th, 2017

The Chairman
of the B.o.D.

The Managing
Director

The Chief Financial
Officer

The Accounting
Manager

Emanuele
Grimaldi

Pass No IT / AA 2179472

Antonios
Maniadas
ID C No AI 944699

Nikolaos
Artemis
ID C No AK 004796

Isidoros
Manolakis
ID C No AE 961838
H.E.C. ID No 113468 – A' Class



a Grimaldi Group company

MINOAN LINES

SHIPPING SOCIETE ANONYME

Company's No in the General Electronic Commercial Registry: 77083027000

Domicile : 17, 25th August Str. 71202 - Heraklion Crete

NOTES AND INFORMATION for the period ended June 30th, 2017 (1/1 – 30/6/2017)

(In accordance with the decision 4 / 507 / 28.4.2009 of the B.o.D. of Hellenic Capital Market Commission)

The financial information set out below provides a general presentation of the financial position and results of MINOAN LINES SHIPPING S.A. and its Group. Therefore, we recommend the users of the financial data and information, before making any investment decision or proceeding to any transaction with the Company or the Group, to obtain the necessary information from the website, where the stand-alone and consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U., are available together with the auditors' report, when required.

(Amounts in Thousand €)

COMPANY'S INFORMATION

Company's Web Site : www.minoan.gr
 Date of approval of financial statements from the Board of Directors: September 27th, 2017
 Certified Auditor Accountant: Minnou Despina Reg. No. ICPA (GR) 17581
 Audit Firm: PricewaterhouseCoopers S.A. Reg. No. ICPA (GR) 113
 Type of auditor's report: **Unqualified opinion**

STATEMENT OF CHANGES IN EQUITY

	The Group		The Company	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Total equity (1/1/2017 and 1/1/2016)	280,195	299,585	269,817	250,046
Profit of the period after taxes (a)	1,565	12,205	3,685	13,621
Other comprehensive income of the period after taxes (b)	-	-	-	-
Total comprehensive income of the period after taxes (a) + (b)	1,565	12,205	3,685	13,621
Total equity at the end of the period (30/6/2017 and 30/6/2016)	281,760	271,770	273,502	263,667

STATEMENT OF FINANCIAL POSITION

Assets	The Group		The Company	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016
Property, plant and equipment	298,548	303,309	158,686	160,652
Intangible assets	149	105	149	105
Investment property	1,196	1,217	1,196	1,217
Investments in subsidiaries	-	-	132,243	132,243
Available for sale financial assets	83,414	82,907	83,414	82,907
Other non-current assets	15,115	15,155	15,115	15,155
Inventories	3,050	3,261	3,050	3,261
Trade receivables	22,572	41,638	22,756	42,109
Other current assets	37,820	32,780	35,971	31,278
Total assets	461,864	480,371	452,580	468,958
Equity and liabilities				
Share Capital	240,705	240,705	240,705	240,705
Retained Earnings and other Reserves	41,075	39,490	32,797	29,112
Total Shareholders Equity (a)	281,780	280,195	273,502	269,817
Non-controlling interests (b)	-	-	-	-
Total equity (c) = (a) + (b)	281,780	280,195	273,502	269,817
Long-term borrowings	134,359	136,928	134,359	136,928
Provisions (other long-term liabilities)	1,958	1,880	1,732	1,634
Bank overdrafts and current portion of long term borrowings	13,818	13,800	13,818	13,800
Other current liabilities	29,949	45,438	29,169	44,649
Total liabilities (d)	180,084	200,176	179,078	199,141
Total equity and liabilities (c) + (d)	461,864	480,371	452,580	468,958

STATEMENT OF CASH FLOWS

	The Group		The Company	
	1/1–30/6/2017	1/1–30/6/2016	1/1–30/6/2017	1/1–30/6/2016
Cash flows from Operating activities				
Profit of the period before taxes	1,793	12,324	3,685	13,621
plus / (less) adjustments for :				
Depreciation	7,047	7,337	4,283	4,573
Provisions	615	256	615	259
Net Foreign Exchange	-12	4	-12	4
(Income,) gains () from other investing activities	-	-3,524	-4,274	-7,135
Interest and other financial expenses	890	1,159	890	1,159
plus / (less) adjustments for changes in working capital or operating activities :				
Decrease / (increase) in inventories	212	953	212	953
Decrease / (increase) in trade and other receivables	19,442	-11,853	17,730	-12,151
(Decrease) in liabilities other than borrowings	-13,598	-4,869	-13,598	-4,849
(Wax) :				
Interest and related expenses paid	-830	-1,016	-830	-1,016
Income tax paid	-1,175	-127	-1,030	-
Net cash Generated by / (used in) Operating activities (a)	12,064	-1,359	6,506	-7,488
Cash Flows from Investing activities				
Share purchase of other investments	507	29,866	507	29,866
Repayment of capital from affiliate	-	-	286	-
Purchase of tangible and intangible assets	-780	-527	-780	-527
Net proceeds from sale of tangible assets	-	55,000	-	55,000
Dividends received	-	-	4,274	3,610
Net cash (Used in) / generated by Investing activities (b)	-1,287	24,607	3,273	28,217
Cash Flows from Financing activities				
Repayment of long term borrowings	-4,736	-32,681	-4,736	-32,681
Net cash (Used in) Financing activities (c)	-4,736	-32,681	-4,736	-32,681
Net Increase / (decrease) in cash and cash equivalents (a)+(b)-(c)	6,041	-4,433	5,043	-11,952
Cash and cash equivalents at the beginning of the period	29,379	24,704	26,273	34,585
Cash and cash equivalents at the end of the period	35,420	15,271	34,316	12,614

STATEMENT OF COMPREHENSIVE INCOME

	The Group						The Company					
	1/1–30/6/2017			1/1–30/6/2016			1/1–30/6/2017			1/1–30/6/2016		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Revenue	35,497	594	36,091	29,780	42,631	72,412	30,362	494	30,856	24,618	42,832	67,248
Gross Profit / (loss)	9,978	-41	9,937	8,711	12,594	20,805	7,619	-41	7,578	6,334	12,054	18,428
Operating Profit / (loss) before tax, financing and investing costs	2,635	-78	2,557	4,854	6,616	13,422	352	-79	274	2,003	6,618	11,121
Profit / (loss) of the period before taxes	1,781	-70	1,713	3,721	6,603	12,304	3,763	-79	3,685	5,018	6,603	13,621
Profit / (loss) of the period after taxes (a)	1,663	-78	1,585	3,692	6,603	12,205	3,763	-78	3,685	5,018	6,603	13,621
- Equity holders of the parent	1,663	-78	1,585	3,692	6,603	12,205	3,763	-78	3,685	5,018	6,603	13,621
- Non-controlling interests	-	-	-	-	-	-	-	0	-	-	-	-
Other comprehensive income of the period after taxes (b)	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income of the period after taxes (a) + (b)	1,663	-78	1,585	3,692	6,603	12,205	3,763	-78	3,685	5,018	6,603	13,621
- Equity holders of the parent company	1,663	-78	1,585	3,692	6,603	12,205	3,763	-78	3,685	5,018	6,603	13,621
- Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Basic Earnings of the period after taxes per share after taxes (in €)	0.0155	-0.0007	0.0148	0.0337	0.0804	0.1141	0.0352	-0.0007	0.0344	0.0469	0.0804	0.1273
Operating Profit / (loss) of the period before taxes, depreciation, financing and investing costs	9,882	-78	9,804	11,998	8,701	20,759	4,834	-78	4,556	6,933	8,761	15,894

NOTES AND INFORMATION

- The amounts are presented in thousands of € unless explicitly stated otherwise. Any last digit discrepancies are due to rounding of the figures.
- The companies that are included in the above stated financial statements with their locations, the Group interest and the consolidation method are presented in note 1 of the condensed interim financial statements.
- The consolidated financial statements are included in the consolidated financial statements of the company "GRIMALDI GROUP S.p.A." (domicile : Palermo Italy) which at the period ended June 30th, 2017 participated in the share capital of the Company with 95.98% (call option of 1.97% included).
- The unaudited tax years of the Company and of the companies of the Group are analyzed in note 29 of the condensed interim financial statements.
- For securing the long term debt, first preferred mortgages have been registered on the Group's vessels and have been pledged the shares of the subsidiary company Minoan Italia S.p.A. (note 23 of the condensed interim financial statements).
- There are no outstanding disputes in the courts or any arbitration against the Company and the companies of the Group, which could have substantial effects on the financial position. The relevant provisions included in the above stated financial statements are the following:

	The Group	The Company
Provisions for debtors balances legally pursued	20,607	20,607
Provisions for uncollected tax years	-	-
Other provisions	223	223
- The number of the personnel employed by the Group at the period ended 30/6/2017 and 30/6/2016 was 390 and 383, respectively.
- Basic earnings per share were calculated based on the weighted average number of shares outstanding as of 30/6/2017 and 30/6/2016 respectively. Both the Company and its subsidiary did not hold own shares during the period.
- Information on the discontinued operations is given in Note 27 of the condensed interim financial statements.
- The total inflows and outflows, as well as the receivables and payables, resulting from transactions among the related parties in accordance with the I.A.S. 24 are analyzed in note 26 of the condensed interim financial statements and are as follows:

	The Group	The Company
a) Inflows	6,855	6,838
b) Outflows	2,572	2,562
c) Receivables	45	230
d) Payables	11,444	11,434
e) Transactions and compensations of directors and members of B.o.D.	978	979
f) Receivables from directors and members of B.o.D.	-	-
g) Payables to directors and members of B.o.D.	80	80

Heraklion, September 27th, 2017

The Chairman of the B.o.D.

Emanuele Grimaldi
Pass. No IT / AA 2179472

The Managing Director

Antonios Mamiadakis
ID C No AI 944699

The Chief Financial Officer

Nikolaos Artemis
ID C No AK 004796

The Accounting Manager

Isidoros Manolakis
ID C No AE 961838
H.E.C. ID No 113468 - A' Class