MINOAN LINES SHIPPING S.A.

Annual Financial Report of the year 2017 (1/1 – 31/12/2017)

In accordance with 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

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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 year 2016 (1/1–31/12/2016) have been adjusted so as to present the continuing operations of the Group and the Company.

The Annual Financial Report has been approved by the Board of Directors on 15/3/2018 and has been uploaded to the Company's web site www.minoan.gr

Statements of the members of the Board of Directors

(In accordance with article 4 par. 2 of law 3556 / 2007)

We, the undersigned, hereby state that according to our knowledge:

1. The annual separate and consolidated financial statements of the company «MINOAN LINES SHIPPING S.A.» for the period from January 1st 2017 to December 31st 2017, as prepared in accordance with the applicable International Accounting Standards, give a true view of the assets, liabilities, equity, and the financial results for the period ended, 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 the article 4, paragraphs 3–5 of the of law 3556 / 2007 and,
2. The annual report of the Board of Directors, gives a true view of the development, the performance and the financial position of the Company and the companies included in the consolidation, taken as a whole, including the description of all significant risks and uncertainties.

Heraklion, March 15th 2018

The Chairman of the B.o.D.	The Managing Director	The Member of the B.o.D.
Emanuele Grimaldi	Antonios Maniadakis	Georgios Papageorgiou
Pass No IT / AA 2179472	ID C No AI 944699	ID C No AK 469642

(amounts in thousands of €)

Annual Report of the Board of Directors on the financial statements of the year 2017 (1/1 – 31/12/2017)

This report refers to the annual consolidated Financial Statements and to the separate financial statements for the year 2017 and has been prepared in accordance with laws 2190 / 1920, 3556 / 2007 as well as the decision 7 / 448 / 2007 of Hellenic Capital Market Commission.

Significant events for the year 2017 – Effect on Financial Statements

Since 1/1/2017, they were concluded the time-charter agreements of vessels “Cruise Europa” & “Cruise Olympia”, which are active in the Adriatic route. The significant change of the economic conditions in the Adriatic market, such as the decrease in passenger traffic volumes as well as the increase in fuel prices, have led the Company to the decision not to renew the time charter agreements of above-mentioned vessels. Consequently, from 1/1/2017 the Company has opted to continue its business activity in Adriatic market through its is appointment as Grimaldi Group’s General Sales Agency in Greece for Grimaldi Group vessels operating in the route Patras-Igoumenitsa-Ancona-Venice.

On 26/10/2017, an initial framework agreement with ATTICA Holdings S.A. was concluded, with object the transfer of all the shares the Company currently holds at Hellenic Seaways S.A.as well as the sale of 2 vessels. More specifically, this framework agreement includes the following separate and interrelated (en bloc) transactions:
- The sale from Minoan Lines S.A. to ATTICA Holdings S.A. of 37,667,504 shares of Hellenic Seaways SA which currently represent 48,53% of the paid up share capital, for a consideration of € 78,500.
- The purchase by Minoan Lines S.A. of the vessel “HIGHSPEED 7”, that is owned by Hellenic Seaways S.A., for a total purchasing price of € 25,000. Along with highspeed vessel’s purchase, the Company acquires the right to operate on the “Heraklion-Cyclades” route.
- The purchase by a company owned by Grimaldi Group, the main shareholder of Minoan Lines SA, of the vessel "SUPERFAST XII" owned by ATTICA FERRIES MARITIME COMPANY, a 100% subsidiary of ATTICA Holdings SA, for a total purchasing price of €74,500.

The implementation of the agreement is, inter alia, conditional on the approval of the Hellenic Competition Commission and on securing the necessary corporate and other approvals. The aforementioned transactions will be completed upon the acquisition of control of Hellenic Seaways S.A. by ATTICA Holdings SA, for which the latter has submitted a notice to the Hellenic Competition Commission on the grounds of another transaction, which is currently being examined.

Traffic Volumes

In 2017, the Company operated on the "Piraeus-Heraklion" route, retaining its high ranked place by carrying 684 thousand passengers, 101 thousand passengers. cars and 57 thousand trucks.

Consolidated Balance Sheet & Financial Results

In the following table are presented the subsidiary company which, with the Company, is included in the consolidated financial statements and 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 consolidated Statement of financial position and Statement of profit or loss and other comprehensive income are presented below:

	2017	2016	Change €
Statement of financial position – key figures			
Non – Current Assets	390,071	402,692	-12,621
Current Assets	49,887	77,679	-27,792
Equity	284,311	280,195	4,116
Total Liabilities	155,647	200,176	-44,529
Statement of profit or loss and other comprehensive income – key figures			
Continuing operations			
Revenue	**79,459**	**62,417**	**17,042**
Cost of sales	55,309	43,778	11,531
Selling and Administrative Expenses	17,552	15,304	2,248

(amounts in thousands of €)

Profit of the year before interest, taxes, depreciation and amortization (E.B.I.T.D.A.)	**20,132**	**19,262**	**870**
Net Financial and Investing Results	1,605	1,944	-339
Profit of the year after taxes from continuing operations	**4,159**	**2,251**	**1,908**
(Loss) / profit of the year after taxes from dicontinued operations	-78	18,407	-18,485
Profit of the year after taxes	**4,081**	**20,658**	**-16,577**

- The “Non-Current Assets” reached € 390,071 against € 402,692 at 31/12/2016, decreasing by € 12,621 mainly due to depreciation of the year.
- The “Current Assets” decreased by € 27,792 and reached € 49,887 against € 77,679 at 31/12/2016. This change is mainly due to the decrease in trade receivables resulting from the discontinuation of the operation of vessels in the Adriatic market as of 1/1/2017.
- The “Equity” increased by € 4,116 and reached € 284,311 against € 280,195 at 31/12/2016. This change is due to profits of 2017 fiscal year.
- The “Total Liabilities” reached € 155,647 against € 200,176 at 31/12/2016, decreased by € 44,529, mainly resulting from the the discontinuation of the operation of vessels in the Adriatic market as of 1/1/2017, as well as from the installments payment of long-term bank borrowings.

The substantial improvement of financial performance from continuing operations was achieved despite the prolonged economic recession in Greece and the intense competition among shipping companies of ferry sector. Analytically :

- The “Revenues” from continuing operations increased by € 17,042 and reached € 79,459 against € 62,417 in fiscal year 2016, mainly due to the Company’s appointment as Grimaldi Group’s General Sales Agency in Greece on the “Patra–Igoumenitsa–Ancona–Venice” route.
- The “Cost of Sales” increased by € 11,531 and reached € 55,309 against € 43,778 in 2016 fiscal year. This change is mainly due to costs related with new exploitation undertakings of restaurants – bars – shops on board by the Company on vessels of subsidiaries of the ultimate parent company, as well as to significant increase in fuel price.
- The “Distribution costs and Administration Expenses” increased by € 2,248 compared to previous fiscal year, reaching € 17,552.
- The Operating results before tax, depreciation, financing and investing costs (E.B.I.T.D.A.) from continuing operations increased by € 870 and reached profits of € 20,132 against profits of € 19.262 compared to 2016 fiscal year.
- The “Net Financial Results” presented reduction compared to those of 2016 fiscal year and reached € 1,605 against € 1,944 (- € 339). This change was primarily due to the repayment of long-term bank borrowings.
- The “Net Results after Taxation” from continuing operations reached profits of € 4,159 against profits of € 2,251 in previous fiscal year.

Financial Ratios

The main financial ratios of the Group are presented here below:

	2017	2016
General Liquidity Total Current Assets Total short term liabilities	**1.74**	**1.31**
Immediate Liquidity Total Current Assets – Inventories Total short term liabilities	**1.66**	**1.25**
Debt–equity Ratio Equity Total Liabilities	**1.83**	**1.40**
Leverage ratio Net Borrowings Net Borrowings + Equity	**0.27**	**0.31**

- General Liquidity ratio assesses the entity’s capacity to serve its current liabilities and it is derived from Group’s balance sheet relevant figures.
- The Quick ratio shows how many times the direct liquidate items covers the current liabilities and arises from the Group's balance sheet relevant figures.
- Debt-Equity Ratio presents the capital structure and the relation between the Equity and Long & Short term liabilities. The said ratio derives from the relevant figures of the Group’s balance sheet.
- Leverage ratio is derived from Net Debt and Total Capital Employed and it measures the company’s capital structure. Moreover, Net debt is defined as the total bank debt (Long & Short Term) deducting the Cash and cash equivalents while the total capital employed is the sum of Equity and Net debt.

(amounts in thousands of €)

Balance Sheet & Financial Results at Stand Alone basis

The most important items of Company's Statement of financial position and Statement of profit or loss and other comprehensive income, prepared in accordance with I.F.R.S., are presented below:

	2017	2016	Change €
Statement of financial position – key figures			
Non – Current Assets	378,617	392,309	-13,692
Current Assets	49,958	76,649	-26,691
Equity	273,700	269,817	3,883
Total Liabilities	154,875	199,141	-44,266
Statement of profit or loss and other comprehensive income – key figures			
Continuing operations			
Revenue	**69,103**	**52,035**	**17,068**
Cost of Sales	49,768	38,227	11,541
Selling and Administrative Expenses	17,400	15,156	2,244
Profit of the year before interest, taxes, depreciation and amortization (E.B.I.T.D.A.)	**9,942**	**9,050**	**892**
Financial Income	167	139	28
Financial Expenses	1,796	2,113	-317
Profit of the year after taxes from continuing operations	**3,926**	**1,392**	**2,534**
(Loss) / profit of the year after taxes from dicontinued operations	-78	18,407	-18,485
Profit of the year after taxes	**3,848**	**19,799**	**-15,951**

Share price

(amounts in €)

The share price of the Company stood at € 2.40 on 31/12/2017 while its market value at the same date amounted to € 256,752,120.

Subsequent Events

(amounts in €)

On January 2018, the charter agreement expired, among Minoan Italia S.p.A. and Compagnia Italiana di Navigazione (C.I.N.), for the two vessels CRUISE BONARIA and MYKONOS PALACE belonging to the subsidiary. On the same day, the two vessels were chartered-out by Minoan Italia S.p.A to a subsidiary of the ultimate parent company for a period of less than 12 months.

On 8/3/2018, the Company's subsidiary Minoan Italia S.p.A. proceeded to the sale of the vessel M/V CRUISE BONARIA to Grimaldi Euromed S.p.A., to which the vessel had been chartered since January 2018. The net procceds for the sale amounted to € 70 million. The total procceds is intended to be used to repay a corresponding portion of the Group's bond loan. The estimated consolidated gain from the above sale is expected to reach approximately € 1.5 million and will be included in the 2018 financial results.

There are no other subsequent events after year ended on 31/12/2017.

Prospects for the year 2018

(amounts in €)

Company's financial results depends, mainly, on the following factors:

- The financial situation in Greece which has an impact on the disposable income of households and the development of companies' business.
- The uncertain environment in the international markets and the international financial evolutions.
- The impact on tourist flows from the social-political developments not only at a national but also at an international level, mainly on issues concerning hostilities in countries of Eastern Mediterranean, the refugee crisis, social unrest etc.
- The level of competition among companies of the shipping sector.
- The fluctuation on the prices of fuel.

The volatile nature of the aforementioned factors makes it difficult to foresee the development and impact on transport volume and on financial figures of the Company in 2018. In any case, the Management of the Company is on vigilance so that it can seize the business opportunities and face the challenges so that financial results of the Company continue their upward trend

Corporate Business Model – Main Strategic Goals

The Company provides maritime transport services contributing to the development of domestic and international tourism & commerce. Company's fleet is composed with vessels which can transport passengers, cars and also trucks. In addition, the Company provides agency services in Adriatic market. Main concern and absolute priority is the constant improvement of the services provided to Company's customents and the building of strong and long term relationships with loyal customers, based on the principles of quality and reliability.

The management of the Company focuses on the application of the following policies:
- Invest in modern vessels technologicaly advanced.
- Provides high-level quality services giving special importance in matters related to safety, security and comfort.
- Continuous improvement and quality upgrade of the provided services according to market standards and expectations in order to achieve a high-level of customer satisfaction.
- Achievement of strong customer loyalty.

The Company's main objectives are the following:
- Optimal operational level of the fleet.
- Strong, competitive performance of invested capital
- On-going healthy finanacial structure
- Long-term corporate value enhacement
- Exploit of arising opportunities for further development of coastal shipping operations.
- Improve competitive position in Greek coastal shipping market.

Quality Policies

The long-lasting Company's presence in Passenger Coastal Siphing, the applied strict policies about quality issues, the fully trained personnel, as well as, the investments in high standard vessels have led the Company to provide a high level of services. Within this framework, the Company has achieved to excel, receiving critical certifications and accepting important awards from established international and domestic organisations :

- ISO 9001:2008, Quality Management System, issued for «Safe and Quality Transport of Passengers and Vehicles" by international classification society RINA.
- ISO 22000:2005, Safe Food Management System for storage, process and service of food and beverages in vessels, issued by TÜV Hellas.
- ISM-Code (International Safety Management) and ISPS-Code (International Ship and Port Facility Security), issued by certification society RINA.
- HACCP certificate (Hazardous Analysis Critical Control Point), issued by TÜV HELLAS (member of RWMTÜV Group) for securing health standards in the storage, production and consumption of food and beverages in ships.
- Environmental Management System ISO 14001:2004, issued by certification society RINA.

The above certifications awarded to the Company confirm the strict regulations and procedures followed in the ships and also by Company's staff ashore. It should stated that these certifications are awarded by independent competent inspectors after thorough relevant on-site inspection.

Environmental Issues

The Company attributes great importance and priority to the management of energy performance improvement aiming to reduce ship's impact and protect the environment

Specifically, for the protection of marine environment the Company implements certain actions including multiple recycling procedures in collaboration with leading companies in the management of solid and liquid residues, in order to mininise the environmental impact.

Furthermore, the company, recognizing the important role that have employees in sea and in land for achieving the goals concerning the protection of the environment, observes the environmental procedures and guidelines, and also, secures the collaboration of all parties involved in order to implement new initiatives aiming the reduction of the negative consequences in the environment.

The Company also supplies environmentally-friendly consumables, spare parts and equipment and ensures the continuous training of crew and land-based personnel, in order to create environmental consciousness while encouraging the awareness of the passengers traveling with its ships.

(amounts in thousands of €)

In Group's ships suitable propellers have been placed for achieving economy in fuel consumption , while the hull has been coated with silicone, environmentally friendly colors as to ensure the highest possible energy efficiency resulting in a reduction in consumption and emissions of around 24%. The aim of the above actions is to fully harmonize with the SHIP ENERGY EFFICIENCY MANAGEMENT PLAN and at the same time to reduce the emissions of carbon dioxide.

- The Company observes voluntarily the Environmental Management System ISO 14001:2004, which is inspected by certification society RINA on an annual basis.
- Designs routes in low speed as to save fuel and reduce emissions.
- Company ships' consumes only ultra-low sulfur marine gas oil during docking at ports.

Finally, Minoan Lines participates in a research project for the study of the aquatic environment and is a member of "HELMEPA", Hellenic Association for the Protection of the Marine Environment. The Company adheres to a strict system of procedures and controls for the management of waste and sewage on its fleet, in accordance with relevant domestic and international regulations. In 2017, all the waste and sewage, for which our ships meet all applicable standards, managed by the Company were:

TOTAL WASTE 2017 in Cubic Meters								
VESSEL	**Total Sludge**	**Total Blidge**	**Plastics**	**Food Residuals**	**Garbage**	**Cooked Edible Oil**	**Other Garbage**	**Recycled Blidge**
KNOSSOS PALACE	297.00	311.50	298.00	342.60	1.100.10	0.30	413.50	283.50
FESTOS PALACE	305.00	371.30	326.65	357.60	1.109.40	0.65	466.00	313.80
Total Waste	**602.00**	**682.80**	**624.65**	**700.20**	**2.209.50**	**0.95**	**879.50**	**597.30**

Human Resource

The Company believes that the personality of each employee contributes significantly to its success, as a company of high reputation in coastal shipping sector and it aims to employ persons with suitable skills (talents) intending to keep high standard of the services both on land and on board.

The Company co-operates with the most important educational institutions through their career offices and frequently employs students and provides equal opportunities and fair treatment at the employment irrespective of age, sexual orientation, race, nationality, religion or beliefs.

The promotion of the equality and of equal opportunities in the sector of employment constitutes the main goal of the Company and it is applied on all levels of the administrative pyramid. The candidates for each department, administrative position, or supervisory body should have the suitable skills, qualifications, knowledge and experience in the sector or the department of their employment. Furthermore, the Company invests in the training of its employs with the aim to their continuous improvement as well as their professional development, while the rights of the employees are fully respected and protected.

The promotion of the principle of equality in the work place for all the participants, irrespective of their personality traits or/and choices in combination with the continuous training and the code ethics of the Company which includes, among others, principles such as quality, transparency, responsibility, respect, innovation, contribute to the upgrade of the provided services and the overall optimization of the performance of the human resources of the Company.

The Company believes in handling people with respect and dignity, both as individuals and as part of the human resources.

Personnel Employed

- Departments in land →142 employees , of which:
  69 men (49%) / 73 women (51%) (5 women in managerial positions)
- Crew in ships →176, of which 12 women (6.8%)

Personnel Classification by Age

Land / Persons	Ships / Persons	Age
13	29	< 30
99	109	30 – 50
30	38	> 50

Personnel Training – Seminars

Company's philosophy is to develop and improve the skills of its employees aiming to the improvement and development of quality services (life-long learning). As to realization this goal, the Company urges the employees to attend seminars and educational opportunities through corporate training programs, conferences and workshops. At the same time, the employees who study in parallel at universities are entitled to extra days paid leave, in accordance with the labour agreement.

In 2017, 94 employees of the company in land and ships participated in 16 different seminars completing in total 831 training hours.

Personnel Evaluation System

Personnel's evaluation process is aiming at the description of required actions for the determination of the goals of Company's human resources and the improvement of its performance.
The electronic application for the assessment procedure assures the confidentiality and contributes to the creation of a data base for statistical purposes.

The assessment system works as a tool for development and improvement of Company'shuman resources, assuring a framework of a sincere attitude and dialogue between employees and managers in critical of labour issues.

Health and Safety

Safety in the work place is Company's first priority. All necessary measures are taken to prevent and to avoid accidents, and also best practices are implemented as to detect and face any possible dangers for the health and safety of the employees as well as of the customers and partners that visit Company' establishments.
The Company has also implemented mechanisms aiming to improve the work conditions and ensure the health and safety personnel.

Accidents in 2017:
* Fatal labour accidents: 0 – (0%)
* Non-fatal labour accidents : 1 – (0.5 %) in sea.

Social Responsibility

The Company firmly supports a purely anthropocentric philosophy, according to which every business activity ought to have the human being at its center. The awareness of this social responsibility has led the Company to a series of sponsorships, in the form of financial support or free tickets with its vessels, aiming to enhance, encourage and reward valuable initiatives and efforts thus returning part of their financial benefits in the local community of Crete contributing to the prosperity and progress of society.

Minoan Lines, taking into account the socio-economic situation and the actual needs of their passengers, have chosen to support sensitive social groups (poor, unemployed, people with special needs, large families, students, rehabilitation communities, etc.) which are suffering by the current economic conditions. This approach, in social terms, is strategically integrated into Company's annual commercial / pricing policy through the provision of special discounts, reduced prices or even free tickets. In addition, the Company is committed to evaluate consistently and responsibly and satisfy in a balanced way, for the benefit of society and the business, the majority of requests sent on a daily basis for the provision of financial support to individuals / organizations in need.

Minoan Lines' modern plan of the sponsorship actions, in the framework of Corporate Social Responsibility, covers a wide range of beneficiaries such as: Sports Teams, Museums, Cultural Associations, Educational Institutions, Cultural Centers (National Opera House), as well as many Public Benefit Organizations "Doctors of the Aegean Sea", which since 1996 is providing free health and prevention services to vulnerable social groups of isolated areas of Crete and the Greek islands. Recognizing this great social work, Minoan Lines have "adopted" the organization by providing free travel for people, vehicles and equipment.

At the same time, social actions are being reinforced in order to properly manage human resources and develop a safe and friendly working environment, rewarding excellence and promoting teamwork and equal treatment by organizing activities that go beyond the limits of vocational training and are aimed at strengthening personal ties.

In the corporate social responsibility program, the Company have been supporting for 20 years voluntary blood donation, an act of culture, social responsibility and generous donation. This initiative was launched as to strengthen the institution of voluntary blood donation that saves lives, and through this effort more than 500 blood units have been collected over the past 20 years.

(amounts in thousand*s of* €)

Risks and Uncertainties

Macroeconomic and operating environment

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.
In 2017 the position of the Greek economy was improved, a fact that contributed positively both to the growth of employment and to private consumption. In addition, there was an increase in the level of trust and confidence of our country which contributed significantly to the de-escalation of Greek bond yields.
Nevertheless, there are still the contry's banking system is sallow, mainly with defaulting loans, as well as the financing of the country following the completion of the agreement with the European Stability Mechanism (E.S.M.) in August 2018, which has a negative impact on its outlook.
Within this political and economic framework, as described above, Group's operations continue without any disruption. while all necessary measures are being taken 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 1/1/2017 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 2017 there was a significant increase in the level of international fuel prices in comparison with the respective period of 2016.

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 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.
A 0.50% fluctuation of the interest rates, would have proportionally increased or decreased the financial results of the Company, as presented by the amounts below :

	Financial Results Sensitivity	
	0.50% increase	0.50% decrease
31/12/2017		
Long–term borrowings and bank overdrafts	-696	696
Cash flow sensitivity	**-696**	**696**
31/12/2016		
Long–term borrowings and bank overdrafts	-766	766
Cash flow sensitivity	**-766**	**766**

The table above does not include the positive effect from interest rate fluctuations on cash deposits.

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 31/12/2017 the Group's cash and cash equivalents amounted to € 33,839 while at 31/12/2016 amounted to € 29,379. Furthermore, the Group maintaining credit lines with cooperating banks, which as at 31/12/2017 and 31/12/2016 amounting to € 7,000, which 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 31/12/2017 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.

Currency 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.

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.
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 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.

Supply chain

The Company has developed a supply chain in order to serve both the needs for its marine operation (fuel supplies, spare parts, etc.) as well as the needs of its hotelier business (stores, restaurants and bars). No particular difficulty or delay in the supply of goods and services has been observed. The capital controls imposed on Greek banking system since June 2015 have not produced any significant delays in Company's supply chain performance.
In addition, the long-term cooperation and the trust relationship that has been developed amongst the Company and its suppliers facilitate all parties to overcome any difficulty that may arise.

Compliance with new Regulation

Based on the decisions of the IMO Marine Environment Protection Commission, ships are permitted to supply marine fuel with a sulfur content of 3.5% and 1.5% untill 31/12/2019. However, according to regulation enforced, starting form 1/1//2020 it becomes mandatory the use of low-sulfur marine fuel of 0.5% sulfur content for all vessels. The introduction of low sulfur regulation requires that Group's existing fleet should adapt to new fuel standards. Compliance of existing fleet with low-sulfur regulation may involve investments (application of scrubbers technology), or alternatively, the consumption exclusively of low-sulfur marine fuel. In any case, it is not expected low sulfur regulation to have a significant impact on Group's financial position.

Environmental risk

The Company attributes great attention to environmental issues. In this context, being aware of how important it is to safeguard and to protect the environment from human activities, business evolution and technological progress, 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

(amounts in thousands of €)

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 year end 2017 and 2016 respectively:

1/1-31/12/2017	Minoan Lines Shipping S.A.						The Company		The Group
company	Grimaldi Group S.p.A. *	Grimaldi Euromed S.p.A.	Grimaldi Deep Sea S.p.A.	Grimaldi Germany GBMH	Finnlines Plc	Grimaldi Belgium n.v.	Totals	Minoan Italia S.p.A. Grimaldi Group S.p.A.	Totals
Expenses related to the on board sales (concession fees etc)	–	9,484	–	–	14	–	**9,498**	–	**9,498**
Attributing agency costs	–	-2,398	-110	20	–	–	**-2,488**	–	**-2,488**
Other expenses	-1	-8	–	–	–	1	**-8**	20	**12**
Totals	**-1**	**7,078**	**-110**	**20**	**14**	**1**	**7,002**	**20**	**7,022**
Revenue from services rendered (commissions, fees and other revenue related to agency operation)	128	9,142	25	–	–	–	**9,295**	–	**9,295**
Revenue related to the on board sales	37	3,600	–	–	–	–	**3,637**	–	**3,637**
Revenue from bunker disposal	318	275	–	–	–	–	**593**	–	**593**
Totals	**483**	**13,017**	**25**	**–**	**–**	**–**	**13,525**	**–**	**13,525**

** Grimaldi Tours is included*

1/1–31/12/2016	Minoan Lines Shipping S.A.			The Company		The Group
company	Grimaldi Group S.p.A. *	Grimaldi Euromed S.p.A.	Grimaldi Deep Sea S.p.A.	Totals	Minoan Italia S.p.A. Grimaldi Group S.p.A.	Totals
Chartering cost	16,163	15,438	–	**31,601**	–	**31,601**
Crew wages cost	216	204	–	**420**	–	**420**
Adjustment of the on-board operating result	1,171	1,156	–	**2,327**	–	**2,327**
Attributing crew wages cost of chartered owned vessels	–	-372	–	**-372**	–	**-372**
Attributing agency costs	–	-1,746	-34	**-1,780**	–	**-1,780**
Bunkers cost	–	268	–	**268**	–	**268**
Other expenses	4	2,056	–	2,060	20	2,080
Totals	**17,554**	**17,004**	**-34**	**34,524**	**20**	**34,544**
Chartering revenue	–	2,098	–	**2,098**	–	**2,098**
Revenue from crew coat reduction of chartered vessels	165	364	–	**529**	–	**529**
Revenue from services rendered	60	1,778	12	**1,850**	–	**1,850**
Revenue from vessel sale	–	55,000	–	**55,000**	–	**55,000**
Revenue from bunker disposal	–	431	–	**431**	–	**431**
Other revenue	37	719	–	**756**	–	**756**
Totals	**262**	**60,390**	**12**	**60,664**	**–**	**60,664**

** Grimaldi Tours is included*

The aforementioned transactions were made at arm's length.

Here below the most significant outstanding balances on 31/12/2017 and on 31/12/2016 between the related parties are presented:

31/12/2017	Minoan Lines Shipping S.A.				The Company	The Group
company	Grimaldi Group S.p.A. *	Grimaldi Euromed S.p.A.	Grimaldi Deep Sea S.p.A.	Finnlines Plc	Totals	Totals
due from	29	1,243	49	–	**1,321**	**1,321**
payable to	–	–	–	13	**13**	**13**

** Grimaldi Tours is included*

(amounts in thousands of €)

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

** Grimaldi Tours is included*

In the line of financial statements “Suppliers and other short-term Liabilities” and specifically in the amount representing “Accrued Expenses” it is included an amount of € 575 (2016: € 17,091), which it was not invoiced till 31/12/2017 and for this reason it is not included in the liabilities to related parties, but instead it is presented in the transactions for the same period.

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 for the year 2017 are presented on the table below:

	31/12/2017	31/12/2016
Executive directors	477	511
Non – executive directors	274	190
Management	905	915
Totals	**1,656**	**1,616**

Of the total remunerations above, an amount of € 64 and € 63 remains unpaid as of 31/12/2017 and 31/12/2016 respectively. Moreover, for the year ended 31/12/2017, the Company concluded commercial transactions with BoD members amounting to € 202, of which an amount of € 201 was receivable, as of 31/12/2017. Finally, for the year ended 31/12/2017, transactions with relatives of the management and of executives amounted to € 228, while it was unpaid the amount of € 28, as of 31/12/2017. The nature of these transactions was mainly labour (payroll) and commercial cooperation (compensation for goods and services received)

Explanatory report of the board of directors (article 4, paragraph 7-8 of Law 3556/2007)

The explanatory report of the board of directors to the Annual General Meeting of shareholders includes additional information in reference to the issues of paragraphs 7 & 8 of the article 4-law 3556/2007.

Structure of the Company’s share capital

The Company’s share capital amounted € 240,705,112.50 on December 31st, 2017 and it is split into 106,980,050 ordinary shares with a nominal value of € 2.25 each. Each share carries all the rights and obligations set out in law.

Limitations on transfer of Company shares

Company’s shares may be transferred as provided by the law and there are no restrictions regarding the transfer of shares.

Significant direct or indirect interests in the context of articles 9 & 11 of Law 3556/2007

On December 31st 2017, the company «GRIMALDI GROUP S.p.A.» participated in Minoan Lines share capital with 96.05% (89.94% directly and 6.11% indirectly).

Shares carrying special control rights

None of Company’s shares carry any special rights of control.

Limitations on voting rights

There are no limitations on voting rights.

Agreements among Company’s shareholders

The Company is not aware of any other agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights.

Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided in Codified Law 2190/1920

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Law 2190/20.
In reference to the Structure of the Board of Directors, article 15 of the Articles of Association defines that “ 1. *The company is directed by a Board of Directors which consists of a number of executive and non-executive members, between seven*

(7) and nine (9), in accordance with L. 3016/2002, as it may be in force, who may or may not be shareholders. 2. Members of the Board may always be re-elected and they remain freely revocable."
The members of the Board of Directors that were elected in the Annual General Meeting on 22/6/2017 are nine.
In reference to the term of office and the election of the Board of Directors the article 17 of the Articles of Association defines that "*With the exception of the provisions of article 21 of the company's Articles of Association, the members of the Board of Directors are elected by the General Meeting of the company's shareholders for a four-year term of office which may be extended until the Ordinary General Meeting convened after such term has elapsed."*
Regarding the Replacement of a member of the Board of Directors, the article 21 of the Articles of *Association defines the following:*
1. The Board of Directors may elect members in replacement of members that have resigned, died or lost their capacity in any other way. The above election is effective by decision of the remaining members, if they are at least three (3) and is valid for the rest of the term of the member being replaced. The decision on the election is subject to the publicity formalities of article 7b of law 2190/1920 and is announced by the Board of Directors at the next General Meeting, which can replace the elected members, even if no such subject has been recorded in the agenda.
2. In case of resignation, death or loss of the capacity of a member or members of the Board of Directors in any other way, the remaining members can continue the administration and the representation of the company, even without the replacement of the missing members according to the previous paragraph, on condition that their number exceeds half the number of the members as it was prior to the incurring of the above facts. In every case, such members cannot be fewer than three (3).
3. In any case, the remaining members of the Board of Directors, regardless of their number (even one) can convene the General Meeting for the sole purpose of electing a new Board of Directors.

Authority of the Board of Directors or certain of its members to issue new shares or to purchase treasury shares of the Company pursuant to article 16 of codified Law 2190/1920

There is no authority of the Board of Directors or certain of its members to issue new shares or to purchase treasury shares of the Company, pursuant to article 16 of Law 2190/20.

Significant agreements put in force amended or terminated in the event of a change in the control of the Company following a public offer.

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer, except for the bond loan agreement which states that any change in the legal or ultimate beneficial ownership of any shares resulting in the change of control of the Company, constitute an event of default.

Significant agreements with members of the Board of Directors or employees of the Company

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment. In case of termination of employment of a member of company's personnel, indemnities and compensations according to the relevant legislation apply.

Corporate Governance

I. Corporate Governance

The Company has adopted the principles of the Corporate Governance, as they are defined by the valid Greek legislation and the international practice.
According to them the Corporate Governance is a totality of regulations, principles and auditing mechanisms, forming the basis of the organization and the administration of the company, contributing significantly to the transparency of the benefits of all the shareholders and everybody who is related with its operation.
Regarding the diversity policy concerning the administrative, managerial and supervisory bodies, it should be noted that the Company has not implemented a specific policy, but instead, it is adopted in the Code of Conduct a special section where it is stated that all efforts are made by the Company in order to create conditions of equal opportunities for all employees, existing and potential, without permitting discriminations based on gender, origin, religion, political orientation, sexual orientation, socioeconomic background, etc.

II. The Corporate Governance Code

The Company decided the compilation of the Corporate Governance Code (sling in www.minoan.gr), according to the instructions of the Business and Industries Association concerning the listed companies.
Amendments of this Corporate Governance Code are in the absolute discretion of the company.

III. Deviations from the instructions of the Corporate Governance Code of the Business and Industries Association and their justification

The Board of Directors – Role and Competences

- ✓ No distinguished committees have been established by the B.o.D., which care for the procedure of the submission of candidates for the election of its members and submit proposals, regarding the remunerations of the executive members and the administrative officers, as such decisions are taken by a plenary session.

The Board of Directors – Size and Composition

- ✓ No independent vice chairman is appointed, who comes from the independent members of the B.o.D. but non-executive because the President and the Managing Director are different persons and the Vice-President fulfills the substantive conditions of independence.
- ✓ It is to be noted that the B.o.D according to the articles of Association no 19, has the ability to elect, by secret voting, one of its members as Managing Director, by defining, in parallel his competences.
- ✓ The status of the Chairman or the Vice Chairman of the B.o.D. is an obstacle to his election as Managing Director.

The Board of Directors – Duties and Behavior of its members

- ✓ The members of the B.o.D are not obliged to give a detailed notification of their possible professional commitments (including significant non-executive commitments with companies and non-profitable foundations) before their appointment; no limitation exists regarding the number of the B.o.D of listed companies where they may participate, since they correspond efficiently to their duties.
- ✓ No approval of the B.o.D is needed for the appointment one of the executive members as non-executive member to a company that is not affiliate or bonded to the company.

The Board of Directors – Nomination of the candidate members

- ✓ There is no provision for a committee for the nomination of the candidates for the election of the B. o. D., since due to the structure of the company it is not considered to be necessary.

The Board of Directors – Operation

- ✓ No annual schedule/plan of the conventions of the B.o.D. is compiled, since both the call and the convention of the B.o.D. when the circumstances call it or the law imposes it, are easy.
- ✓ No meetings of the Chairman with the non-executive members, without the presence of the executive members, are provided, in order to discuss the effectiveness and the remunerations of the executive members, given that, every issue is discussed in the presence of all the members of the B.o.D.
- ✓ No schedules of preliminary information of the new members of the B.o.D. are provided, neither a prevision for a continuous professional training for the members exists, given that persons with adequate and proved experience and administrative skills are appointed for the election.
- ✓ No allocation of financial sources to the committees of the B.o.D. is foreseen, neither for the recruitment of external counsels, since relevant sources are approved occasionally, based on the current needs.
- ✓ The B.o.D. is not supported by a Corporate Secretary, given that the relevant needs are covered effectively by the Administrative Secretary Department.

The Board of Directors – Assessment

- ✓ There is no prevision of an institutionalized procedure for the assessment of the effectiveness of the members of the B.o.D. and its committees, neither of the performance of the Chairman. This procedure is not considered necessary given the structure of the company.
- ✓ There is no prevision of an institutionalized procedure, according to which the regular members and non-executive members convene without the presence of the executive members, in order to assess the effectiveness of the executive members and to define their remunerations.
- ✓ In the annual Corporate Governance Statement no procedure for the assessment of the B.o.D. or its committees is provided, given that no assessment procedures are provided.

The Internal Audit System

- ✓ The B.o.D. does not proceed to the assessment of the internal audit system because the Audit Committee studies and expresses its opinion (to the B.o.D.) in the annual Review of the Internal Audit System of the Internal Audit Department.

The Audit Committee

- ✓ There is no prevision for the allowance of financial sources to the Committee for the use by the committee, of external counsels, given that the composition of the Committee and the specialized knowledge and the experience of its members secure its effectiveness.

The Board of Directors – Remunerations

- ✓ There are no contracts of committed services between the company and the executive members of the B.o.D., according to which the refund of a part or the totality of the bonus that possibly has been awarded to them is foreseen.
- ✓ There is no prevision for a Remunerations' Committee, which exclusively consists by non-executive members, independent to their majority, which has, as objective, the definition of the remunerations of the members of the B.o.D. The creation of this committee, given the structure and the operation of the company, is not deemed necessary.
- ✓ The remuneration of the executive members of the B.o.D. is not approved by the B.o.D. after the proposal of the competent Remunerations' Committee, given that all the remunerations and the allowances to the executive members

(amounts in thousands of €)

of the B.o.D. are defined by its decision and as provided by the law 2190/1920. It is possible that compensation is awarded to the members of the B.o.D., the amount of which is defined by a special decision of the Regular General Meeting of the Shareholders. Any other remuneration or compensation of the members of the B.o.D. is at the company's expenses, if it is approved by a special decision of the Regular General Meeting.

The General Meeting of the Shareholders

- ✓ There is no prevision that the summary of the minutes of the general meeting of the shareholders to be published on the web site of the company. However the results of the voting, regarding every decision of the General Meeting, are notified within 5 days after the general meeting is convened, translated into the English language.
- ✓ The company does not provide voting ways via an electronic vote or via correspondence, encouraging and facilitating the presence in person of the shareholders in the general meetings.

IV. Remark of the main features of the Internal Audit System and the Administration of the Risks that are related to the procedure of the compilation of the financial statements

The Internal Audit System

The Internal Audit System is a totality of procedures that are followed by the B. o. D., the Management and the personnel of the company, so that the effectiveness and the productivity of the corporate operation, the reliability of the financial information to the investors and the compliance to the valid legislation and guidelines, are secured.
Among these procedures the monitoring of the financial information, the assessment and the improvement of the internal audit systems and the administration of the risks, are included, as well as the verification to the institutionalized policies and processes, as they are mentioned in the Internal Regulation of the Company, the Corporate Governance Code and the Works Regulations, according to the valid legislation and the normative arrangements.

V. Informative data regarding the composition of the Board of Directors

Composition of the B.o.D.

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, March 15th 2018
For and on Behalf of the Board of Directors

The Chairman of the B.o.D.	The Managing Director
Emanuele Grimaldi	**Antonios Maniadakis**
Pass No IT / AA 2179472	**ID C No AI 944699**

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "MINOAN LINES SHIPPING S.A."

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of "MINOAN LINES SHIPPING S.A." (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2017, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow statement for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2017, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1st January 2017 to 31 December 2017 are disclosed in the note 36 to the separate and consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of Available for sale financial assets. (separate and consolidated financial statements) As described in Notes 17 and 30 the company holds an investment in HELLENIC SEA WAYS ("HSW") (an unlisted entity) with a value of Euro 83,4 million. This is classified as an available for sale financial asset in non-current assets. Moreover, during 2017 the company announced that has come to a framework agreement with ATTICA Holdings S.A. for the transfer of the above mentioned shares for an agreed consideration. Nevertheless the transaction is subject to a significant number of approvals and as a result the investment continues to be classified as available for sale in the non-current assets. The company in order to assess the fair value of the financial asset obtained a valuation from an independent appraiser who has used available appraising methods in order to reach the fair value of the investment, (discounted free cash flow as well as comparable transactions). During that process estimates such as discount rate and growth rate were used. Following the valuation of the investment no change in values was recorded. We assessed this as a Key Audit Matter due to the significant magnitude of the balance and managements estimates involved in assessing the fair value of the investment at each reporting date as well as management's judgment in relation to the classification of this investment.	We performed the following procedures in order to assess that the valuation was prepared based on generally accepted accounting methods, was mathematically correct and was based on reasonable assumptions. We together with our valuation specialists, challenged management on the suitability of the valuation model and reasonableness of the assumptions (discount rate, growth rate) and performed the following : • Benchmarking key assumptions in management's valuation model with market data and trends and assumptions made in the prior years. • Testing the mathematical accuracy of the model. • Assessing the sensitivity of valuation models to changes in significant assumptions We also assessed the independence and objectivity of the external valuer used by management. We validated the appropriateness of the related disclosures included in Notes 17 and 30 to the financial statements. Based on our work, no exceptions were noted and we consider management's key assumptions used in the valuation to be within a reasonable range.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members and the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise, explicitly stated in this paragraph of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors report includes the disclosures required by Codified Law 2190/1920 and the Corporate Governance Statement required by article 43bb of Codified Law 2190/1920 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' report for the year ended at 31 December 2017 is consistent with the separate and consolidated financial statements,
- The Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 43bb of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of management and those charged with governance for the separate and consolidated financial statements

The Board of Directors is responsible for the preparation ***and fair presentation of the separate and consolidated financial statements*** in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on June 22, 2012. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 6 years.

No previous renewals and reappointments exists.

Athens, 16 March 2018

pwc

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

The Certified Auditor
Despina Marinou
SOEL Reg. No.17681

Annual Financial Statements (stand alone and consolidated) as of December 31st, 2017

In accordance with International Financial Reporting Standards

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)

The accompanying Financial Statements on pages 24 to 54 have been approved by the Board of Directors on March 15th 2018 and have been uploaded to the Company's web site www.minoan.gr.

Table of Contents

The amounts of the annual 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 year 2016 (1/1–31/12/2016) have been adjusted so as to present the continuing operations of the Group and the Company.

(amounts in thousands of €)

STATEMENT OF PROFIT or LOSS and OTHER COMPREHENSIVE INCOME

		The Group		The Company	
	Note	1/1–31/12/2017	1/1–31/12/2016	1/1–31/12/2017	1/1–31/12/2016
Continuing operations					
Revenue	4	79,459	62,417	69,103	52,035
Cost of sales	5	-55,309	-43,778	-49,768	-38,227
Gross Profit of the year		**24,150**	**18,639**	**19,335**	**13,808**
Other operating income	6	1,168	3,848	1,168	3,848
Selling expenses	7	-11,254	-8,997	-11,137	-8,884
Administrative expenses	8	-6,298	-6,307	-6,263	-6,272
Other operating expenses	9	-1,822	-1,714	-1,822	-1,713
Operating Profit of the year before financing costs		**5,944**	**5,469**	**1,281**	**787**
Finance income	10	191	169	167	139
Finance expenses	11	-1,796	-2,113	-1,796	-2,113
Net finance results		**-1,605**	**-1,944**	**-1,629**	**-1,974**
Dividend income from participations	16	–	–	4,274	3,610
Profit of the year before taxes		**4,339**	**3,525**	**3,926**	**2,423**
Income tax	13	-180	-1,274	–	-1,031
Profit of the year after taxes from continuing operations		**4,159**	**2,251**	**3,926**	**1,392**
(Loss) / profit of the year after taxes from dicontinued operations	34	-78	18,407	-78	18,407
Profit of the year after taxes		**4,081**	**20,658**	**3,848**	**19,799**
Other comprehensive income of the year (B)					
Items that will not be reclassified subsequently to profit or loss					
Actuarial Gain / (loss)	26	35	-28	35	-28
Total comprehensive income of the year after taxes (A) + (B)		**4,116**	**20,630**	**3,883**	**19,771**
The Profit of the year is attributable to :					
Owners of the parent company		**4,081**	**20,658**	**3,848**	**19,799**
Non–controlling Interests		–	–	–	–
Profit of the year after taxes		**4,081**	**20,658**	**3,848**	**19,799**
The total comprehensive income of the year is attributable to :					
Owners of the parent		**4,116**	**20,630**	**3,883**	**19,771**
Non–controlling interests		–	–	–	–
Total comprehensive income of the year after taxes		**4,116**	**20,630**	**3,883**	**19,771**
Basic Earnings per Share after Taxes (in €)	32	**0.0381**	**0.1931**	**0.0360**	**0.1851**

The accompanying notes on pages 29–54 are integral part of the Financial Statements

(amounts in thousands of €)

STATEMENT OF FINANCIAL POSITION

		The Group		The Company	
	Note	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Assets					
Non – current assets					
Property, plant and equipment	14	292,067	303,308	154,970	160,682
Intangible assets	14	138	105	138	105
Investment property	15	1,176	1,217	1,176	1,217
Investments in subsidiaries	16	–	–	125,643	132,243
Available for sale financial assets	17 & 30	83,414	82,907	83,414	82,907
Other long term assets – receivables	18	13,276	15,155	13,276	15,155
Total non – current assets		**390,071**	**402,692**	**378,617**	**392,309**
Current assets					
Inventories	19	2,476	3,261	2,476	3,261
Trade and other receivables	20	13,002	41,638	19,587	42,109
Other current assets	20	570	3,401	506	2,006
Cash and cash equivalents	21	33,839	29,379	27,389	29,273
Total current assets		**49,887**	**77,679**	**49,958**	**76,649**
Total Assets		**439,958**	**480,371**	**428,575**	**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	23	13,818	13,558	13,108	13,073
Retained earnings		4,044	188	-5,857	-9,705
Total Equity attributable to equity holders of the parent		**284,311**	**280,195**	**273,700**	**269,817**
Non – controlling interests		–	–	–	–
Total Equity		**284,311**	**280,195**	**273,700**	**269,817**
Non – current liabilities					
Loans	25	125,221	138,928	125,221	138,928
Deferred tax liabilities	13	179	246	–	–
Retirement benefit obligations	26	1,420	1,473	1,420	1,473
Other provisions		188	161	188	161
Total Non – current liabilities		**127,008**	**140,808**	**126,829**	**140,562**
Current liabilities					
Loans–current portion of long term loans	25	13,818	13,930	13,818	13,930
Income tax obligations	13	–	1,072	–	1,031
Trade and other payables	27	14,821	44,366	14,228	43,618
Total Current liabilities		**28,639**	**59,368**	**28,046**	**58,579**
Total Liabilities		**155,647**	**200,176**	**154,875**	**199,141**
Total Equity and Liabilities		**439,958**	**480,371**	**428,575**	**468,958**

The accompanying notes on pages 29–54 are integral part of the Financial Statements

(amounts in thousands of €)

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity
Balance as at 1/1/2016		**240,705**	**25,744**	**60,239**	**-76,642**	**250,046**
Changes in equity 1/1–31/12/2016						
Transfer of other reserves to the retained earnings				-47,138	47,138	–
Profit of the year after taxes					19,799	**19,799**
Actuarial (Loss)	26			-28		**-28**
Other comprehensive income of the year						–
Total comprehensive income of the year after taxes				**-28**	**19,799**	**19,771**
Balance as at 31/12/2016		**240,705**	**25,744**	**13,073**	**-9,705**	**269,817**
Balance as at 1/1/2017		**240,705**	**25,744**	**13,073**	**-9,705**	**269,817**
Changes in equity 1/1–31/12/2017						
Profit of the year after taxes					3,848	**3,848**
Actuarial Gain	26			35		**35**
Other comprehensive income of the year						–
Total comprehensive income of the year after taxes				**35**	**3,848**	**3,883**
Balance as at 31/12/2017		**240,705**	**25,744**	**13,108**	**-5,857**	**273,700**

The accompanying notes on pages 29–54 are integral part of the Financial Statements

(amounts in thousands of €)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributed to owners of the parent company						
		Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Shareholders' Equity	Non-–controlling interests	Total Equity
Balance as at 1/1/2016		**240,705**	**25,744**	**60,534**	**-67,418**	**259,565**	**–**	**259,565**
Changes in equity 1/1–31/12/2016								
Transfer of other reserves to the retained earnings				-47,138	47,138	–	–	–
Transfer between retained earnings and other reserves (ordinary reserve)				190	-190	–	–	–
Profit of the year after taxes					20,658	**20,658**	–	**20,658**
Actuarial (Loss)	26			-28		**-28**	–	**-28**
Other comprehensive income of the year						–	–	–
Total comprehensive income of the year after taxes				**-28**	**20,658**	**20,630**	**–**	**20,630**
Balance as at 31/12/2016		**240,705**	**25,744**	**13,558**	**188**	**280,195**	**–**	**280,195**
Balance as at 1/1/2017		**240,705**	**25,744**	**13,558**	**188**	**280,195**	**–**	**280,195**
Changes in equity 1/1–31/12/2017								
Transfer between retained earnings and other reserves (ordinary reserve)				225	-225	–	–	–
Profit of the year after taxes					4,081	**4,081**	–	**4,081**
Actuarial Gain	26			35		**35**	–	**35**
Other comprehensive income of the year						–	–	–
Total comprehensive income of the year after taxes				**35**	**4,081**	**4,116**	**–**	**4,116**
Balance as at 31/12/2017		**240,705**	**25,744**	**13,818**	**4,044**	**284,311**	**–**	**284,311**

The accompanying notes on pages 29–54 are integral part of the Financial Statements

(amounts in thousands of €)

STATEMENT OF CASH FLOWS

Indirect Presentation Method	Note	The Group 1/1–31/12/2017	The Group 1/1–31/12/2016	The Company 1/1–31/12/2017	The Company 1/1–31/12/2016
Cash Flows from Operating Activities					
Profit of the year before taxes		**4,261**	**21,932**	**3,848**	**20,830**
Plus / Less adjustments for:					
Net depreciation		14,188	13,951	8,660	8,422
Provisions		1,112	1,204	1,112	1,204
Net Foreign Exchange losses		-3	4	-3	4
(Income), (gains) from investing activities		–	-3,521	-4,274	-7,131
Interest and other financial expenses		1,796	2,128	1,796	2,128
Adjustments for changes in working capital or operating activities					
Decrease / (Increase) in inventories		785	-645	785	-645
Decrease / (Increase) in trade and other receivables		29,945	-6,067	28,628	-7,898
(Decrease) in liabilities other than borrowings		-28,770	-1,863	-28,629	-1,728
Less :					
Interest and related expenses paid		-1,675	-1,928	-1,675	-1,928
Income taxes paid		-1,333	-259	-1,031	–
Net cash generated by operating activities (a)		**20,306**	**24,936**	**9,217**	**13,258**
Cash Flows from Investing activities					
Participation in share capital increases of other investments	17	-507	-32,300	-507	-32,300
Return of capital from affiliate	16	–	–	471	8,100
Purchase of tangible and intangible assets	14	-1,409	-1,086	-1,409	-1,086
Proceeds from sale of tangible and intangible assets		–	55,000	–	55,000
Dividends received	16	–	–	4,274	3,610
Net cash generated by / (used in) investing activities (b)		**-1,916**	**21,614**	**2,829**	**33,324**
Cash Flows from Financing activities					
Repayment of long/short term borrowings	25	-13,930	-41,875	-13,930	-41,875
Net cash (used in) financing activities (c)		**-13,930**	**-41,875**	**-13,930**	**-41,875**
Net Increase in cash and cash equivalents (a) + (b) + (c)		**4,460**	**4,675**	**-1,884**	**4,707**
Cash and cash equivalents at the beginning of the year		**29,379**	**24,704**	**29,273**	**24,566**
Cash and cash equivalents at the end of the year	21	**33,839**	**29,379**	**27,389**	**29,273**

The accompanying notes on pages 29–54 are integral part of the Financial Statements

Notes to the annual financial statements of the year 2017 (1/1 – 31/12/2017)

1. General Company's information

The Company was established on May 25th 1972 (FEK 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 Company's shares are listed on the Athens Stock Exchange (code: MINOA). The corresponding code under Reuters is MILr.AT and under Bloomberg is MINOA GA.
As at 31/12/2017 and 31/12/2016 the total number of ordinary shares outstanding was 106,980,050. The total market capitalization on 31/12/2017 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 31/12/2017, two (2) members of the board were executive, five (5) were non–executive and two (2) were non–executive–independent members.
The Annual Financial Statements for the year ended 31/12/2017 include the Company and consolidated financial statements (the "Financial Statements") and were approved by the Board of Directors on March 15th, 2018, while are subject to the final approval by the Shareholders' Annual General Meeting. The consolidated financial statements include the Company and its subsidiary (the Group).
The subsidiary that is included in the consolidated financial statements and the ownership interest that the parent company holds, directly or indirectly, is outlined in the table below:

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

2. Basis of preparation of the Financial Statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the European Union.
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 year has generated profitable results. Moreover, despite the difficulties created by the recent imposition of capital controls in Greece (note 29.2), 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 profit or loss and other comprehensive income and the related notes have been adjusted to include continuing operations. The presentation of discontinued operations is presented in note 34.
The amounts of the annual 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 Basis of Preparation

The financial statements are prepared on the historical cost basis except for available for sale financial assets which are measured as indicated in note 3.3.1.b.

2.3 Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The results of the aforementioned estimates form the basis of making decisions about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on – going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
Information about significant estimates and critical judgements in applying accounting policies that have significant effect on the financial statements as well as those which involve potential adjustment risks for the next fiscal year or years are as follows:

- Tangible and intangible assets (depreciation): The Group and the Company must estimate the useful life of property, plant and equipment and intangible assets recognized at acquisition or as a result of a business combination. These estimates are revisited at least on an annual basis taking into account new developments and market conditions.(note 3.5 and 14).
- Available for sale financial assets: Their valuation based on studies by independent appraisers taking into account all available appraising methods in order to reach the fair value of the investment. Additionally, where applicable, Management uses its experience to take into account other qualitative or quantitative factors that should be included in such a way that their fair value is considered reliable and objective (note 3.3.1.β, 17 and 30).
- Employee Defined Benefit Obligation: The present value of the liabilities for post-employment benefits depends on a number of factors defined on actuarial basis via the use off a significant number of assumptions. The assumptions used for the determination of the net cost (income) for post-employment benefits include the discount rate. Any changes in the assumption would have material effect on the accounting measurement of the liabilities for post-employment benefits. The Group defines the appropriate discount rate in each reporting period. It is the interest rate applicable for the calculation of the present value of the estimated future payments required for the settlement of the benefit liabilities. For the estimation of the appropriate discount rate the Group takes into consideration the interest rates prevailing in high credit rating corporate bonds denominated in the currency of the benefit payments and with maturity dates similar to the ones of the respective liabilities. Other significant accounting assumptions for post-employment benefit liabilities are based in part on the current market conditions (note 3.12.2 and 26).
- Financial Risk Management: For the adequacy of provisions for doubtful and disputed claims, in relation to credit policy, Management conducts an assessment taking documentation, based on historical data, of its legal advisors handling the cases, the existence of debtors' assets and recent developments (note 3.3.1.α, 18, 20 and 29.3).
- Contingent liabilities: their existence requires the Management conducting durable assumptions and estimates concerning the likelihood of future events and their relative impact on Group results (note 35).

3. Significant Accounting Policies

The significant accounting policies presented below, have been consistently adopted in all periods presented in these financial statements by all companies of the Group.

3.1 Basis of Consolidation

3.1.1 Subsidiaries

Subsidiaries are entities managed and controlled directly or indirectly by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently are exercisable or convertible are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
In the Company's financial statements, investment in subsidiaries is presented at the acquisition cost less any impairment loss.
When the Group sells a subsidiary, this action is measured at its net selling price less cost of disposal, at the date of disposal or when the control is lost, with the change in carrying amount recognized as profit or loss.

3.1.2 Associates

Associates are those entities in which the Company has significant influence, but not control, over their financial and operating policies and do not meet the requirements to consider them as subsidiaries. They are initially recognized at cost plus any goodwill arising on acquisition. In the consolidated financial statements, associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. In the individual consolidated financial statements of the parent company, investments in associates are accounted at cost less any possible impairment.

3.1.3 Transactions eliminated on Consolidation

Intra – group balances and transactions, and any income and expenses arising from intra–group transactions, are eliminated in preparing the consolidated financial statements. Gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

3.2 Foreign Currency Transactions and Functional Currency

The companies of the Group maintain their books in Euro and the financial statements are presented in Euro (functional currency). Transactions in foreign currencies are translated to Euro at the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Euro at the closing exchange rate on that date. Foreign exchange differences arising out of transaction are recognized in the income statement. Non–monetary assets that are accounted for at cost are translated at the exchange rate at the date of the transaction.

3.3 Financial Instruments

3.3.1 Non – derivative financial instruments

Non – derivative financial instruments comprise of: financial instruments at fair value through profit or loss, available for sale securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.
Non – derivative financial instruments are initially recognized at fair value plus (for instruments not at fair value through profit or loss) any directly attributable transaction costs. Subsequent to initial recognition, non–derivative financial instruments are measured as described below.
Non–derivative financial instruments are recognized in the financial statements when the Company and the Group transact as parties with scope these financial instruments. Financial assets are derecognized, when the Group's contractual rights on the financial assets cash flows expire, or the financial assets are transferred to a third party without retaining control or material benefit or risk. The financial assets purchases and sales in the ordinary course of business are recorded in the financial statements at the transaction date which corresponds to the date of purchasing or selling by the Group. Financial liabilities are derecognized in the financial statements at the time that the contractual obligations of the Group is expired or cancelled.

3.3.1.a Trade and Other receivables

Trade and Other Receivables are stated at amortized cost using the effective interest rate, except of the cases in which indications of impairment exist. In such cases, a provision is determined for the estimated impairment loss. Receivables whose recovery is estimated to take place in a period of less or equal than a year are classified as short term receivables, while those ones with an estimated recovery period of more than a year are classified as long term receivables. Receivables with a short–term duration are not discounted.

3.3.1.b Available for sale financial assets

Available for sale financial assets include investments in non–listed entities which are classified as financial instruments available for sale and are recognized at the acquisition cost plus any transaction costs. Subsequent to the initial recognition, available for sale financial assets for listed entities are stated at their fair value (the quoted bid price at the balance sheet date) and any changes therein are recognized directly in equity, except for cases with indications of permanent impairment loss which are recognized directly in the income statement (accounting policy 3.9.1).
The fair value of securities not listed in the stock exchange can be reliably determined using an appropriate valuation method or combination of acceptable valuation methods while on the other hand, those ones whose fair value cannot be reliably determined, are measured at cost.

3.3.1.c Financial instruments at fair value through income statement

The Company classifies as financial instruments at fair value through profit or loss, the financial assets held for trading. A financial asset is classified in this category if principally acquired for the purpose of being sold in the short term. Assets in this category are classified as current assets if expected to be realized within 12 months, otherwise they are classified as non–current.
Financial assets at fair value are presented at the profit and loss account and are initially recognized at fair value while transaction costs are recorded in the income statement. Gains or losses arising from changes in fair value are presented in the income statement. The Company in the current year has no such elements.

3.3.1.d Cash and Cash equivalents

Cash and cash equivalents comprise of cash in hand and in banks, as well as short term investments of high liquidity, such as time deposits maturing within three months.

3.3.1.e Interest bearing loans and borrowings

The interest bearing loans and borrowings are initially measured at their fair value that represents the amount of cash borrowed after reducing any direct transaction costs. Subsequent to initial recognition, the loans are measured at amortized cost using the effective interest rate method.

3.3.1.f Trade and other payables

The trade and other payables are recognized primarily at their fair value. They are subsequently measured at amortized cost using the effective interest method. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

3.3.1.g Offsetting of financial assets and liabilities

Financial assets and liabilities are compensated and the net amount reported in the statement of financial position when the Group or the Company has the legal right and intends to offset on a net basis with one another or to require the asset and settle the liability simultaneously.

(amounts in thousands of €)

3.4 Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issuance of ordinary shares are recognized as a deduction from share premium.

3.5 Tangible and intangible assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The carrying amount of the above items is increased by the subsequent expenditures incurred only if there is probability that the future economic benefits embodied within these expenditures will flow to the Group companies and its cost can be measured reliably. All other costs are recognized in the income statement.
Borrowing costs directly attributable to the acquisition or construction of property, for assets that are necessarily required for a substantial period of time to get ready for use are capitalized as part of the cost of ownership of the asset till the time that the assets are substantially ready for use or sale, comes.All other costs are recognized in the profit or loss as incurred.
The net result from the assets disposal is determined by comparing the net sale proceeds reduced with the carrying value of the asset and the gain or loss is recognized in the income statement as other operating income/expense.
Depreciation is recognized in the income statement on a straight–line basis over the estimated useful life of each asset. Land is not depreciated. The residual and useful lives of assets are reviewed on an annual basis.
The depreciation of the vessels is calculated on the cost less the residual value, estimated at 15% of the acquisition cost. Management's estimates that may have an effect in the future on the financial statements relate to the useful lives and the residual value of vessels. The useful lives and the residual value are based on historical data and assumptions that, at the present time, are considered reasonable. The aforementioned assumptions are not expected to change within the next 12 months.
The estimated useful lives are as follows:

Asset	Years
Buildings	33
Vessels	35
Vessels' spare parts	5
Vessels' equipment	4.16
Drydockings	4 (attributing in proportion to the period of validity)
Transportation Means	6.66
Furniture and relevant equipment	6.66
Computers and Software	4.16
Mobile phones & tablets	2

3.6 Investment property

The Investment Property includes assets which are no longer self–own–used by the companies of the Group, is initially recognized and subsequently measured at cost, reduced by the relevant depreciation and increased by the subsequent additions. Depreciation is recorded in the income statement on a straight–line basis over the estimated useful lives of the property (33 years).

3.7 Leases

Leases in terms of which the Company and the Group assume substantially all the risks and rewards of ownership are classified as finance leases. For the property, plant and equipment acquired through a finance lease, the relevant leased asset and liability are initially recognized at an amount equal to the fair value of leased asset or, if lower, the present value of the minimum lease payments that have been agreed to be paid to the lessor at the beginning of the lease. After the initial recognition the leased assets are depreciated over the shorter of the term of the lease agreement or the asset's useful life. The lease payments are apportioned between the finance charge and reduction of the outstanding liability for the duration of the lease agreement.
Other leases that do not fulfill the criteria of a finance lease, are operating leases and the leased assets are not recognized in the Company and Group's balance sheet. The lease payments to the lessor are recognized systematically in the income statement over the term of the lease agreement.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the F.I.F.O. (First In First Out) method. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses.

3.9 Impairment

3.9.1 Financial assets

The financial assets–except those measured at fair value through the profit or loss–are valued at each reporting date to determine whether there is any objective indication of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.
An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate (accounting policy 3.3.1a). Impairment losses are recognized in the income statement.
In a subsequent period, an impairment loss is reversed in the financial results if the reversal can be related objectively to an event occurring after the impairment loss was recognized. In the calculation of the impairment of investments classified as available for sale, a significant or prolonged decline in the fair value of the investment below its cost is considered. Where such evidence is exists for available for sale financial assets, the cumulative loss which is measured as the difference between the acquisition cost and the current fair value less any impairment loss on the financial asset previously recognized in the income statement, is transferred from equity to results. Impairment losses on stocks which have been recognized as expenses in the income statement cannot be reversed through the income statement.

3.9.2 Non – Financial assets

The carrying amounts of non – financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication that their carrying value is greater than their recoverable amount. The impairment loss of non–financial assets is recognized directly in the income statement.
The recoverable amount of an asset is the greater of its fair value (decreased by selling costs) and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.10 Non – Current assets held for sale

Non–current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. These assets are measured at the lower of their carrying amount and fair value (decreased by selling costs). The Company during the end of current use does not possess such assets.

3.11 Dividends

Dividends payable are recognized as a liability at the time they are approved by the General Shareholder's Meeting of the companies that are included in the consolidation.

3.12 Employee benefits

3.12.1 Defined contribution plans

A defined contribution plan relates to contributions by the Company to independent pension funds for retirement benefits of the employees for which an entity will have no legal or constructive obligation to pay further future amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss on an accrual basis.

3.12.2 Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive a lump sum payment on retirement. The liability recognized in respect of defined benefit pension plans is the present value of the future benefit that employees have earned in return for their service in the current and prior years. The calculation is determined by discounting the expected future cash flows at the weighted average yield of high quality European corporate bonds which have an expiration date approaching the time limits of the obligations of the Company and the Group. The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method.
Actuarial profit or loss are recognized directly in other comprehensive income aggregates for the period in which they occur and not be transferred to the income statement in a subsequent period but are recognized directly in equity of the Company and the Group.

3.12.3 Termination benefits

Termination benefits are payable when the employees leave prior to retirement. The Group recognizes these benefits when committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or upon provision of these benefits as an incentive for voluntary redundancy. Termination benefits falling due 12 months after the balance sheet date are discounted. Upon termination of employment and in cases where there is inability in determining the number of employees that will make use of these benefits, there is no accounting recording made, however need to be disclosed as a contingent liability.

3.12.4 Short–term benefits

Short–term employee benefits are expensed as incurred.

3.13 Provisions

A provision is recognized when the Company and the Group have a present contractual or legal obligation as a result of a past event and it is probable that an outflow will be required to settle the obligation and the amount can be reliably estimated. Provisions are recognized at a discounted base with the use of a pre–tax rate which reflects current market assessments of the time value of money and the risks associated with the liability. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. At each reporting period, provisions are re–assessed.

3.14 Revenue

The Revenues consist of the following:

3.14.1 Operating revenue (fares – chartering – agency services)

Income from vessel's services (passengers, vehicles and truck fares) is recognized in the income statement when the trip is realized which coincides with the time the services are rendered.
The Company implements the customer loyalty program "Minoan Lines Bonus Club", according to which each member, from any service rendered by the Company, receives points that can be redeemed as free tickets. The allocation of fares from each sale, in actual and un–realized future services, is based on the fair value of the earned points and calculated by the estimated rate of redemption according to historical data. The fair value amount is recognized as deferred income and recorded in the income statement at the time the points are redeemed.Similarly, depending on the time of the service provided, are recognized in the income statement also the revenue from agency services.Income from chartering is recognized in the income statement on a straight line the chartering period.

3.14.2 Revenue from on – board sales

Revenue from on–board sales (shops, bars and restaurant services) is recognized in the income statement at their fair value less discounts and returns, when the risks and rewards of ownership have been transferred to the buyer and the collection is reasonably assured.

3.14.3 Other income

Other income is recognized in the income statement when the services have been rendered except for revenues from slot machines that are recognized in the income statement at the time that the money is collected. Additionally the income coming from dividends and profit from sale of securities is included.

3.14.4 Dividend income

Dividend income is recognized as income at the date the dividends are approved by the General Shareholder's Meeting.

3.14.5 Government grants

Government grants are recognized in the financial statements if there is reasonable assurance that they will be received and that the companies of the Group will comply with the conditions attaching to them. Grants that compensate the Company and the Group for expenses incurred are recognized as income in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Company and the Group for the acquisition cost of an asset are recognized in the income statement as deferred income on a systematic basis over the useful life of the asset.

3.15 Net Financial Results

Net financial results, comprise of accrued interest expense on borrowings recognized in the income statement using the effective interest rate method, interest income on funds invested and foreign exchange gains and losses.

3.16 Income Tax

Income tax on profits is calculated in accordance with the tax laws established at the date of the publishing of the balance sheet in the countries where the Group of companies are registered and is recognized as an expense in the period in which profits arise. Income tax comprises current and deferred taxes. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax is measured at the tax rates that are applicable to the taxable income of each financial year.
The Company is a shipping company that operates self–owned vessels under Greek flag and chartered vessels. According to the article 72 par. 14 of the law 4172/2013, revenue from self–owned vessels operation are income tax exempted , and are subjected to a special fiscal regime related to the law 27/1975. The above exemption also applies to any dividend distribution. For revenues derived apart from the self–owned vessels' operation, (i.e. chartering, rental income, interest income, on board stores etc.), the provisions of the Law 27/1975 apply. In reference to the above, if a domestic or a foreign shipping company, which owns vessels under Greek, E.U. or Eurozone country's flag, operates additionally to other

activities, the tax exemption on the net profits or dividends equals to the ratio of vessels' revenue to the total gross revenue of the Company. The tax rate that applies in the computation of the income tax expense for profits other than vessels' operation is 29% for the year 2017 (art. 58 par. 1 of the law 4172/2013). On the distribution of profits that derive from income other than vessels' operation, a 10% withholding tax is applied (art. 64 par. 1 of the law 4172/2013).
In addition to the above mentioned, according to the art. 48 and 63 of tax law 4172/2013, in any dividend distribution takes place between companies of a group, since January 2014 and then, not only applies an income tax exemption, but a withholding tax exemption too. For all these to be at force, it is absolutely necessary the Company to be involved in the company that distributes the dividend at least 10% for two consecutive years.
Deferred income tax is the expected future tax that will be paid or recovered from income or expenses occurred during the closing period and considered deferred taxable income or expenses (temporary differences). Deferred tax is calculated using the tax rates expected to be applied in the period of which the taxable income or expense will be recognized. Temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not accounted for. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the corresponding temporary differences can be deducted. Due to the specific tax regime, no deferred taxes are recognized in the Company's financial statements.

3.17 Earnings per share

The Group and the Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilute potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.18 Operating Segments

A segment of the operations of the Group is a distinguishable business component that comprises of specific features related to the nature of the business and the related business risks.
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.
• 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.
The financial results of these segments are periodically monitored by the Board of Directors. The results, the assets and the liabilities of each geographic segment disclosed include amounts that are attributed directly to each segment and those that can be reasonably allocated.

3.19 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 annual financial statements.

Standards and Interpretations effective for the current financial year

IAS 7 (Amendments) "Disclosure initiative"
These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

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 Company plans to adopt the new standard on 1 January 2018 and will not restate the comparative information. On 31/12/2017, the Group holds equity instruments that have been classified under the current standard (IAS 39) as available for sale and are measured at fair value through profit or loss. Following this classification, the Group will continue to recognize these equity instruments, if they continue to meet the provisions of the new Standard, and measure them at fair value through profit or loss. Thus, based on the current information, the Management estimates that the new Standard, during the initial recognition as well as in the subsequent periods, in respect of the equity instruments

it holds, is not expected to have a different effect on the Group's financial statements in relation to the applied until 31/12/2017.For trade receivables the Company will apply the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The assessment performed is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company in 2018 when the Company will adopt IFRS 9. The Company expects an increase in the loss allowance resulting in a negative impact on its equity when the new standard is adopted in 2018 which is estimated to reach € 30.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. The Group cannot early adopt the amendments as **they have not yet been endorsed by the EU**.

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 recognised. The underlying principle is that an entity will recognise 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 Company will adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated. he Company performed an assessment on its revenue streams based on the five steps prescribed in the standard in order to identify any impacted areas. Management has determined that contracts in general comprise of a single performance obligation and prices are fixed, based on stand-alone selling prices derived from price lists. Revenue is recognised at a point in time when the service is provided to the customer. Based on this assessment the Company concluded that this standard will have no significant effect 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.

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**.

IAS 28 (Amendments) "Long term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9. **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 recognise 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 IFRS (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.

(amounts in thousands of €)

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRS. **The amendments have not yet been endorsed by the EU**.

IFRS 3 "Business combinations"

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements"

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income taxes"

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing costs"

The amendments clarify a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

4. Revenue

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Revenue from Vessel Operations (fares – chartering)	49,152	51,472	38,796	41,090
Revenue from restaurants – bars	12,804	4,622	12,804	4,622
Revenue from shops on board	7,282	3,840	7,282	3,840
Revenue from agency services	10,221	2,483	10,221	2,483
Totals	**79,459**	**62,417**	**69,103**	**52,035**

In the "Revenue from Vessel Operations" of 2016, and until the vessel's sale in May 2016, are included the proceeds from the charter of Icarus Palace.The variations in "Revenue from restaurants-–bars", "Revenue from shops on board " are mainly due to the to the exploitation of the corresponding places by the Company on vessels of subsidiaries of the ultimate parent company. The variation in "Revenue from agency services" is mainly due to the appointment of the Company as General Agent for the vessels of a subsidiary of the of the ultimate parent company, operated in Adriatic routes.

5. Cost of sales

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Payroll cost	9,732	10,279	9,732	10,279
Bunkers and lubricants	10,862	8,563	10,862	8,563
Port expenses – Maintenances – Consumables	1,440	2,247	1,440	2,247
Food – Beverages – Shops merchandise	6,996	4,108	6,996	4,108
Various other costs	12,587	5,263	12,574	5,241
Depreciation	13,692	13,364	8,164	7,835
Amortisation of government grant	–	-46	–	-46
Totals	**55,309**	**43,778**	**49,768**	**38,227**

The variations in "Food – Beverages – Shops merchandise" and "Various other costs" are mainly due to the to the exploitation of the corresponding places by the Company on vessels of subsidiaries of the ultimate parent company. The variation in "Bunkers and lubricants" is mainly due to the significant icrease of the fuel price.

6. Other operating income

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Income from services rendered	141	128	141	128
Income from government grants	67	18	67	18
Rental income	11	11	11	11
Gain from sale of tangible assets	–	3,518	–	3,518
Reversal of provisions for contingent liabilities	854	–	854	–
Income from reversal of impairment loss due to debt recovery	91	66	91	66
Other income	4	107	4	107
Totals	**1,168**	**3,848**	**1,168**	**3,848**

(amounts in thousands of €)

7. Selling expenses

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Payroll cost	4,805	4,307	4,805	4,307
Commissions paid	4,656	1,896	4,539	1,783
Advertising and promotion expenses	1,209	2,139	1,209	2,139
Various other expenses	502	586	502	586
Depreciation	82	69	82	69
Totals	**11,254**	**8,997**	**11,137**	**8,884**

The variation in "Commissions paid" is mainly due to the appointment of the Company as General Agent for the vessels of a subsidiary of the of the ultimate parent company, operated in Adriatic routes.

8. Administrative expenses

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Payroll cost	3,123	3,192	3,123	3,192
Third parties fees and expenses	1,624	1,641	1,610	1,628
Various other expenses	1,137	1,068	1,116	1,046
Depreciation	414	406	414	406
Totals	**6,298**	**6,307**	**6,263**	**6,272**

9. Other operating expenses

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Impairment loss on trade receivables	1,657	1,226	1,657	1,226
Write off of receivables	–	379	–	379
Various other expenses	165	109	165	108
Totals	**1,822**	**1,714**	**1,822**	**1,713**

10. Finance income

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Income from time deposits	69	51	46	21
Interest and other related income	86	99	85	99
Foreign exchange gains	36	19	36	19
Totals	**191**	**169**	**167**	**139**

11. Finance expenses

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Interest on bank overdraft and loans	1,299	1,508	1,299	1,508
Commissions – Bank charges and other expenses	82	94	82	94
Commissions on Letters of Guarantee and Credit Cards	243	258	243	258
Foreign exchange losses	11	21	11	21
Amortization of deferred financing & waiver fees – expenses of loan management	161	232	161	232
Totals	**1,796**	**2,113**	**1,796**	**2,113**

(amounts in thousands of €)

12. Personnel expenses

The number of personnel employed at the end of the years ended 31/12/2017 and 31/12/2016 was 318 and 308, respectively.

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Salaries and wages	14,675	15,092	14,675	15,092
Social security contributions	2,419	2,435	2,419	2,435
Other personnel benefits	268	318	268	318
Employee Defined Benefit obligations (note 26)	298	87	298	87
Totals	**17,660**	**17,932**	**17,660**	**17,932**

13. Income Tax

The current fiscal framework for the Company is described in note 3.16. Regarding the foreign Group Company, the tax rate applicable in the country that operates and for the purpose of its activity is 4.80% while on 2016 was 5.50%.

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Income tax expense	246	262	–	–
Deferred tax	-66	-19	–	–
Provision for contigent tax obligation of unaudited years	–	1,031	–	1,031
Totals	**180**	**1,274**	**–**	**1,031**

In the statement of financial position under current liabilities are shown the amounts of the "Income tax obligations" which on 31/12/2017 present no outstanding balance while on 31/12/2016 amounted to € 1,072.
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 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 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 year ended 31/12/2017 are not affected. Finally, in the long–term liabilities of financial position are shown the amounts of "Deferred tax liabilities" of the Company which at 31/12/2017 were amounted to € 179 while on 31/12/2016 at € 246, and because of the special tax regime no deferred taxes in the parent company (note 3.16).

14. Tangible and intangible assets

The Group

	Land	Buildings Technical works	Transportation equipment	Vessels – Spare parts – Vessels' other equipment	Furniture – Computers – Other equipment – Mobile phones & tablets	Computer Software	Totals
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 : 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 – 31/12/2017	–	23	–	1,131	151	105	**1,410**
Less / (plus): Disposals – Transfers – Write offs 1/1 – 31/12/2017	–	–	–	-1,524	70	–	**-1,454**
Costs at 31/12/2017	**2,110**	**6,320**	**8**	**454,939**	**3,584**	**3,390**	**470,351**
Accumulated Depreciation at 1/1/2016	–	**2,863**	**7**	**171,584**	**2,958**	**3,121**	**180,533**
Depreciation for the year 1/1 – 31/12/2016	–	256	1	13,501	148	59	**13,965**
Less : 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 year 1/1 – 31/12/2017	–	257	–	13,660	160	72	**14,149**
Less : Disposed / Transferred assets accumulated depreciation 1/1 – 31/12/2017	–	–	–	6	71	–	**77**
Accumulated Depreciation at 31/12/2017	–	**3,376**	**8**	**168,338**	**3,172**	**3,252**	**178,146**

(amounts in thousands of €)

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**
31/12/2017	**2,110**	**2,944**	**–**	**286,601**	**412**	**138**	**292,205**

The Company

	Land	Buildings Technical works	Transportation equipment	Vessels – Spare parts – Vessels' other equipment	Furniture – Computers – Other equipment – Mobile phones & tablets	Computer Software	Totals
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 : 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 – 31/12/2017	–	23	–	1,131	151	105	**1,410**
Less / (plus): Disposals / Transfers / Write offs 1/1 – 31/12/2017	–	–	–	-1,524	70	–	**-1,454**
Costs at 31/12/2017	**2,110**	**6,320**	**8**	**241,218**	**3,584**	**3,390**	**256,630**
Accumulated Depreciation at 1/1/2016	**–**	**2,863**	**7**	**106,017**	**2,958**	**3,121**	**114,966**
Depreciation for the year 1/1 – 31/12/2016	–	256	1	7,973	148	59	**8,437**
Less : 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**
Accumulated Depreciation at 1/1/2017	**–**	**3,119**	**8**	**83,589**	**3,083**	**3,180**	**92,979**
Depreciation for the year 1/1 – 31/12/2017	–	257	–	8,131	160	72	**8,620**
Less : Disposed / Transferred assets accumulated depreciation 1/1 – 31/12/2017	–	–	–	6	71	–	**77**
Accumulated Depreciation at 31/12/2017	**–**	**3,376**	**8**	**91,714**	**3,172**	**3,252**	**101,522**
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**
31/12/2017	**2,110**	**2,944**	**–**	**149,504**	**412**	**138**	**155,108**

The fair value of the Croup's vessels on 31/12/2017, as determined by independent appraisers, amounted to € 298,000, while the fair value of the property is € 7,173. Was examined whether there are any indications of impairment and no reason for impairment arisen. Information relating to mortgages and liens on assets is included in note 25.

The depreciation of property plant and equipment is recorded in the following captions of the statement of profit or loss and other comprehensive income:

	The Group		The Company	
Continuing operations	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Cost of sales	13,692	13,531	8,164	8,002
Administrative expenses	82	69	82	69
Selling expenses	373	365	373	365
Totals	**14,147**	**13,965**	**8,619**	**8,436**

15. Investment Property

The movement of the above caption is presented on the table below:

	The Group			The Company		
	Land	**Buildings**	**Totals**	**Land**	**Buildings**	**Totals**
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 31/12/2017	**557**	**1,195**	**1,752**	**557**	**1,195**	**1,752**
Accumulated Depreciation at 1/1/2016	**–**	**494**	**494**	**–**	**494**	**494**
Depreciation for the year 1/1 – 31/12/2016	–	41	**41**	–	41	**41**
Accumulated Depreciation at 31/12/2016	**–**	**535**	**535**	**–**	**535**	**535**

(amounts in thousands of €)

Accumulated Depreciation at 1/1/2017	**–**	**535**	**535**	**–**	**535**	**535**
Depreciation for the year 1/1 – 31/12/2017	–	41	**41**	–	41	**41**
Accumulated Depreciation at 31/12/2017	**–**	**576**	**576**	**–**	**576**	**576**
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**
31/12/2017	**557**	**619**	**1,176**	**557**	**619**	**1,176**

After an impairment test was carried out by the Company based on a study by an independent appraiser the property's fair value at 31/12/2017 is € 1,198 while there was no reason for any impairment of the property. The above property is recorded lien to secure the obligations of the Company.

16. Investments in subsidiaries

Investments in subsidiaries are as follows :

company	Participation amount	
	31/12/2017	31/12/2016
Minoan Italia S.p.A.	125,643	132,243
Totals	**125,643**	**132,243**

At 17/11/2017 a decision was taken by the Extraordinary General Meeting of 100% subsidiary Minoan Italia S.p.A. to reduce its share capital by the amount of € 6,600 and the return of that amount to the parent company.
In order for the bond loan to be secured, the shares of Minoan Italia S.p.A. have been pledged (note 25).
The amount of € 4,274 included in the Company's results in the category "Dividend income from participations" is dividend for the fiscal year 2016 received by the parent from the subsidiary Minoan Italia S.p.A. The decision was taken in the regular General Assembly of the company held in April 2017.

17. Available for sale financial assets

The available for sale financial assets amounting € 83,414 on 31/12/2017 and € 82,907 on 31/12/2016 refer mainly to the Company's investment in the non–listed company Hellenic Seaways Shipping S.A.Up to 31/12/2017 the Company's participation is shapping to 48.53%.
The Company, despite this increase, believes that it has no significant influence in the management / financial policy of the company. More specific, 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 31/12/2017 none from the above mentioned criteria, is met.
On 26/10/2017, a framework agreement with ATTICA Holdings S.A. was executed in principle, in order to proceed with the transfer of all the shares it currently holds at the Hellenic Seaways Shipping S.A.as well as to the sale of 2 vessels. More specifically, this framework agreement includes the following individual and interrelated (en bloc) transactions:

• The sale to ATTICA Holdings S.A. of 37,667,504 shares of Hellenic Seaways Shipping S.A.which currently represent 48,53% of the paid up share capital, for a consideration to the amount of € 78,500.

• The purchase of the vessel "HIGHSPEED 7", that is owned by Hellenic Seaways Shipping S.A., for a total purchasing price of € 25,000. Along with this purchase the Company acquires the right to operate on the "Heraklion-Cyclades" route.

• The purchase by a company owned by the Grimaldi Group, the main shareholder of Minoan Lines SA, of the vessel "SUPERFAST XII" that is owned by ATTICA FERRIES MARITIME COMPANY, a 100% subsidiary of ATTICA Holdings SA, for a total purchasing price of €74,500.

The implementation of the agreement is, inter alia, conditional on the approval of the Hellenic Competition Commission and on securing the necessary corporate and other approvals. The aforementioned transactions will be completed upon the acquisition of control of Hellenic Seaways Shipping S.A. by ATTICA Holdings SA, for which the latter has submitted a notice to the Hellenic Competition Commission on the grounds of another transaction, which is currently being examined. Due to uncertainty regarding the outcome of the agreement as well as the timing of its completion, the Management concluded that maintaining the classification of the investment in non-current assets is the most appropriate.
The Company has received a valuation study from an independent recognized valuator that was conducted in accordance with methods accepted by IFRS (method of discounted free cash flow and method of related transactions performed - note 30) and no reason for impairment arisen. The Management estimates that, if the pending transaction finally concluded, a positive effect for the Company will be realized, considering the significant benefits of the operation of the "Heraklion-Cyclades" route.
The remaining available for sale financial assets 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. On 31/12/2017 for these financial assets no impairment loss arisen.

(amounts in thousands of €)

18. Other non–current assets

In the other non–current assets, mainly included receivables of value € 25,817 which are expected to be collected in a period of over a year, have been transferred. For these receivables during the previous and the current fiscal years, the Company has respectively recorded provisions and adjustments to present value amounting to € 12,578. The respective amounts for 2016 were for the receivables € 26,556 and for the provisions – adjustments to present value € 11,436.

19. Inventories

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Merchandise	1,910	1,981	1,910	1,981
Consumables	566	1,280	566	1,280
Totals	**2,476**	**3,261**	**2,476**	**3,261**

20. Trade and Other receivables–Other current assets

	Trade and Other Receivables			
	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Customers – Cheques Receivable	11,994	38,905	11,994	38,905
Trade receivables due from affiliates	–	–	6,600	471
Other Receivables	1,008	2,733	993	2,733
Totals	**13,002**	**41,638**	**19,587**	**42,109**
	Other current assets			
	The Group		**The Company**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Prepaid Expenses	265	1,920	265	1,920
Accrued Income	305	1,481	241	86
Totals	**570**	**3,401**	**506**	**2,006**

The Company and the Group's exposure to credit risks, as well as the impairment losses related to trade and other receivables are analyzed in note 29.3.

21. Cash and Cash equivalents

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cash on hand	6,736	587	286	481
Cash in banks and time deposits	27,103	28,792	27,103	28,792
Totals	**33,839**	**29,379**	**27,389**	**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 31/12/2017 and on 31/12/2016 was 106,980,050.
Both the Company and its subsidiary did not held own shares during the year.

23. Reserves

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Statutory reserve	13,488	13,264	12,779	12,779
Accumulated actuarial results recognized in equity	330	294	329	294
Totals	**13,818**	**13,558**	**13,108**	**13,073**

Statutory reserve: According to the Greek corporate law, the Company is required to transfer an amount equal to at least 5% of its net realized profit to a statutory reserve, until such a reserve equals 1/3 of the issued share capital. This reserve can be used exclusively before any distribution of dividends to off–set a deficit.

(amounts in thousands of €)

Accumulated actuarial results recognized in equity: As defined in IAS 19 are recognized directly in the other comprehensive income of the period in which they occur and not be transferred to the income statement in a subsequent period but are recognized directly in equity of the Company and the Group (note 26).

24. Dividends

According to the Greek Corporate law, companies should distribute as dividend to their shareholders, provided there is a positive balance of retained earnings, at least an amount equal to 35% of the annual net realized profits (after the deduction of the statutory reserve). Nil dividend distribution can be approved by the General Assembly by shareholders representing the 70% of the paid–in share capital. Under the above terms, for the year 2017 the Company is not entitled to distribute dividend.

25. Loans–Short term bank borrowings

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

	Average interest rate 2017	31/12/2017	Average interest rate 2016	31/12/2016
Bond Loan – Agent National Bank of Greece	0.85%	139,300	0.85%	153,230
Less : Net book value of transaction costs		-261		-372
Total bond loan		**139,039**		**152,858**
Less : current portion of long–term loan		-13,818		-13,930
Total Long term debt		**125,221**		**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 until 2019. Nevertheless, a partial or full early repayment of the loan is permitted provided that there are no other legal restrictions.
The above bond loan agreement sets certain terms and limitations (the prior consent of the participated banks is required) regarding the following: change of business, mergers, negative pledge, disposals and acquisitions, additional or repayment of borrowings, dividends distribution (other than minimum required by law), reducing or repurchasing the share capital. Failure to comply with the terms of the agreement or breach of any of its obligations may result in a mandatory full repayment of the loan and accrued interest. Furthermore, the bond loan agreement sets certain financial covenants that the Company must meet at the end of each financial year. These financial covenants are: a) the ratio of total consolidated liabilities (government grants excluded) to total consolidated assets (adjusted to market value of the vessels) shall not exceed 0.65:1.0 , b) the ratio of total consolidated earnings before interest, taxes, depreciation and amortization to net interest expenses shall not be less that 2.0:1.0 and c) the liquid funds shall not be less that € 15,000. On 31/12/2017, the Company complied with all the above covenants.
The interest expenses of the above long term debt for the period ended 1/1–31/12/2017 and 1/1–31/12/2016, amounted to € 1,299 and € 1,516 respectively.
In order to secure the aforementioned debt, first preferred mortgages amounting to € 375,000 have been registered on the Company's vessels. Moreover, the shares of Minoan Italia S.p.A. have been pledged for an amount of € 138,000.
There are no short–term borrowings at as 31/12/2017 and 31/12/2016, while to be secured any future withdrawals two of the Company's properties have been mortgaged.
Information regarding the Company's liquidity and interest rate risk exposure is included in note 29.

26. Employee defined benefit obligations

According to the Greek Labour Law, employees upon retirement are entitled to compensation which amounts to 40% of the amount that would become payable upon dismissal.
The table below shows the present value of the employee defined benefit obligations:

	31/12/2017	31/12/2016
Present value of defined benefit obligations	1,420	1,473
Total liability	**1,420**	**1,473**

The amount, recorded as an expense at 31/12/2017 and 31/12/2016 respectively, is analyzed as follows:

	The Group	The Company
Balance as at 1/1/2016	**1,386**	**1,386**
Current Service Cost	55	55
Interest Cost	26	26
Benefits paid	-28	-28
Cost of settlement	6	6
Actuarial loss recognized in the statement of changes in equity	28	28
Balance as at 31/12/2016	**1,473**	**1,473**

(amounts in thousands of €)

Balance as at 1/1/2017	**1,473**	**1,473**
Current Service Cost	51	51
Interest Cost	22	22
Benefits paid	-316	-316
Cost of settlement	225	225
Actuarial (gain) recognized in the statement of changes in equity	-35	-35
Balance as at 31/12/2017	**1,420**	**1,420**

The amount, recorded as an expense at 31/12/2017 and 31/12/2016 respectively, is analyzed as follows:

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Current Service Cost	51	55	51	55
Interest Cost	22	26	22	26
Benefits paid	225	6	225	6
Totals	**298**	**87**	**298**	**87**

The above expenditure is included in the following categories of the income statement:

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Administrative expenses	100	44	100	44
Selling expenses	198	43	198	43
Totals	**298**	**87**	**298**	**87**

The movement of the defined benefit obligations for the years 2013–2017 is presented below:

	31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Defined Benefit Obligations	1,420	1,473	1,386	1,362	1,360

The total amount of Employee Defined Benefit Obligations is unfunded. The main assumptions used are as follows:

- Discount Rate for 2017 is 1.60% while for 2016 is 1.50%
- Long–term average annual salaries increase by 1.75% for 2017 while for 2016 is 1.75%
- The average annual long term inflation rate for 2017 is 1.75% while for 2016 is 1.75%
- Average expected future employee services 15.43 years.

The benefits payments expected to take place during the next 5 years for the Company amount to € 47. If the discount rate used in the valuation was 0.50% higher, then the defined benefit obligation for staff retirement indemnities for the Company would decrease by € 88. If the discount rate used in the valuation was 0.50% lower, then the defined benefit obligation for staff retirement indemnities for the Company would increase by € 97.

27. Trade and Other payables

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Suppliers – cheque payables	4,290	10,263	4,286	10,263
Withholding taxes–social security contributions payable	3,688	4,167	3,688	4,167
Sundry creditors	2,239	3,231	2,239	3,231
Accrued expenses	1,615	21,886	1,615	21,886
Customer advances	1,247	1,640	1,247	1,640
Deferred income	1,742	3,179	1,153	2,431
Totals	**14,821**	**44,366**	**14,228**	**43,618**

In the amount representing "Accrued Expenses" it is included an amount of € 575 (2016: € 17,091), which it is not invoiced till 31/12 and for this reason it is not included in the liabilities to related parties, but instead it is presented in the transactions for the same period (note 33.1).

28. Offsetting of financial assets and liabilities

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

	Initial Balances		Balances to be offset		Net Balances as presented in the Financial Statements	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
			The Group			
Financial assets						
Trade and other receivables	21,289	51,694	-8,287	-10,056	13,002	41,638
Financial liabilities						
Trade and other payables	23,108	54,422	8,287	10,056	14,821	44,366

(amounts in thousands of €)

The Company

Financial assets						
Trade and other receivables	27,874	52,165	-8,287	-10,056	19,587	42,109
Financial liabilities						
Trade and other payables	22,516	53,674	8,287	10,056	14,229	43,618

29. Financial Risk Management

29.1 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.
This note presents information about the Group's exposure to each of these 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.

29.2 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.
In 2017 the position of the Greek economy was improved, a fact that contributed positively both to the growth of employment and to private consumption. In addition, there was an increase in the level of trust and confidence of our country which contributed significantly to the de-escalation of Greek bond yields.
Nevertheless, there are still the contry's banking system is sallow, mainly with defaulting loans, as well as the financing of the country following the completion of the agreement with the European Stability Mechanism (E.S.M.) in August 2018, which has a negative impact on its outlook.
Within this political and economic framework, as described above, Group's operations continue without any disruption. while all necessary measures are being taken as to secure a smooth operation
Consequently, the Management has assessed that at 31/12/2017 no additional provisions for impairment of financial and non–financial assets are required, than those conducted and reported in note 9.

29.3 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 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.

(amounts in thousands of €)

29.3.1 Credit risk exposure

The carrying value of "Trade and Other Receivables" and "Other investments" indicate the maximum exposure to credit risk. In order to secure the aforementioned trade risk exposure, the Company receives letters of guarantee, pre–notations and shares pledged from its customers. The carrying value of "Trade and Other Receivables" along with the received guarantees, are presented below:

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Long term receivables	13,239	15,120	13,239	15,120
Short term receivables	13,002	41,638	19,587	42,109
Guarantees received	-5,394	-9,282	-5,394	-9,282

For securing long–term doubtful receivables net amounting to € 9,853, the Company has received pledges on shares of non–listed companies. Moreover, legal proceedings are in progress against property of the debtors and property pre–notations have received.

The maximum exposure to credit risk per customer group is as follows:

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Port Agents	622	197	622	197
Travel agencies	1,899	2,214	1,899	2,214
Truck customers	3,875	13,717	3,875	13,717
Agency services customers	2,149	2,882	2,149	2,882
Other receivables	4,457	22,628	11,042	23,099
Totals	**13,002**	**41,638**	**19,587**	**42,109**
Long term receivables	13,239	15,120	13,239	15,120
Totals	**26,241**	**56,758**	**32,826**	**57,229**

29.3.2 Impairment loss

The aging of the trade and other receivables, at the balance sheet dates were as follows:

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Short term receivables				
Not past due	5,116	34,849	11,701	35,320
Past due 1–30 days	2,483	2,319	2,483	2,319
Past due 31–120 days	3,983	2,827	3,983	2,827
Past due 121–365 days	344	413	344	413
Past due over a year *	1,076	1,230	1,076	1,230
Totals	**13,002**	**41,638**	**19,587**	**42,109**
Long term receivables*	13,239	15,120	13,239	15,120
Totals	**26,241**	**56,758**	**32,826**	**57,229**

* including debtors in litigation and settlement agreements

The allowance for impairment losses which has reduced the "Trade and Other Receivables" caption, relates to receivables that are past due for over one year. The movement of the allowance is analysed in the table below:

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Opening Balance	20,478	19,318	20,478	19,318
Plus : Impairment loss	1,777	1,226	1,777	1,226
Less : Transfer of impairment on long–term receivables	278	93	278	93
Less : Write off of Impairment loss	1	–	1	–
Less: Reversal of impairment loss due to debt recovery	91	66	91	66
Closing Balance	**21,885**	**20,385**	**21,885**	**20,385**
Impairment on long–term receivables	278	93	278	93
Closing Balance	**22,163**	**20,478**	**22,163**	**20,478**

The allowance for impairment is used to record impairment losses, unless the Company estimates that no recovery of the pending amount is expected, where in such cases the non–recoverable amounts are directly written–off against the receivables.

29.4 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 31/12/2017 the Group's cash and cash equivalents amounted to € 33,839 while at 31/12/2016 amounted to € 29,379. Furthermore, the Group maintaining credit lines with cooperating banks, which as at 31/12/2017 and 31/12/2016 amounting to € 7,000, which 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

(amounts in thousands of €)

Company's properties. Considering that the available to the Company bank credit balances as of 31/12/2017 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.

The contractual expiry dates of the Company's financial liabilities based on the agreements effective on the balance sheet date and also based on the negotiations with the lending banks are as follows :

31/12/2017	Total	within one year	2–3 years
Trade and other payables	**10,541**	10,541	–
Bond loan*	**139,300**	13,930	125,370

* excluded future interest payments

31/12/2016	Total	within one year	2–3 years
Trade and other payables	**39,451**	39,451	–
Bond loan*	**153,230**	13,930	139,300

* excluded future interest payments

The table below presents the contractual expiry dates of the Bond Loan Agreement of the Company, and the relevant interests (1–month euribor at 31/12/2017 plus the specified spread rate under the terms of the bond loan agreement) until the maturity of the facility commencing from 2018 and thereafter based on management estimations:

	Total	within one year	2–3 years
Bond loan	**141,539**	15,110	126,429

29.5 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.

29.5.1 Currency 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.

29.5.2 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 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.

At the balance sheet date, the financial instruments of the Company and the Group, subject to interest rate fluctuations, were as follows:

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Fixed rate instruments				
Cash and cash equivalents	33,839	29,379	27,389	29,273
Floating rate instruments				
Long–term borrowings and bank overdrafts	139,039	152,858	139,039	152,858

29.5.2.a Sensitivity analysis on interest rate cash flows

At the balance sheet date, a 0.5% fluctuation of the interest rates, would have proportionally increased or decreased the financial results of the Company, as presented by the amounts below :

	Financial Results Sensitivity	
	0.5% increase	0.5% decrease
31/12/2017		
Long–term borrowings and bank overdrafts	-696	696
Cash flow sensitivity	**-696**	**696**
31/12/2016		
Long–term borrowings and bank overdrafts	-766	766
Cash flow sensitivity	**-766**	**766**

The table above does not include the positive effect from interest rate fluctuations on cash deposits.

29.6 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on invested capital, aiming to its maximization so as to ensure the distribution of dividends according to the relevant legislation and meeting its borrowing commitments.
The Company, in order to meet its borrowing commitments and the relation with the operating results under the loan agreement, monitors the following ratios:

- Total Assets / Total Liabilities
- Consolidated Earnings Before Interest Taxes Depreciation and Amortization / Net Consolidated Interest Expense.

29.7 Supply chain

The Company has developed a supply chain in order to serve both the needs for its marine operation (fuel supplies, spare parts, etc.) as well as the needs of its hotelier business (stores, restaurants and bars). No particular difficulty or delay in the supply of goods and services has been observed. The capital controls imposed on Greek banking system since June 2015 have not produced any significant delays in Company's supply chain performance.
In addition, the long-term cooperation and the trust relationship that has been developed amongst the Company and its suppliers facilitate all parties to overcome any difficulty that may arise

29.8 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 1/1/2017 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 2017 there was a significant increase in the level of international fuel prices in comparison with the respective period of 2016

29.9 Compliance with new Regulation

Based on the decisions of the IMO Marine Environment Protection Commission, ships are permitted to supply marine fuel with a sulfur content of 3.5% and 1.5% untill 31/12/2019. However, according to regulation enforced, starting form 1/1//2020 it becomes mandatory the use of low-sulfur marine fuel of 0.5% sulfur content for all vessels. The introduction of low sulfur regulation requires that Group's existing fleet should adapt to new fuel standards. Compliance of existing fleet with low-sulfur regulation may involve investments (application of scrubbers technology), or alternatively, the consumption exclusively of low-sulfur marine fuel. In any case, it is not expected low sulfur regulation to have a significant impact on Group's financial position

29.10 Environmental risk

The Company attributes great attention to environmental issues. In this context, being aware of how important it is to safeguard and to protect the environment from human activities, business evolution and technological progress, 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

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

(amounts in thousands of €)

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

During the year 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. Until 31/12/2017 the Company shaped its stake to 48.53%. Detailed information on the Company's participation in Hellenic Seaways S.A. is presented at note 17.

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 2017 is the discounted cash flow method (D.C.F.), which obtained with increased weight, and the comparative transactions. Furthermore, concerning the factors of the D.C.F. method, both the growth rate and the discount rate are assessed. o determine the fair value of this investment and based, according to the above–mentioned, on a study by an independent qualified valuator on 31/12/2017 no impairment loss arisen.

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. On 31/12/2017 for these financial assets no impairment loss arisen.

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

31. Operating segments

Due to the nature of its business activities, the Group 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

31/12/2017	Vessels' operations	Other commercial activities	Unallocated items	Totals
Continuing operations				
Revenue	53,556	25,903	–	**79,459**
Gross Profit of the year	13,180	10,970	–	**24,150**
Profit / (loss) before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)	**25,330**	**7,100**	**-12,298**	**20,132**
Net depreciation	-13,660	-68	-460	**-14,188**
Profit / (loss) of the year before taxation, financing and investment costs	11,670	7,032	-12,758	**5,944**
Financial income	24	–	167	**191**
Financial expense	-1,100	-312	-384	**-1,796**
Profit / (loss) of the year before taxes	10,594	6,720	-12,975	**4,339**
Income tax	-180	–	–	**-180**
Profit / (loss) of the year after taxes from continuing operations	**10,414**	**6,720**	**-12,975**	**4,159**
(Loss) of the year after taxes from dicontinued operations	-78	–	–	-78
Profit / (loss) of the year after taxes	**10,336**	**6,720**	**-12,975**	**4,081**
Total assets	306,407	94,697	38,855	**439,958**
Total liabilities	108,333	31,356	15,958	**155,647**
Capital expenditure	1,207	38	165	**1,410**

The Group

31/12/2016	Vessels' operations	Other commercial activities	Unallocated items	Totals
Continuing operations				
Revenue	55,182	7,235	–	**62,417**
Gross Profit of the year	15,724	2,915	–	**18,639**
Profit / (loss) before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)	**30,848**	**2,003**	**-13,589**	**19,262**

(amounts in thousands of €)

Net depreciation	-13,315	-36	-442	**-13,793**
Profit / (loss) of the year before taxation, financing and investment costs	17,533	1,967	-14,031	**5,469**
Financial income	31	–	138	**169**
Financial expense	-1,261	-433	-419	**-2,113**
Profit / (loss) of the year before taxes	16,303	1,534	-14,312	**3,525**
Income tax	-1,274	–	–	**-1,274**
Profit / (loss) of the year after taxes from continuing operations	**15,029**	**1,534**	**-14,312**	**2,251**
Profit of the year after taxes from dicontinued operations	18,407	–	–	18,407
Profit / (loss) of the year after taxes	**33,436**	**1,534**	**-14,312**	**20,658**
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 alloc ated, 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.

32. Earnings per share

Earnings per share (after income taxes) are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares outstanding during the year including (for the diluted earnings per share) the number of share options outstanding at the end of the year that have a dilutive effect on earnings per share.
Earnings per share are analyzed as follows:

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Profit / (loss) of the period attributable to shareholders of the Parent				
from continuing operations	4,159	2,251	3,926	1,392
from discontinued operations	-78	18,407	-78	18,407
Total Profit	**4,081**	**20,658**	**3,848**	**19,799**
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	0.0388	0.0210	0.0367	0.0130
from discontinued operations	-0.0007	0.1721	-0.0007	0.1721
Total Earnings per share	**0.0381**	**0.1931**	**0.0360**	**0.1851**

33. 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 31/12/2017 and 31/12/2016, as well as purchases (services received) and sales (services provided) for the years 2017 and 2016:

33.1 Group of Ultimate Parent Company

31/12/2017					The Company	The Group
	Minoan Lines Shipping S.A.					
company	Grimaldi Group S.p.A. *	Grimaldi Euromed S.p.A.	Grimaldi Deep Sea S.p.A.	Finnlines Plc	Totals	Totals
due from	29	1,243	49	–	**1,321**	**1,321**
payable to	–	–	–	13	**13**	**13**

** Grimaldi Tours is included*

(amounts in thousands of €)

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

** Grimaldi Tours is included*

1/1-31/12/2017	Minoan Lines Shipping S.A.						The Company	Minoan Italia S.p.A.	The Group
company	**Grimaldi Group S.p.A. ***	**Grimaldi Euromed S.p.A.**	**Grimaldi Deep Sea S.p.A.**	**Grimaldi Germany GBMH**	**Finnlines Plc**	**Grimaldi Belgium n.v.**	**Totals**	**Grimaldi Group S.p.A.**	**Totals**
Expenses related to the on board sales (concession fees etc)	–	9,484	–	–	14	–	**9,498**	–	**9,498**
Attributing agency costs	–	-2,398	-110	20	–	–	**-2,488**	–	**-2,488**
Other expenses	-1	-8	–	–	–	1	**-8**	20	**12**
Totals	**-1**	**7,078**	**-110**	**20**	**14**	**1**	**7,002**	**20**	**7,022**
Revenue from services rendered (commissions, fees and other revenue related to agency operation)	128	9,142	25	–	–	–	**9,295**	–	**9,295**
Revenue related to the on board sales	37	3,600	–	–	–	–	**3,637**	–	**3,637**
Revenue from bunker disposal	318	275	–	–	–	–	**593**	–	**593**
Totals	**483**	**13,017**	**25**	**–**	**–**	**–**	**13,525**	**–**	**13,525**

** Grimaldi Tours is included*

1/1–31/12/2016	Minoan Lines Shipping S.A.			The Company	Minoan Italia S.p.A.	The Group
company	**Grimaldi Group S.p.A. ***	**Grimaldi Euromed S.p.A.**	**Grimaldi Deep Sea S.p.A.**	**Totals**	**Grimaldi Group S.p.A.**	**Totals**
Chartering cost	16,163	15,438	–	**31,601**	–	**31,601**
Crew wages cost	216	204	–	**420**	–	**420**
Adjustment of the on-board operating result	1,171	1,156	–	**2,327**	–	**2,327**
Attributing crew wages cost of chartered owned vessels	–	-372	–	**-372**	–	**-372**
Attributing agency costs	–	-1,746	-34	**-1,780**	–	**-1,780**
Bunkers cost	–	268	–	**268**	–	**268**
Other expenses	4	2,056	–	**2,060**	20	**2,080**
Totals	**17,554**	**17,004**	**-34**	**34,524**	**20**	**34,544**
Chartering revenue	–	2,098	–	**2,098**	–	**2,098**
Revenue from crew coat reduction of chartered vessels	165	364	–	**529**	–	**529**
Other revenue from services rendered	60	1,778	12	**1,850**	–	**1,850**
Proceeds from sale of tangible asset	–	55,000	–	**55,000**	–	**55,000**
Revenue from bunker disposal	–	431	–	**431**	–	**431**

(amounts in thousands of €)

Other revenue	37	719	–	**756**	–	**756**
Totals	**262**	**60,390**	**12**	**60,664**	**–**	**60,664**

** Grimaldi Tours is included*

33.2 Subsidiaries

31/12/2017

company	Minoan Italia S.p.A.	Totals
Minoan Lines Shipping S.A.		
due from	6,600	**6,600**

31/12/2016

company	Minoan Italia S.p.A.	Totals
Minoan Lines Shipping S.A.		
due from	471	**471**

1/1–31/12/2017

company	Minoan Italia S.p.A.	Totals
Minoan Lines Shipping S.A.		
Dividend received for the year 2016	4,274	**4,274**
Totals	**4,274**	**4,274**

1/1–31/12/2016

company	Minoan Italia S.p.A.	Totals
Minoan Lines Shipping S.A.		
Dividend received for the year 2015	3,610	**3,610**
Totals	**3,610**	**3,610**

All the above transactions, as referred in notes 33.1 and 33.2, were entered into at arm's length.

33.3 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:

	31/12/2017	31/12/2016
Executive directors	477	511
Non – executive directors	274	190
Management	905	915
Totals	**1,656**	**1,616**

Of the total remunerations above, an amount of € 64 and € 63 remains unpaid as of 31/12/2017 and 31/12/2016 respectively. Moreover, for the year ended 31/12/2017, the Company concluded commercial transactions with BoD members amounting to € 202, of which an amount of € 201 was receivable, as of 31/12/2017. Finally, for the year ended 31/12/2017, transactions with relatives of the management and of executives amounted to € 228, while it was unpaid the amount of € 28, as of 31/12/2017. The nature of these transactions was mainly labour (payroll) and commercial cooperation (compensation for goods and services received).

34. 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 year 1/1–31/12/2016 are presented below:

Discontinued operations	The Group		The Company	
	1/1–31/12/2017	1/1–31/12/2016	1/1–31/12/2017	1/1–31/12/2016
Revenue	594	97,829	594	97,829
Cost of sales	-635	-68,614	-635	-68,614
Gross (Loss) / profit	**-41**	**29,215**	**-41**	**29,215**
Other operating income	268	45	268	45
Selling expenses	–	-10,839	–	-10,839
Administrative expenses	–	–	–	–
Other operating expenses	-305	–	-305	–
Operating (Loss) / profit before financing costs	**-78**	**18,421**	**-78**	**18,421**
Finance income	–	–	–	–

Finance expenses	–	-14	–	-14
Net finance results	–	-14	–	-14
(Loss) / profit of the year before taxes	-78	18,407	-78	18,407
Income tax	–	–	–	–
(Loss) / profit of the year after taxes from dicontinued operations	**-78**	**18,407**	**-78**	**18,407**
The (Loss) / profit of the year after taxes is attributable to :				
Owners of the parent company	-78	18,407	-78	18,407
Non-controlling Interests	–	–	–	–
(Loss) / profit of the year after taxes	**-78**	**18,407**	**-78**	**18,407**
Operating cash flow from discontinued operations	3,828	12,153	3,828	12,153
(Loss) / profit of the year before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.) from discontinued operations	**-78**	**18,580**	**-78**	**18,580**

35. Contingent liabilities

(amounts of note 35 are presented in millions €)

The contingent liabilities are the following:

(a) A court order was issued whereby the Company was imposed to pay an amount of € 0.8 plus interest. The nature of the contingent liability is commercial (claim for damages by a former port agent of the Company). The Company appealed against this court decision and its appeal was accepted by the Supreme Court. After this decision the case will be heard again by the competent appeal court, but in a different to the initial composition, as determined by the decision of the Supreme Court. Based on the progress of the case, the Company believes that will be fully justified and therefore no relevant provision has been established.

(b) By letter dated 15/6/2015, the Greek Capital Market Commission informed the Company, that as a consequence of its shareholding structure as of 31/12/2014, falls under par. 4 of article 7 of the Ministerial Decision 54138/B΄ 2197 (Government Gazette 1913B'–09/12/2010) provided an increased periodical contribution, amounting, for the year 2015, to € 0.25. The Company, by calling into question that the conditions for being subject to the said provisions are met, has taken legal steps against this decision before the competent Administrative Courts. The Company is convinced that the Courts will rule in its favor, and for that reason no relevant provision has been established.

(c) On 30/11/2012, the Company received notification from the company A.N.E.K. S.A. that the latter appealed against arbitration before the London Maritime Arbitration Association. The arbitration alleges claims against the Company by the contract of selling shares of Hellenic Seaways Shipping S.A, dated 18/5/2009. After completion of the selection of the arbitrators, A.N.E.K. S.A. tabled in June 2013 a Claim Submission for this arbitration proceeding against the Company which shall deliver its demands. Specifically, A.N.E.K. S.A invokes alleged loss on behalf of the Company termination / cancellation of the above memorandum of sale of shares. It is noted that the Company was forced to withdraw from the agreement because of A.N.E.K. S.A being unable to pay the balance of the agreed amount. Subsequently, the Company withheld as clearly stated in a special clause of the relevant agreement, the deposited amount of € 47.5. A.N.E.K. S.A. is requesting the payment of twice the amount given as deposit or alternatively the same amount or further alternatively whichever amount is deemed reasonable by the Arbitration Court to be withhold by the seller. Furthermore, A.N.E.K. S.A. is not only requesting the legitimate interest on the amount to be awarded but also its legal expenses. The Company on 11/10/2013 submitted its own response and, subsequently on 12/12/2015 has proceeded by filing a counterclaim against A.N.E.K. S.A requesting initially an amount of € 17.7 plus interest as compensation under the provisions of tort, subject of claiming further amount. In the alternative, if the Court accepts, in whole or in part the application of A.N.E.K. S.A. the Company requests, under the provisions of the Civil Code on the withdrawal, as reasonable compensation the amount of € 46,25 at least plus statutory interest. A.N.E.K. S.A. has responsed on the Company's rebuttal, while on the substance of the counterclaim, according to the legal advisors of the Company, has not replied. The Company acted in accordance with what was explicitly committed by the parties at the completion of the private agreement. Furthermore, the legal advisors of the Company consider that A.N.E.K. S.A. claim submission will be dismissed thus would not have any impact on the Company. Hence, no relevant provision has been formed.

(d) As at 31/12/2017 there are operating lease contracts in force signed by the Company related to installments which expire by the year 2019. The particular operating lease costs that were included in the income statement for the current fiscal year amounted to € 20 (31/12/2016: € 20).The future minimum lease payments for those operating lease contracts will reach € 24 and will proportionally registered within the following years from 2018 to 2019.

(e) The companies of the Group, which are either consolidated or integrated by the equity method in the financial statements, have not been audited and consequently their tax obligations have not yet been finalized by the tax authorities, for the financial years presented below:

company	Unaudited tax years
Minoan Lines Shipping S.A.	2012–2017
Minoan Italia S.p.A.	2012–2017

(amounts in thousands of €)

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 13.The provision, amounting to € 1.87, 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 annual financial report, this audit is in progress and has not been finalized. Concerning the outcome of these audits, the management of the Company believes that no significant additional taxes and surcharges will be imposed.
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.
The aforementioned audit for the year 2017 is still in progress by PricewaterhouseCoopers S.A. The related «Tax Compliance Report» will be provided after the publication of 2017 Annual Report. If the completion of the tax audit bring additional tax liabilities the Company's management considers that these will have no material impact on the financial statements.

36. Audit fees

The auditing and other fees of the statutory audit firm (PricewaterhouseCoopers S.A. Certified Auditors – Accountants) included in the years 2017 and 2016 respectively are analyzed as follows:

	The Group		The Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
For auditing services	84	87	84	87
For the Annual Tax Certificate	40	41	40	41
For other services	8	24	8	24
Σύνολα	**132**	**152**	**132**	**152**

37. Subsequent events

(amounts of note 37 are presented in €)

On 22/1/2018, the charter agreement expired, among Minoan Italia S.p.A. and Compagnia Italiana di Navigazione (C.I.N.), for the two vessels Cruise Bonaria and Mykonos Palace belonging to the subsidiary. On the same day, the two vessels were chartered-out by Minoan Italia S.p.A. to a subsidiary of the ultimate parent company for a period of less than 12 months
On 8/3/2018, the Company's subsidiary Minoan Italia S.p.A. concluded the sale of the vessel M/V Cruise Bonaria to Grimaldi Euromed S.p.A., to which the vessel had been chartered since January 2018. The net procceds for the sale amounted to € 70 million. The total procceds is intended to be used to repay a corresponding portion of the Group's bond loan. The estimated consolidated gain from the above sale is expected to reach approximately € 1.5 million and will be included in the 2018 financial results.
There are no other subsequent events relating to the Company or the Group that have occurred and need to be disclosed under the International Financial Reporting Standards (I.F.R.S.).

Heraklion, March 15th 2018

The Chairman of the B.o.D.	The Managing Director	The Chief Financial Officer	The Accounting Manager
Emanuele Grimaldi	**Antonios Maniadakis**	**Nikolaos Artemis**	**Isidoros Manolakis**
Pass No IT / AA 2179472	**ID C No AI 944699**	**ID C No AK 004796**	**ID C No AE 961838** **H.E.C. ID No 113468 – A' Class**