MINOAN LINES SHIPPING S.A.

Annual Financial Report of the year 2018 (1/1 – 31/12/2018)

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 annual financial report are presented in thousands of € unless explicitly stated otherwise.

Any last digit discrepancies are due to rounding of the figures.

Comparative amounts of the year 2017 (1/1–31/12/2017) have been reclassified so as to present a more accurate information.

The Annual Financial Report has been approved by the Board of Directors meeting on 23/4/2019.

Statements of the members of the Board of Directors

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 2018 to December 31st 2018, as prepared in accordance with the applicable International Accounting Standards, give a true view of the assets, equity, liabilities and the financial results for the year ended, of the company «MINOAN LINES SHIPPING S.A.», and of the companies included in the consolidation, taken as a whole, 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, April 23rd 2019

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

Annual Report of the Board of Directors on the financial statements of the year 2018 (1/1 – 31/12/2018)

This report refers to the annual consolidated Financial Statements and to the separate financial statements for the year 2018 and has been prepared in accordance with legislation in force.

Significant events for the year 2018 – Effect on Financial Statements

On 22/1/2018, it expired the charter agreement 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 Cruise Bonaria to Grimaldi Euromed S.p.A., to which the vessel had been chartered since January 2018. The net proceeds for the sale amounted to € 70,000. The proceeds has been used to repay a portion of the Minoan's bond loan. The consolidated gain from the above sale reached € 1,513 million and it is included in condensed interim financial results 2018.
In June 2018, completed the transfer of the vessel Mykonos Palace against € 65,000 to the Company by its subsidiary Minoan Italia S.p.A.
On 11/6/2018, it is executed the framework agreement with ATTICA Holdings S.A., which was initially signed on 26/10/2017, in order the Company to proceed with the transfer of all the shares held at the Hellenic Seaways Shipping S.A., following the securing of all the necessary approvals (Hellenic Competition Commission, corporate, creditors, etc). Specifically, the 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., representing 48.53% of the paid up share capital, for a consideration of € 78,500. In addition, the Company acquired the right to operate in the "Heraklion-Cyclades" route, while ATTICA Holdings S.A. and its affiliate companies undertook the commitment not to operate in this route for a period of three years.
- The purchase by the Company of the vessel "HIGHSPEED 7" (renamed "SANTORINI PALACE"), owned by Hellenic Seaways Shipping S.A., for a total purchasing price of € 25,000.
- The purchase by a company owned by the 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 S.A., for a total price of €74,500.

The Company as to assess the fair value of the acquired right of operation and non-competition has received a valuation study from an independent recognized valuator, which was conducted in accordance with methodologies accepted by IFRS (method of discounted free cash flow).
On the basis of the above, the Company derecognized its participation in Hellenic Seaways Shipping S.A and recognized in the tangible assets the acquisition of the vessel "HIGHSPEED 7" amounting to € 25,000 and as intangible asset the acquisition of the right of operation and non-competition amounting to € 4,807 (as determined by independent appraiser). The right will be amortized on a straight-line basis over a three-year period. Upon completion of all above transactions, the Company and the Group incurred no profit or loss.

On 29/6/2018, the Company's bond loan was fully repaid. As a result, on 31/12/2018 the Company has no short-term or long-term bank loans.

On 6/7/2018 it was approved the Company's application for the vessel MYKONOS PALACE to start operating in the "Piraeus–Chania" route as from 15/7/2018. Hence the chartering of the vessel to a subsidiary of the ultimate parent company which expired on 9/7/2018 was not renewed.

The European Regulation 2016/679 on the protection of personal data entered into force on 25 May 2018.
The Company, in order to achieve full compliance with the European Regulation on the protection of personal data:
- Established an internal special Personal Data Protection Commission to implement a project to develop a compliance system with the Regulation and to set up an information security system, using internal resources and with the assistance of an external specialist consultant.
- Appointed an Information Security Officer, a Data Protection Coordinator, and a Data Protection Officer and informed the Hellenic Data Protection Authority accordingly.
- Organized seminars to inform and train its staff.
- Analyzed and adjusted accordingly its systems and procedures and formulated new policies.
- Incorporated the provisions of the Regulation in the contracts it executes with its employees, suppliers, customers and business associates, and is in the process of obtaining certification under ISO 27001: 2013.

(amounts in thousands of €)

From 1/1/2020 by decision of the International Maritime Organization (I.M.O.) Environment Protection Committee becomes effective the obligation for all vessels to be supplied with low sulfur fuel (0.5%). This decision also affects the conventional vessels operating on Greek Coastal Sector. The Company decided to avoid supplying low-sulfur fuel by installing scrubbers on its conventional vessels.This investment is expected to contribute positively to its economic performance in the coming years. This investment started in late 2018 and is in progress.

On 1/11/2018 was taken the decision by the Extraordinary General Assembly of the Company for the delisting of the Company's shares from the Athens Stock Exchange and the submission of a relevant request to the Hellenic Capital Market Commission. This process is in progress.

Traffic Volumes

The Company for the entire year was activated on the "Piraeus-Heraklion" route. Additionally, since mid-June, the Company operates on the "Heraklion-Cyclades" route with its new vessel SANTORINI PALACE. Moreover, from the mid-July began its oparation on the "Piraeus-Chania" route.
Finally, the Company, as to upgrade its services to the passengers, from July to the end of the high touristic season (10/9) extended the ferry route "Piraeus-Heraklion" by including the island of Milos Cyclades for a certain number of voyages as an intermediate destination.
From the above mentioned routes in action during 2018 1,087 thousand passengers, 143 thousand cars and 67 thousand trucks were handled by the Company's fleet.

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	
			2018	2017
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:

	2018	2017	Change €
Statement of financial position – key figures			
Non – Current Assets	266,714	390,071	-123,357
Current Assets	40,044	49,887	-9,843
Equity	278,316	284,311	-5,995
Total Liabilities	28,442	155,647	-127,205
Statement of comprehensive income – key figures			
Continuing operations			
Revenue	**91,737**	**79,459**	**12,278**
Cost of sales	76,305	55,309	20,996
Selling and Administrative Expenses	22,020	17,552	4,468
Profit of the year before interest, taxes, depreciation and amortization (E.B.I.T.D.A.)	**8,446**	**20,132**	**-11,686**
Net Financial and Investing Results [(Expenses)]	-928	-1,605	677
(Loss) / profit of the year after taxes from continuing operations	**-5,778**	**4,159**	**-9,937**
(Loss) / profit of the year after taxes from discontinued operations	–	-78	78
(Loss) / profit of the year after taxes	**-5,778**	**4,081**	**-9,859**

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

- The "Non-Current Assets" reached € 266,714 against € 390,071 at 31/12/2017, decreasing by € 123,357 mainly due to the sale of the vessel M/V Cruise Bonaria to Grimaldi Euromed S.p.A., the execution of the framework agrrement with ATTICA Holdings S.A. related with the Company's patricipation in Hellenic Seaways Shipping S.A. and the depreciation of the year.
- The "Current Assets" decreased by € 9,843 and reached € 40,044 against € 49,887 at 31/12/2017. This change is mainly due to the decrease in the Group's cash reserves as a result of the full repayment of its bank borrowing.
- The "Equity" decreased by € 5,995 and reached € 278,316 against € 284,311 at 31/12/2017. This change is due to the current fiscal year's result.
- The "Total Liabilities" reached € 28,442 against € 155,647 at 31/12/2017, decreased by € 127,205, resulting from the full repayment of the bond loan.

(amounts in thousands of €)

The Group's financial performance from continuing operations was affected mainly by the substantial increase of the fuel prices. Analytically :

- The "Revenues" from continuing operations increased by € 12,278 and reached € 91,737 against € 79,459 in fiscal year 2017, due to the Company's operation in the two new domestic routes "Heraklion-Cyclades" and "Piraeus-Chania".
- The "Cost of Sales" increased by € 20,996 and reached € 76,305 against € 55,309 in 2017 fiscal year. This change is mainly due to costs related with the 2 new routes, as well as to the significant increase in fuel price.
- The "Distribution costs and Administration Expenses" increased by € 4,468 compared to previous fiscal year, reaching € 22,020 due to costs related with the 2 new routes.
- Due to the reasons mentioned above the Operating results before tax, depreciation, financing and investing costs (E.B.I.T.D.A.) from continuing operations reduced by € 11,686 and reached profits of € 8,446 against profits of € 20,132 compared to 2017 fiscal year.
- The "Net Financial and Investing Results [Expenses]" presented reduction compared to those of 2017 fiscal year and reached € 928 against € 1,605 (improvement of € 677). This change was primarily due to the full repayment of the bond loan.
- The "Net Results after Taxation" from continuing operations reached loss of € 5,778 against profits of € 4,159 in previous fiscal year.

Financial Ratios

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

	2018	2017
General Liquidity Total Current Assets Total short term liabilities	**1.50**	**1.74**
Immediate Liquidity Total Current Assets – Inventories Total short term liabilities	**1.40**	**1.66**
Debt–equity Ratio Equity Total Liabilities	**9.79**	**1.83**

- 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.

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:

	2018	2017	Change €
Statement of financial position – key figures			
Non – Current Assets	268,636	378,617	-109,981
Current Assets	24,659	49,958	-25,299
Equity	270,467	273,700	-3,233
Total Liabilities	22,828	154,875	-132,047
Statement of comprehensive income – key figures **Continuing operations**			
Revenue	**88,324**	**69,103**	**19,221**
Cost of Sales	73,217	49,768	23,449
Selling and Administrative Expenses	21,950	17,400	4,550
Profit of the year before interest, taxes, depreciation and amortization (E.B.I.T.D.A.)	**5,363**	**9,942**	**-4,579**
Net Financial and Investing Results [Income]	3,625	2,645	980
(Loss) / profit of the year after taxes from continuing operations	**-3,016**	**3,926**	**-6,942**
(Loss) / profit of the year after taxes from discontinued operations	–	-78	78
(Loss) / profit of the year after taxes	**-3,016**	**3,848**	**-6,864**

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

Share price
(amounts in €)

The share price of the Company stood at € 2.40 on 31/12/2018 while its market value at the same date amounted to € 256,752,120.

Subsequent Events

On 18/4/2019 the BoD of Hellenic Capital Market Commission approved the the Company's request for the delisting of its shares from the Athens Stock Exchange. Since 23/4/2019 the trading of the Company's shares has been halted.
There are no other subsequent events after year ended on 31/12/2018.

Prospects for the year 2019

For 2019, the Company estimates that its financial performance will be further enhanced by its commercial expansion on the new routes Piraeus-Chania and Heraklion-Cyclades, which are popular destinations with considerable traffic.
An additional factor that will positively influence the Company's financial figures is the decision to install scrubbers its conventional fleet, which will allow the continuation of supply-consumption of a much more economical type of fuel than the one that would be required by the new environmental regulation that will apply from 1/1/2020 the Company to consume without this investment in application. The Group's cash reserves ensure the unimpeded financing of this investment.
Finally, an additional strengthening factor for the Company's financial performance in 2019 is the full repayment of the Company's borrowings.
In any case, the final adjustment of the Company's financial results is estimated that will be influenced by the financial situation in Greece due to current development of the political environment, the intensification of the competition among the companies operating in the Greek Coastal Sector, the fluctuation of the fuel prices, as well as the tourist flow.

Corporate Business Model – Main Strategic Goals

Minoan Lines 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 services provided to customers and the building of strong and long term relationships with loyal customers, based on the principles of quality and reliability.
The management of Minoan Lines focuses on the application of the following policies:

- Maintain and enhance the leading position in the markets that the company operates
- Invests in modern vessels technologically advanced.
- Provides high-level quality services giving special importance in matters related to safety, security and comfort.
- Continuous improvement and quality upgrade of services provided, according to market standards and expectations, in order to achieve a high-level customer satisfaction.
- Achievement of strong customer loyalty.
- Pursue new growth expansion opportunities in the Aegean Sea region.

Minoan Lines' main objectives are the following:

- Optimal operational level of the fleet.
- Strong, competitive performance of invested capital
- On-going healthy financial structure
- Long-term corporate value enhancement
- Exploit of arising opportunities for further development of coastal shipping operations.
- Improve competitive position in Greek coastal shipping market.

Quality Policies

The long-lasting presence of Minoan Lines in Passenger Coastal Shipping, 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 high level services. Within this framework, the Company has achieved to excel, receiving critical certifications and accepting important awards from established international and domestic organizations:
ISO 9001:2015, 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.

(amounts in thousands of €)

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.
ISO 27001:2013, Information Security Management System, to manage and secure sensitive Company Information - in process for Certification, since March 2018.
GDPR.
Minoan Lines is fully complied with the GDPR Regulation (EU Regulation 2016/679).
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 be stated that these certifications are awarded by independent competent inspectors after thorough relevant on-site inspection.

Environmental Issues

Minoan Lines, alongside its dynamic development in the field of shipping, recognizes its responsibility for environmental protection as well, emphasizing and prioritizing on energy management issues.
In compliance to the requirements of MARPOL, the Regulation (EU) 2015/757 of the European Parliament and of the Council on the monitoring of carbon dioxide emissions and to the Ship Energy Efficiency Management Plan, the company adopted innovative methods of improving the energy efficiency of its ships.

High safety, quality and environmental standards

Minoan Lines, an active member of HELMEPA / Hellenic Marine Environmental Protection Association, has long been committed to environmentally conscious practices, policies and initiatives, placing the utmost importance on the respectful treatment of the environment in which it operates combined with the implementation of energy efficiency measures. It has incorporated, among others, innovative action plans aimed to achieve optimal energy efficiency and economic ship operation being in compliance with the mandatory regulations of MARPOL 73/78.
Minoan Lines keeps on monitoring the fuel consumption reduction as a result of the replacement of our vessels 'propeller blades with improved ones and the application of silicon based eco-friendly hull coatings conducted late 2012/early 2013. Due to the implementation of these measures, a reduction in fuel consumption by approximately 25% has been recorded.

- The company continues to observe on a voluntarily basis the EMS (Environmental Management System ISO 14001:2015), for which it is inspected annually by the International Classification Society which is monitoring the company (RINA).
- Its vessels' itineraries are designed and planned with slow steaming (low-speed) operational practices in mind in order to achieve fuel economy and lower emissions.
- During the stay of each vessel at the port, only fuel containing low sulfur (ultra-low sulfur marine gas oil) is used.

The company has made continuous investments in modern environmentally friendly technology and adheres to international and domestic regulations. Its fleet is undergoing strict quality certification procedures, which are renewed on an annual basis.
In order to promote the protection of environment by reducing the air pollution, Company's vessels H/S/F KNOSSOS PALACE, H/S/F FESTOS PALACE and H/S/F MYKONOS PALACE are planned to comply with Resolution MEPC.259(68) by installing, within 2019, exhaust gas cleaning systems (Scrubbers). The Scrubber system (Open Loop Version) uses only seawater to Sox bringing it below the IMO limit without the addition of any reagent like caustic soda or sodium carbonate.
The following performance of the Scrubber system is guaranteed:

SO_2 Removal	SO_2 (ppm) / CO_2 (% v/v) ≤ 4.3
SW turbidity (De – Sox Tower discharge)	< 25 FNU
SW pH	≥ 6.5 at 4 mt from OB (IMO)
SW PAH (De – Sox Tower discharge)	< 50 microg / L normalized at 45 t / MW (MCR) / h

In 2018, the company's vessels with over 5.000 GT were certified for the monitoring plan of carbon dioxide emissions (MRV) in accordance with the Regulation (EU) 2015/757 and Ship Fuel Oil Consumption Data Collection Plan (IMO DCS) of Resolution MEPC.282(70) the Ship Energy Efficiency Management Plan Part II.
The Company also observes voluntarily the Water Ballast Management Plan in compliance with Regulation B-1 of the International Convention for the Control and Management of Ships' Ballast Water and Sediments 2004 and the IMO "Guidelines for Ballast Water Management and Development of Ballast Water Management Plans" Resolution MEPC 127 (53).
Vessels are supplied with environmentally friendly consumables, spare parts and equipment. Ongoing training is provided to the crew and shore-based company staff in order to create environmental consciousness while prompt awareness of the passengers.
Minoan Lines participates in POSEIDON MED II project, which aims to introduce LNG as the main fuel for the shipping industry and develop a sufficient infrastructure network of bunkering value chain. The aim of the project is to prepare the technical designs of 10 vessels to be converted into LNG-fuelled ships, including Festos Palace owned by Minoan Lines.
Finally, Company is continuously demonstrating its environmental sensitivity by addig the highspeed vessel H/S/C SANTORINI PALACE to its fleet, an environmentally friendly vessel, which exclusively uses marine gas oil with Sulphur content of 0.1%.

(amounts in thousands of €)

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 and standards. The total waste and sewage of 2018, managed by the Company, were:

TOTAL WASTE 2018 in Cubic Meters									
VESSEL	**Total Sludge**	**Total Blidge**	**Plastics**	**Food wastes**	**Domestic wastes**	**Cooking Oil**	**Operational wastes**	**E-waste**	**Recycled Blidge**
KNOSSOS PALACE	376.00	491.80	410.80	308.10	995.60	0.755	375.00	–	444.80
FESTOS PALACE	377.00	468.00	403.80	321.60	930.90	0.575	370.00	0.02	393.00
MYKONOS PALACE	390.10	184.00	335.80	287.30	868.80	–	481.60	1.90	60.00
SANTORINI PALACE	14.50	3.00	173.50	102.00	111.50	–	2.00	–	–
Total Waste	**1,157.60**	**1,146.80**	**1,323.90**	**1,019.00**	**2,906.80**	**1,330.00**	**1,228.60**	**1.92**	**897.80**

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 → 141 employees, of which:
71 men (50.35%) / 70 women (49.65%) (4 women in managerial positions)
Crew in ships →260, of which 19 women (7.30%)

Personnel Classification by Age:

Land / Persons	Vessels / Persons	Age
10	45	< 30
101	161	30 – 50
30	54	> 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 labor agreement. In 2018, 34 employees of the company in land and ships participated in 12 different seminars completing in total 312 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's human 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 Minoan Lines' 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 2018:
* Fatal labour accidents: **–**
* Non–fatal labour accidents: **5 (in sea)**

Social Responsibility

Minoan Lines has acknowledged the importance of being socially conscious. The company firmly supports a purely anthropocentric philosophy, wishing to serve as a role model for how companies should operate within a community. The Management appeals to socially conscious individuals in order to earn their trust and to make a real difference in the community where it conducts its business.
Outline of some of the major support initiatives that our company has adopted :
✓ Supporting the Doctors of the Aegean (General University Hospital of Heraklion) Minoan Lines stands by the Doctors of the Aegean and their humanitarian missions to Crete and remote islands near the borders and other parts of Greece. The highly dedicated and well trained personnel provide voluntarily reasonable medical care to Greek citizens who have no access to it. Our company supports such initiatives which deliver relief and achieve meaningful results. Investing in this cause, the company actively demonstrates its spirit of solidarity and selflessness towards fellow citizens in need.
✓ Sponsorships on cultural and artistic institutions
✓ Supporting the National Opera of Greece
✓ Sponsorships on universities, primary & secondary education institutions
✓ Supporting various monasteries and religious welfare institutions
✓ Sports Sponsorships
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.

Supporting Sustainable Development and the Environment

Minoan Lines is the first shipping company in Greece that withdrew plastic straws from the bars, self-service and a la carte restaurants of its vessels and replaced them with biodegradable and environmentally friendly ones.

Supporting Special Social groups

Minoan Lines recognizes the needs of special or even disadvantaged social groups and adjusts its commercial policy accordingly. For Minoan Lines, discretionary responsibility policy is a must, since it is rooted in the core values and business activities of the company.

Risks and Uncertainties

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

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.

Nevertheless, there are still the country'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 31/12/2018 no additional provisions for impairment of financial and non–financial assets are required, than those conducted and reported in its financial statements.

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.

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 31/12/2018 the Group's cash and cash equivalents amounted to € 24,165 while at 31/12/2017 amounted to € 33,839. Furthermore, the Group maintaining credit line with cooperating bank, which as at 31/12/2018 and 31/12/2017 amounting to € 7,000, which in total was unused. The interest on the credit line charged is based on the sum of the EURIBOR rate and the bank's 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, the lack of debt obligations 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.

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.

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 the Group's commitments.

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.

(amounts in thousands of €)

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.

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.
It is noted that in 2018 there was a significant increase in the level of international fuel prices which affected fuel cost.

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% until 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. Thus the Group decided in order to avoid the consumption eclusively of low-sulfur marine fuel to install scrubbers to its fleet.
This investment started in late 2018 and is in progress. The lack of borrowing combined with the Group's cash reserves ensures that the investment is not expected to have a significant impact on its 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.

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 2018 and 2017 respectively:

1/1–31/12/2018	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 Maritime Agencies Sweden AB	Grimaldi Belgium n.v.	Totals	Grimaldi Group S.p.A.	Grimaldi Euromed S.p.A.	Totals
Expenses related to the on board sales (concession fees etc)	–	10,069	–	–	–	**10,069**	–	–	**10,069**
Attributing agency costs	–	-2,863	-72	–	–	**-2,935**	–	–	**-2,935**
Bunkers cost	–	268	–	–	–	**268**	–	–	**268**
Attributing costs related to maintenance-repairs-dry docking and vessels improvements	–	–	–	–	–	–	–	8,676	**8,676**
Other expenses	36	-	-	–	1	**37**	22	–	**59**
Totals	**36**	**7,474**	**-72**	–	**1**	**7,439**	**22**	**8,676**	**16,137**
Revenue from crew coat reduction	163	449	–	–	–	**612**	–	–	**612**
Revenue from services rendered (commissions, fees and other revenue related to agency operation)	141	9,060	17	–	–	**9,218**	–	–	**9,218**
Revenue related to the on board sales	–	3,406	–	–	–	**3,406**	–	–	**3,406**
Chartering revenue	–	788	–	–	–	**788**	–	2,217	**3,005**
Revenue from bunker disposal	–	––	–	–	–	**–**	–	570	**570**
Other revenue	–	16	–	1	–	**17**	–	–	**17**

Minoan Lines Shipping S.A. – Report of the Board of Directors on the financial statements of the year 2018 (1/1 – 31/12/2018) (amounts in thousands of €)

Proceeds from sale of tangible asset (vessel)	–	–	–	–	–	–	–	70,000	**70,000**
Totals	**304**	**13,719**	**17**	**1**	–	**14,041**	–	**72,787**	**86,828**

** Grimaldi Tours and Grimaldi Group (Roma) are included*

1/1-31/12/2017							**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.**	**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*

The aforementioned transactions were made at arm's length.

Here below the most significant outstanding balances on 31/12/2018 and on 31/12/2017 between the related parties are presented:

31/12/2018				**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.**	**Totals**	**Minoan Italia S.p.A. Grimaldi Euromed S.p.A.**	**Totals**
due from	246	–	–	**246**	–	**246**
payable to	–	1,688	2	**1,690**	5,610	**7,300**

** Grimaldi Tours and Grimaldi Group (Roma) are included*

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*

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 2018 are presented on the table below:

	31/12/2018	**31/12/2017**
Executive directors	430	477
Non – executive directors	340	274
Management	1,030	905
Totals	**1,800**	**1,656**

Of the total remunerations above, an amount of € 73 and € 64 remains unpaid as of 31/12/2018 and 31/12/2017 respectively.
Moreover, during the year ended 31/12/2018, the Company concluded commercial transactions with entities owned by BoD members amounting to € 191, while as of 31/12/2018 from such transactions an amount of € 201 was receivable and an amount of € 1 payable.
Finally, during the year ended 31/12/2018, transactions with relatives of the management and of executives amounted to € 291, while as of 31/12/2018 it was unpaid the amount of € 33. 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

The explanatory report of the board of directors to the Annual General Meeting of shareholders includes additional information.

Structure of the Company's share capital

The Company's share capital amounted € 240,705,112.50 on December 31st, 2018 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

On December 31st 2018, the company «GRIMALDI GROUP S.p.A.» participated in Minoan Lines share capital with 96.56% (89.94% directly and 6.62% 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 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. As at 31/12/2018 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.

Minoan Lines Shipping S.A. – Report of the Board of Directors on the financial statements of the year 2018 (1/1 – 31/12/2018) (amounts in thousands of €)

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, April 23rd 2019
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**

a Grimaldi Group company

Annual Financial Statements (stand alone and consolidated) as of December 31st, 2018

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 below have been approved by the Board of Directors meeting on 23/4/2019.

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.

Comparative amounts of the year 2017 (1/1–31/12/2017) have been reclassified / adjusted so as to present a more accurate information.

(amounts in thousands of €)

STATEMENT OF PROFIT or LOSS and OTHER COMPREHENSIVE INCOME

	Note	The Group 1/1–31/12/2018	The Group 1/1–31/12/2017	The Company 1/1–31/12/2018	The Company 1/1–31/12/2017
Continuing operations					
Revenue	4	91,737	79,459	88,324	69,103
Cost of sales	5	-76,305	-55,309	-73,217	-49,768
Gross Profit of the year		**15,432**	**24,150**	**15,107**	**19,335**
Selling expenses	6	-13,790	-11,254	-13,785	-11,137
Administrative expenses	7	-8,230	-6,298	-8,165	-6,263
Other operating income	8	2,427	1,168	914	1,168
Other operating expenses	9	-716	-1,822	-712	-1,822
Operating (Loss) / profit of the year before financing costs		**-4,877**	**5,944**	**-6,641**	**1,281**
Impairment loss on financial assets at fair value through P&L	17 & 30	-20	–	-20	–
Finance income	10	243	191	158	167
Finance expenses	11	-1,151	-1,796	-1,151	-1,796
Net finance results		**-908**	**-1,605**	**-993**	**-1,629**
Dividend income from participations	16	–	–	4,638	4,274
(Loss) / profit of the year before taxes		**-5,805**	**4,339**	**-3,016**	**3,926**
Income tax	13	27	-180	–	–
(Loss) / profit of the year after taxes from continuing operations		**-5,778**	**4,159**	**-3,016**	**3,926**
(Loss) / profit of the year after taxes from discontinued operations		–	-78	–	-78
(Loss) / profit of the year after taxes		**-5,778**	**4,081**	**-3,016**	**3,848**
Other comprehensive income of the year (B)					
Items that will not be reclassified subsequently to profit or loss					
Actuarial (Loss) / gain	26	-187	35	-187	35
Total comprehensive income of the year after taxes (A) + (B)		**-5,965**	**4,116**	**-3,203**	**3,883**
The (Loss) / profit of the year is attributable to :					
Owners of the parent company		**-5,778**	**4,081**	**-3,016**	**3,848**
Non-controlling Interests		–	–	–	–
(Loss) / profit of the year after taxes		**-5,778**	**4,081**	**-3,016**	**3,848**
The total comprehensive income of the year is attributable to :					
Owners of the parent		**-5,965**	**4,116**	**-3,203**	**3,883**
Non-controlling interests		–	–	–	–
Total comprehensive income of the year after taxes		**-5,965**	**4,116**	**-3,203**	**3,883**
Basic Earnings per Share after Taxes (in €)	32	**-0.0540**	**0.0381**	**-0.0282**	**0.0360**

* The impact of the adoption of IFRS 9 and IFRS 15 was recognized in the "Retained Earnings" without adjusting the comparative figures for 2017 (note 3.19)

The accompanying notes are integral part of the Annual Financial Statements

(amounts in thousands of €)

STATEMENT OF FINANCIAL POSITION

	Note	The Group 31/12/2018	The Group 31/12/2017	The Company 31/12/2018	The Company 31/12/2017
Assets					
Non – current assets					
Property, plant and equipment	14	242,855	292,067	238,966	154,970
Intangible assets	14	4,058	138	4,058	138
Investment property	15	1,135	1,176	1,135	1,176
Investments in subsidiaries	16	–	–	11,223	125,643
Financial assets at fair value through P&L	17	87	83,414	87	83,414
Other long term assets – receivables	18	18,579	13,276	13,167	13,276
Total non – current assets		**266,714**	**390,071**	**268,636**	**378,617**
Current assets					
Inventories	19	2,568	2,476	2,568	2,476
Trade and other receivables	20	12,491	13,002	12,087	19,587
Other current assets	20	820	570	820	506
Cash and cash equivalents	21	24,165	33,839	9,184	27,389
Total current assets		**40,044**	**49,887**	**24,659**	**49,958**
Total Assets		**306,758**	**439,958**	**293,295**	**428,575**
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	13,875	13,818	12,921	13,108
Retained earnings *		-2,008	4,044	-8,903	-5,857
Total Equity attributable to equity holders of the parent		**278,316**	**284,311**	**270,467**	**273,700**
Non-controlling interests		**–**	**–**	**–**	**-**
Total Equity		**278,316**	**284,311**	**270,467**	**273,700**
Non – current liabilities					
Loans	25	–	125,221	–	125,221
Deferred tax liabilities	13	–	179	–	–
Retirement benefit obligations	26	1,571	1,420	1,571	1,420
Other provisions		180	188	180	188
Total Non – current liabilities		**1,751**	**127,008**	**1,751**	**126,829**
Current liabilities					
Loans-current portion of long term loans	25	–	13,818	–	13,818
Contractual obligations	3.19 & 27	3,157	–	3,157	–
Trade and other payables	27	23,534	14,821	17,920	14,228
Total Current liabilities		**26,691**	**28,639**	**21,077**	**28,046**
Total Liabilities		**28,442**	**155,647**	**22,828**	**154,875**
Total Equity and Liabilities		**306,758**	**439,958**	**293,295**	**428,575**

* The impact of the adoption of IFRS 9 and IFRS 15 was recognized in the "Retained Earnings" without adjusting the comparative figures for 2017 (note 3.19)

The accompanying notes are integral part of the Annual 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 1/1/2017		**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**
Balance as at 1/1/2018		**240,705**	**25,744**	**13,108**	**-5,857**	**273,700**
Change in accounting policy *	3.19			–	-30	**-30**
Adjusted Balance as at 1/1/2018		**240,705**	**25,744**	**13,108**	**-5,887**	**273,670**
Changes in equity 1/1 – 31/12/2018						
(Loss) of the year after taxes					-3,016	**-3,016**
Actuarial (Loss)	26			-187		**-187**
Other comprehensive income of the year						**–**
Total comprehensive income of the year after taxes				**-187**	**-3,016**	**-3,203**
Balance as at 31/12/2018		**240,705**	**25,744**	**12,921**	**-8,903**	**270,467**

* The impact of the adoption of IFRS 9 and IFRS 15 was recognized in the "Retained Earnings" without adjusting the comparative figures for 2017 (note 3.19)

The accompanying notes are integral part of the Annual 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 1/1/2017		**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**
Balance as at 1/1/2018		**240,705**	**25,744**	**13,818**	**4,044**	**284,311**	**–**	**284,311**
Change in accounting policy *	3.19				-30	**-30**	**–**	**-30**
Adjusted Balance as at 1/1/2018		**240,705**	**25,744**	**13,818**	**4,014**	**284,281**	**–**	**284,281**
Changes in equity 1/1 – 31/12/2018								
Transfer between retained earnings and other reserves (ordinary reserve)				244	-244	–	–	–
(Loss) of the year after taxes					-5,778	**-5,778**	–	**-5,778**
Actuarial (Loss)	26			-187		**-187**	–	**-187**
Other comprehensive income of the year						**–**	–	**–**
Total comprehensive income of the year after taxes				**-187**	**-5,778**	**-5,965**	**–**	**-5,965**
Balance as at 31/12/2018		**240,705**	**25,744**	**13,875**	**-2,008**	**278,316**	**–**	**278,316**

* The impact of the adoption of IFRS 9 and IFRS 15 was recognized in the "Retained Earnings" without adjusting the comparative figures for 2017 (note 3.19)

The accompanying notes are integral part of the Annual Financial Statements

(amounts in thousands of €)

STATEMENT OF CASH FLOWS

Indirect Presentation Method	Note	The Group 1/1–31/12/2018	The Group 1/1–31/12/2017	The Company 1/1–31/12/2018	The Company 1/1–31/12/2017
Cash Flows from Operating Activities					
Profit of the year before taxes		**-5,805**	**4,261**	**-3,016**	**3,848**
Plus / Less adjustments for:					
Net depreciation	14 & 15	13,323	14,188	12,004	8,660
Impairment loss on non-current financial assets	17 & 30	20	–	20	–
Provisions		378	1,112	378	1,112
Net Foreign Exchange losses		1	-3	1	-3
(Income), (gains) from investing activities	14 & 16	-1,513	–	-4,638	-4,274
Interest and other financial expenses		1,151	1,796	1,151	1,796
Adjustments for changes in working capital or operating activities					
Decrease / (increase) in inventories		-92	785	-92	785
Decrease / (increase) in trade and other receivables		-5,417	29,945	320	28,628
Increase / (decrease) in liabilities other than borrowings		11,872	-28,770	6,773	-28,629
Less :					
Interest and related expenses paid		-891	-1,675	-891	-1,675
Income taxes paid		-230	-1,333	–	-1,031
Net cash generated by operating activities (a)		**12,797**	**20,306**	**12,010**	**9,217**
Cash Flows from Investing activities					
Participation in share capital increases of other investments		–	-507	–	-507
Return of capital from affiliate	16	–	–	121,020	471
Purchase of tangible and intangible assets	14	-31,671	-1,409	-95,073	-1,409
Proceeds from sale of tangible and intangible assets	14	70,000	–	–	–
Procceds from sale of non-current financial assets	17	78,500	–	78,500	–
Dividends received	16	–	–	4,638	4,274
Net cash generated by / (used in) investing activities (b)		**116,829**	**-1,916**	**109,085**	**2,829**
Cash Flows from Financing activities					
Repayment of long/short term borrowings	25	-139,300	-13,930	-139,300	-13,930
Net cash (used in) financing activities (c)		**-139,300**	**-13,930**	**-139,300**	**-13,930**
Net (Decrease) / increase in cash and cash equivalents (a) + (b) + (c)		**-9,674**	**4,460**	**-18,205**	**-1,884**
Cash and cash equivalents at the beginning of the year		**33,839**	**29,379**	**27,389**	**29,273**
Cash and cash equivalents at the end of the year	21	**24,165**	**33,839**	**9,184**	**27,389**

The accompanying notes are integral part of the Annual Financial Statements

Notes to the annual financial statements of the year 2018 (1/1 – 31/12/2018)

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 31/12/2018 and 31/12/2017 the total number of ordinary shares outstanding was 106,980,050. The total market capitalization on 31/12/2018 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 31/12/2018, 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 31/12/2018 include the Company and consolidated financial statements (the "Financial Statements") and were approved by the Board of Directors meeting on 23/4/2019, 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 2018	2017
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, has no debt obligations and is fully consistent with 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 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. Comparative amounts of the year 2017 (1/1–31/12/2017) have been reclassified / adjusted so as to present a more accurate information

2.2 Basis of Preparation

The financial statements are prepared on the historical cost basis except of financial assets at fair value either though P&L or through other comprenhensive income 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, 14 and 17).
- Financial assets at fair value though P&L: Their valuation based either on studies by independent appraisers taking into account all available appraising methods in order to reach the fair value of the investment. In specific cases, the acquisition cost reflects fair value. 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.b, 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.a, 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 34).

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 profit or loss and other comprenhensive 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 Financial assets at fair value either though P&L or through other comprenhensive income

The classification of the financial assets at initial recognition depends on the financial asset's contractual cash flow caracteristics and the business model within which the financial asset is held.
For the purpose of subsequent measurement, financial assets are classified in two categories:

i. Financial assets at fair value though P&L
ii. Financial assets at fair value through other comprenhensive income (no such elements held as at 31/12/2018)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. Gains or losses arising from changes in the fair value of the financial assets carried at fair value through profit or loss are recognized in the income statement within "Impairment loss on financial assets at fair value through P&L".

3.3.1.c 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.d 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.e 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.f 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 including any new additions while for the High Speed Catamarans (HSC) is estimated at 20%. 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 from the building year
High Speed Catamarans	25 from the building year
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
Operational rights	according to the period of validity

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 Group assesses at each reporting date, based on all available data, to determine whether there is objective evidence of impairment of the value of one or a group of financial assets.
The Group recognizes a provision for impairment against expected credit losses on all financial assets that are not carried at fair value through profit or loss. Credit loss is the difference between the contractual cash flows and the expectected flows the Group assess to receive.
For trade receivables and any contingent assets, the Group applies the simplified approach to calculate the expected credit losses. The Group at each reporting date assess the financial instruments' credit risk variation. The Group derecognizes a financial asset when there are no reasonable expectations of recovering all or part of the cash flow of the asset.

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. 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.rental income, interest income, on board stores, agency services 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

(amounts in thousands of €)

that applies in the computation of the income tax expense for profits other than vessels' operation is 29% for the year 2018 being reduced from 2019 by 1% annually reaching on 2022, and thereafter, at 25% (art. 58 of the law 4172/2013). On the distribution of profits that derive from income other than vessels' operation, a 15% 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.
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 Change in accounting policies

a. IFRS 15 "Revenue from contracts with customers"
IFRS 15 supersedes IAS 11 and IAS 18 and related Interpretations. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Company will adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognized in retained earnings as of 1 January 2018 and that comparatives will not be restated. The 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 recognized 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. A contract liability is recognized when there is an obligation to transfer goods or services to a customer for which the Group or the Company has received consideration from the customer or there is an unconditional right to receive consideration before the Group or the Company transfers a good or a service. On the basis of these, the Group recognizes as contract liabilities the deferred income, which includes mainly the pre-sale of tickets and the cost of the customer loyalty program, as well as the advanced payments received from customers. The table below shows the financial position items affected by the adoption of IFRS 15

	The Group			The Company		
	31/12/2017	Adjustments	1/1/2018	31/12/2017	Adjustments	1/1/2018
Short–term contractual obligations	–	2,989	2,989	–	2,400	2,400
Suppliers and other current liabilities	14,821	-2,989	11,832	14,228	-2,400	11,828

(amounts in thousands of €)

b. IFRS 9 "Financial Instruments"

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 adopted the new standard on 1 January 2018 and did not restate the comparative information. On 31/12/2017, the Group held equity instruments that have been classified under that time in force standard (IAS 39) as available for sale and were measured at fair value through other comprenhensive income. The effect on the Group's financial statements in relation to the applied until 31/12/2017 is presented in the below table.
For trade receivables the Company applied the simplified approach to providing for expected credit losses, which requires the use of the lifetime expected loss provision for all trade receivables. As a result from the adoption of relevant standard, there was an increase in the loss allowance resulting in a negative impact on its equity which reached the amount of € 30. Finally, there was no impact on the classification and measurement of the Group's financial liabilities. The table below shows the financial position items affected by the adoption of the IFRS 9.

	The Group			The Company		
	31/12/2017	Adjustments	1/1/2018	31/12/2017	Adjustments	1/1/2018
Available for sale financial assets	83,414	-83,414	–	83,414	-83,414	–
Financial assets at fair value through P&L	–	83,414	83,414	–	83,414	83,414
Adjustments on trade receivables following additional impairment loss	13,002	-30	12,972	19,587	-30	19,557
Retained Earnings adjustments	4,044	-30	4,014	-5,857	-30	-5,887

3.20 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

IFRS 9 "Financial Instruments"

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 that was applied under IAS 39. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39. The effect from applying the standard to the Group is described in note 3.19.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity recognizes 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 effect from applying the standard to the Group is described in note 3.19.

IAS 40 (Amendments) "Transfers of Investment Property"

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.

IFRIC 22 "Foreign currency transactions and advance consideration"

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.

Annual Improvements to IFRS 2014 (2014 – 2016 Cycle)

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.

Standards and Interpretations effective for subsequent periods

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 amortized cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

(amounts in thousands of €)

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)
IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group will adopt the standard from the mandatory date of application (1/1/2019) following the simplified transition method without re-writing any comparative amounts. The Group will make use of the short - and low-value leases exemption. As of 1/1/2019 the Group mainly leases a minor number of private cars used to service its operations. The impact from these leases on its financial statements, following relevant assessment, is negligible.
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 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.
IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)
The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. **The amendments have not yet been endorsed by the EU**.
IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after 1 January 2020)
The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. **The amendments have not yet been endorsed by the EU**.
IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after 1 January 2020)
The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. **The amendments have not yet been endorsed by the EU**.

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 IFRSs. **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 that 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	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Revenue from Vessel Operations (fares–chartering)	57,864	48,173	54,452	37,817
Revenue from restaurant – bars	14,824	12,804	14,824	12,804
Revenue from shops on board	7,578	7,282	7,578	7,282
Revenue from agency services	11,471	11,200	11,470	11,200
Totals	**91,737**	**79,459**	**88,324**	**69,103**

Comparative amounts of the year 2017 (1/1–31/12/2017) have been reclassified so as to present a more accurate information

(amounts in thousands of €)

5. Cost of sales

	The Group		The Company	
Continuing operations	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Payroll cost	13,944	9,732	13,944	9,732
Bunkers and lubricants	24,032	10,862	23,462	10,862
Port expenses – Maintenances – Consumables	3,523	1,440	2,323	1,440
Food – Beverages – Shops merchandise	8,027	6,996	8,027	6,996
Various other costs	13,970	12,587	13,970	12,574
Depreciation	12,809	13,692	11,491	8,164
Totals	**76,305**	**55,309**	**73,217**	**49,768**

6. Selling expenses

	The Group		The Company	
Continuing operations	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Payroll cost	4,741	4,805	4,741	4,805
Commissions paid	6,310	4,656	6,305	4,539
Advertising and promotion expenses	2,054	1,209	2,054	1,209
Various other expenses	593	502	593	502
Depreciation	92	82	92	82
Totals	**13,790**	**11,254**	**13,785**	**11,137**

7. Administrative expenses

	The Group		The Company	
Continuing operations	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Payroll cost	2,906	3,123	2,906	3,123
Third parties fees and expenses	2,214	1,624	2,202	1,610
Various other expenses	2,688	1,137	2,635	1,116
Depreciation	422	414	422	414
Totals	**8,230**	**6,298**	**8,165**	**6,263**

8. Other operating income

	The Group		The Company	
Continuing operations	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Income from services rendered	173	141	173	141
Income from government grants	66	67	66	67
Rental income	11	11	11	11
Gain from sale of tangible assets (note 14)	1,513	–	–	–
Reversal of provisions for contingent liabilities	8	854	8	854
Income from reversal of impairment loss due to debt recovery	143	91	143	91
Other income	513	4	513	4
Totals	**2,427**	**1,168**	**914**	**1,168**

9. Other operating expenses

	The Group		The Company	
Continuing operations	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Impairment loss on trade receivables	489	1,657	489	1,657
Discount cost of long-term receivables at present value	42	–	42	–
Various other expenses	185	165	181	165
Totals	**716**	**1,822**	**712**	**1,822**

10. Finance income

	The Group		The Company	
Continuing operations	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Income from time deposits	143	69	66	46
Interest and other related income	89	86	81	85
Foreign exchange gains	11	36	11	36
Totals	**243**	**191**	**158**	**167**

(amounts in thousands of €)

11. Finance expenses

Continuing operations	The Group 31/12/2018	The Group 31/12/2017	The Company 31/12/2018	The Company 31/12/2017
Interest on bank overdraft and loans	420	1,299	420	1,299
Commissions–Bank charges and other expenses	126	82	126	82
Commissions on Letters of Guarantee and Credit Cards	259	243	259	243
Foreign exchange losses	35	11	35	11
Amortization of deferred financing & waiver fees–expenses of loan management	311	161	311	161
Totals	**1,151**	**1,796**	**1,151**	**1,796**

12. Personnel expenses

The number of personnel employed at the end of the years ended 31/12/2018 and 31/12/2017 was 401 and 318, respectively.

Continuing operations	The Group 31/12/2018	The Group 31/12/2017	The Company 31/12/2018	The Company 31/12/2017
Salaries and wages	18,342	14,675	18,342	14,675
Social security contributions	2,775	2,419	2,775	2,419
Other personnel benefits	286	268	286	268
Employee Defined Benefit obligations (note 26)	188	298	188	298
Totals	**21,591**	**17,660**	**21,591**	**17,660**

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%.

Continuing operations	The Group 31/12/2018	The Group 31/12/2017	The Company 31/12/2018	The Company 31/12/2017
Income tax expense	152	246	–	–
Deferred tax	-179	-66	–	–
Totals	**-27**	**180**	**–**	**–**

In the long–term liabilities of financial position is included amount of "Deferred tax liabilities" for the Group which at 31/12/2018 was € 0 while on 31/12/2017 amounted € 179. Due to the special tax regime there are no deferred taxes for Company (note 3.16).

14. Tangible and intangible assets

The Group

	Land	Buildings Technical works	Transportation equipment	Vessels – Spare parts – Drydockings – Vessels' other equipment	Furniture – Computers – Other equipment – Mobile phones & tablets	Computer Software – Operational rights	Totals
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**
Cost at 1/1/2018	**2,110**	**6,320**	**8**	**454,939**	**3,584**	**3,390**	**470,351**
Acquisitions and additions 1/1 – 31/12/2018	–	–	–	31,112	504	4,861	**36,477**
Less : Disposals – Transfers – Write offs 1/1 – 31/12/2018	–	–	–	106,916	42	–	**106,958**
Costs at 31/12/2018	**2,110**	**6,320**	**8**	**379,135**	**4,046**	**8,251**	**399,870**
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 €)

Accumulated Depreciation at 1/1/2018	**–**	**3,376**	**8**	**168,338**	**3,172**	**3,252**	**178,146**
Depreciation for the year 1/1 – 31/12/2018	–	257	–	11,889	195	941	**13,282**
Less : Disposed / Transferred assets accumulated depreciation 1/1 – 31/12/2018	–	–	–	38,431	40	–	**38,471**
Accumulated Depreciation at 31/12/2018	**–**	**3,633**	**8**	**141,796**	**3,327**	**4,193**	**152,957**
Net book value at :							
1/1/2017	**2,110**	**3,178**	**–**	**297,600**	**420**	**105**	**303,413**
31/12/2017	**2,110**	**2,944**	**–**	**286,601**	**412**	**138**	**292,205**
31/12/2018	**2,110**	**2,687**	**–**	**237,339**	**719**	**4,058**	**246,913**

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 € 70,000. The consolidated gain from the above sale reached € 1,513 million and included in the "Other operating income" (note 8).

The Company

	Land	Buildings Technical works	Transportation equipment	Vessels – Spare parts – Drydockings – Vessels' other equipment	Furniture – Computers – Other equipment – Mobile phones & tablets	Computer Software – Operational rights	Totals
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**
Cost at 1/1/2018	**2,110**	**6,320**	**8**	**241,218**	**3,584**	**3,390**	**256,630**
Acquisitions and additions 1/1 – 31/12/2018	–	–	–	94,514	504	4,861	**99,879**
Less / (plus): Disposals / Transfers / Write offs 1/1 – 31/12/2018	–	–	–	-4	42	–	**38**
Costs at 31/12/2018	**2,110**	**6,320**	**8**	**335,736**	**4,046**	**8,251**	**356,471**
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**
Accumulated Depreciation at 1/1/2018	**–**	**3,376**	**8**	**91,714**	**3,172**	**3,252**	**101,522**
Depreciation for the year 1/1 – 31/12/2018	–	257	–	10,570	195	941	**11,963**
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1 – 31/12/2018	–	–	–	-2	40	–	**38**
Accumulated Depreciation at 31/12/2018	**–**	**3,633**	**8**	**102,286**	**3,327**	**4,193**	**113,447**
Net book value at :							
1/1/2017	**2,110**	**3,178**	**–**	**154,974**	**420**	**105**	**160,787**
31/12/2017	**2,110**	**2,944**	**–**	**149,504**	**412**	**138**	**155,108**
31/12/2018	**2,110**	**2,687**	**–**	**233,450**	**719**	**4,058**	**243,024**

In June 2018, completed the transfer of the vessel MYKONOS PALACE against € 65,000 to the Company by its subsidiary Minoan Italia S.p.A.

Information related to the purchase of the vessel SANTORINI PALACE and the acquired right of activation and non-competition which are included in the categories "Vessels–Spare parts–Drydockings–Vessels' other equipment" and "Computer Software – Operational rights" are presented in note 17.

The fair value of the Croup's vessels on 31/12/2018, as determined by independent appraisers, amounted to € 241,000, 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.

(amounts in thousands of €)

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	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Cost of sales	12,809	13,692	11,491	8,164
Administrative expenses	92	82	92	82
Selling expenses	381	373	381	373
Totals	**13,282**	**14,147**	**11,964**	**8,619**

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 1/1/2017	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
Cost at 1/1/2018	557	1.195	1.752	557	1.195	1.752
Costs at 31/12/2018	557	1.195	1.752	557	1.195	1.752
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
Accumulated Depreciation at 1/1/2018	–	576	576	–	576	576
Depreciation for the year 1/1 – 31/12/2018	–	41	41	–	41	41
Accumulated Depreciation at 31/12/2018	–	617	617	–	617	617
Net book value at :						
1/1/2017	557	660	1.217	557	660	1.217
31/12/2017	557	619	1.176	557	619	1.176
31/12/2018	557	578	1.135	557	578	1.135

The property's fair value at 31/12/2018 as determined by independent appraisers is € 1,198 while there was no reason for any impairment of the property. On the mentioned property, to secure Company's obligations, lien is recorded.

16. Investments in subsidiaries

Investments in subsidiaries are as follows :

company	Participation amount	
	31/12/2018	31/12/2017
Minoan Italia S.p.A.	11,223	125,643
Totals	**11,223**	**125,643**

Following the transfers of its vessels (note 14), decisions were taken through Extraordinary General Meetings by the 100% subsidiary Minoan Italia S.p.A. to reduce its share capital by a total amount of € 114.420 and the return of this amount to the parent company. On 31/12/2018, both this reimbursement and the remaining on 31/12/2017 amount of the previous capital return decision (€ 6,600) were completed. The subsidiary has a satisfactory liquidity (€ 14,981) and is considering activities that can develop.
The amount of € 4,638 included in the Company's results in the category "Dividend income from participations" is dividend for the fiscal year 2017 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 2018.

17. Financial assets at fair value though P&L

The financial assets at fair value though P&L amounting € 87 on 31/12/2018 and € 83,414 on 31/12/2017 (note 3.19). The current period's amount refers to investments in stocks of two non-listed cooperative banks and one non-listed domestic company in which the Group holds negligible shares. The variation of € 83.307 is due to the completion of the agreement signed in October 2017 between the Company and ATTICA Holdings S.A. for the disposal of the 48.53% stake held by the Company in the non-listed company Hellenic Seaways Shipping S.A. 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:

(amounts in thousands of €)

• 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. Along with this the Company acquires the right to operate on the "Heraklion-Cyclades" route with the simultaneous commitment of ATTICA Holdings S.A. not to operate its group on this route for a period of three years.
• The purchase of the vessel "HIGHSPEED 7", that is owned by Hellenic Seaways Shipping S.A., for a total purchasing price of € 25,000.
• 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 S.A., for a total purchasing price of €74,500.

The agreement following the completion on securing of all the necessary approvals (Hellenic Competition Commission, corporate etc) and the acquisition of control of Hellenic Seaways Shipping S.A. by ATTICA Holdings S.A., finalized on11/6/2018.
The Company to assess the fair value of the acquired right of activation and non-competition has received a valuation study from an independent recognized valuator that was conducted in accordance with method accepted by IFRS (method of discounted free cash flow).
On the basis of the above, the Company derecognized its participation in Hellenic Seaways Shipping S.A and recognized in the tangible assets the acquisition of the vessel "HIGHSPEED 7" amounting to € 25,000 and as intangible asset the acquisition of the right of activation and non-competition amounting to € 4,807 as determined by independent appraiser. The method used to estimate the right's value is the discounted free cash flows (D.C.F.) and the main factors taken into account are the revenue, the fuel cost and the discount rate. The right will be amortized on a straight-line basis over a three-year period (note 14). As at 31/12/2018 the unamortized balance was € 3,920. Upon completion of all the above from the total transaction no profit or loss has been incurred for the Company and the Group.
Furthermore as at 31/12/2018 it was examined whether there are any indications of impairment for the remaining non-current financial assets and an impairment of € 20 was recognized.

18. Other long term assets–receivables

In the other non–current assets, mainly included receivables of value € 30,845 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 € 12,304. The respective amounts for 2017 were for the receivables € 25,817 and for the provisions – adjustments to present value € 12,578. The variation is mainly due to a contractual receivable of the Group.

19. Inventories

	The Group		The Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Merchandise	1,638	1,910	1,638	1,910
Consumables	930	566	930	566
Totals	**2,568**	**2,476**	**2,568**	**2,476**

20. Trade and Other receivables–Other current assets

	Trade and Other Receivables			
	The Group		The Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Customers – Cheques Receivable	10,766	11,994	10,766	11,994
Trade receivables due from affiliates	–	–	–	6,600
Other Receivables	1,725	1,008	1,321	993
Totals	**12,491**	**13,002**	**12,087**	**19,587**

	Other current assets			
	The Group		The Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Prepaid Expenses	409	265	409	265
Accrued Income	411	305	411	241
Totals	**820**	**570**	**820**	**506**

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.

(amounts in thousands of €)

21. Cash and Cash equivalents

	The Group		The Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Cash on hand	229	286	229	286
Cash in banks and time deposits	23,936	33,553	8,955	27,103
Totals	**24,165**	**33,839**	**9,184**	**27,389**

Comparative amounts of the year 2017 (1/1–31/12/2017) have been reclassified as to present a more accurate information

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 31/12/2018 and on 31/12/2017 was 106,980,050.
Both the Company and its subsidiary did not held own shares during the year.
On 1/11/2018 was taken the decision by the Extraordinary General Assembly of the Company for the delisting of the Company's shares from the Athens Stock Exchange and the submission of a relevant request to the Hellenic Capital Market Commission. This process is in progress.

23. Reserves

	The Group		The Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Statutory reserve	13,733	13,488	12,779	12,779
Accumulated actuarial results recognized in equity	142	330	142	329
Totals	**13,875**	**13,818**	**12,921**	**13,108**

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.
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 2018 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 2018	31/12/2018	Average interest rate 2017	31/12/2017
Bond Loan – Agent National Bank of Greece	0.85%	–	0.85%	139,300
Less : Net book value of transaction costs		–		-261
Total bond loan		**–**		**139,039**
Less : current portion of long–term loan		–		-13,818
Total Long term debt		**–**		**125,221**

On 29/6/2018 the Company's bond loan was fully repaid.
The interest expenses of the above long term debt for the period ended 1/1–31/12/2018 and 1/1–31/12/2017, amounted to € 420 and € 1,299 respectively.
The removal of the mortgages on the Company's vessels concluded within August 2018 and now all the Company's vessels are encumbrance free. Moreover, also the removal of the pledge of the shares of subsidiary Minoan Italia S.p.A. has been completed. As at 31/12/2018 and 31/12/2017 there are no short–term borrowings. To secure the approved short–term borrowings two of the Company's properties have been mortgaged (note 14 and 29.4).

(amounts in thousands of €)

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:

	31/12/2018	31/12/2017
Present value of defined benefit obligations	1,571	1,420
Total liability	**1,571**	**1,420**

The amount, recorded as an expense at 31/12/2018 and 31/12/2017 respectively, is analyzed as follows:

	The Group	The Company
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**
Balance as at 1/1/2018	**1,420**	**1,420**
Current Service Cost	44	44
Interest Cost	23	23
Benefits paid	-225	-225
Cost of settlement	122	122
Actuarial loss recognized in the statement of changes in equity	187	187
Balance as at 31/12/2018	**1,571**	**1,571**

The amount, recorded as an expense at 31/12/2018 and 31/12/2017 respectively, is analyzed as follows:

	The Group		The Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Current Service Cost	44	51	44	51
Interest Cost	23	22	23	22
Benefits paid	122	225	122	225
Totals	**189**	**298**	**189**	**298**

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

	The Group		The Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Administrative expenses	52	100	52	100
Selling expenses	137	198	137	198
Totals	**189**	**298**	**189**	**298**

The movement of the defined benefit obligations for the years 2014–2018 is presented below:

	31/12/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014
Defined Benefit Obligations	1,571	1,420	1,473	1,386	1,362

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

- Discount Rate for 2018 is 1.70% while for 2017 is 1.60%
- Long–term average annual salaries increase by 1.75% for 2018 while for 2017 is 1.75%
- The average annual long term inflation rate for 2018 is 1.75% while for 2017 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 € 80. 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 € 98. 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 € 108.

27. Contractual obligations & Trade and Other payables

	The Group		The Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Contractual obligations *				
Customer advances	1,855	–	1,855	–
Deferred income	1,302	–	1,302	–
Totals	**3,157**	**–**	**3,157**	**–**
Trade and other payables				
Suppliers – cheque payables	6,942	4,290	6,940	4,286
Withholding taxes–social security contributions payable	3,994	3,688	3,993	3,688
Sundry creditors	10,417	2,239	4,806	2,239

(amounts in thousands of €)

Accrued expenses	2,181	1,615	2,181	1,615
Customer advances *	–	1,247	–	1,247
Deferred income *	–	1,742	–	1,153
Totals	**23,534**	**14,821**	**17,920**	**14,228**

** Relevant information is provided in note 3.19*

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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	The Group					
Financial assets						
Trade and other receivables	23,035	21,289	-10,544	-8,287	12,491	13,002
Financial liabilities						
Trade and other payables	37,234	23,108	10,544	8,287	26,690	14,821
	The Company					
Financial assets						
Trade and other receivables	22,631	27,874	-10,544	-8,287	12,087	19,587
Financial liabilities						
Trade and other payables	31,622	22,516	10,544	8,287	21,078	14,229

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

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.
Nevertheless, there are still the country'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 31/12/2018 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

(amounts in thousands of €)

• 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.

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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Long term receivables	18,541	13,239	13,128	13,239
Short term receivables	12,491	13,002	12,087	19,587
Guarantees received	-5,522	-5,394	-5,522	-5,394

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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Travel agencies - Port Agents	1,312	2,521	1,312	2,521
Truck customers	4,441	3,875	4,441	3,875
Agency services customers	4,652	2,149	4,652	2,149
Other receivables	2,086	4,457	1,682	11,042
Totals	**12,491**	**13,002**	**12,087**	**19,587**
Long term receivables (note 18)	18,541	13,239	13,128	13,239
Totals	**31,032**	**26,241**	**25,215**	**32,826**

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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Short term receivables				
Not past due	5,361	5,116	4,957	11,701
Past due 1-30 days	1,425	2,483	1,425	2,483
Past due 31-120 days	4,554	3,983	4,554	3,983
Past due 121-365 days	510	344	510	344
Past due over a year *	641	1,076	641	1,076
Totals	**12,491**	**13,002**	**12,087**	**19,587**
Long term receivables* (note 18)	18,541	13,239	13,128	13,239
Totals	**31,032**	**26,241**	**25,215**	**32,826**

* 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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Opening Balance	22,193	20,478	22,193	20,478
Plus : Impairment loss	489	1,777	489	1,777
Less : Transfer of impairment on long-term receivables	46	278	46	278
Less : Write off of Impairment loss	–	1	–	1
Less: Reversal of impairment loss due to debt recovery	143	91	143	91
Totals	**22,493**	**21,885**	**22,493**	**21,885**
Impairment on long-term receivables	46	278	46	278
Closing Balance	**22,539**	**22,163**	**22,539**	**22,163**

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.

(amounts in thousands of €)

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 31/12/2018 the Group's cash and cash equivalents amounted to € 24,165 while at 31/12/2017 amounted to € 33,839. Furthermore, the Group maintaining credit line with cooperating bank, which as at 31/12/2018 and 31/12/2017 amounting to € 7,000, which in total was unused. The interest on the credit line charged is based on the sum of the EURIBOR rate and the bank's 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, the lack of debt obligations 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:

	The Group		The Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	Within 1 year			
Contractual obligations & Trade and other payables	22,697	11,133	17,084	10,541
Bond loan*	–	13,930	–	13,930
Totals	**22,697**	**25,063**	**17,084**	**24,471**
	2-3 years			
Bond loan*	–	125,370	–	125,370

* excluded future interest payments

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.
Indirectly, the Company is exposed to currency risk from the bunkers supplies.

29.5.2 Interest rate risk

Following the full repayment of the Group's borrowings within 2018, the exposure to interest rate risk has almost eliminated and exists only for cash and cash equivalents.
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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Fixed rate instruments				
Cash and cash equivalents	24.165	33.839	9.184	27.389
Floating rate instruments				
Long term borrowings and bank overdrafts	–	139.039	–	139.039

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 the Group's commitments.

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.

(amounts in thousands of €)

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.
It is noted that in 2018 there was a significant increase in the level of international fuel prices which affected fuel cost.

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% until 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. Thus the Group decided in order to avoid the consumption eclusively of low-sulfur marine fuel to install scrubbers to its fleet.
This investment started in late 2018 and is in progress. The lack of borrowing combined with the Group's cash reserves ensures that the investment is not expected to have a significant impact on its 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 31/12/2018 and 31/12/2017 respectively, the Group and the Company held the following financial instruments measured at fair value:

		The Group		The Company	
	Level	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Financial instruments (note 3.19)					
Available for sale financial assets	3	-	83,414	-	83,414
Other Financial assets on fair value through P&L	3	87	-	87	-

The 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. The decline observed during the current year is due to the sale of the investment in Hellenic Seaways Shipping S.A. Detailed information is provided in note 17.
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

(amounts in thousands of €)

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

31/12/2018	Vessels' operations	Other commercial activities	Unallocated items	Totals
Continuing operations				
Revenue	64,675	27,062	–	**91,737**
Gross Profit of the year	4,425	11,007	–	**15,432**
Profit / (loss) of the year before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)	**15,373**	**7,214**	**-14,141**	**8,446**
Net depreciation	-12,776	-66	-481	**-13,323**
(Loss) / profit of the year before taxation, financing and investment costs	2,597	7,148	-14,622	**-4,877**
Impairment loss on non-current financial assets	–	–	-20	**-20**
Financial income	85	–	158	**243**
Financial expense	-515	-165	-471	**-1,151**
(Loss) / profit of the year before taxes	2,167	6,983	-14,955	**-5,805**
Income tax	27	–	–	**27**
(Loss) / profit of the year after taxes from continuing operations	**2,194**	**6,983**	**-14,955**	**-5,778**
(Loss) of the year after taxes from discontinued operations	–	–	–	–
(Loss) / profit / (loss) of the year after taxes	**2,194**	**6,983**	**-14,955**	**-5,778**
Total assets	274,593	991	31,174	**306,758**
Total liabilities	10,167	1,689	16,587	**28,442**
Capital expenditure	29,514	38	2,117	**31,670**

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 discontinued 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 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.

(amounts in thousands of €)

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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
(Loss) / profit of the year attributable to shareholders of the Parent				
from continuing operations	-5,778	4,159	-3,016	3,926
from discontinued operations	–	-78	–	-78
Total (Loss) / profit	**-5,778**	**4,081**	**-3,016**	**3,848**
Weighted average number of shares outstanding	106,980,050	106,980,050	106,980,050	106,980,050
Basic Earnings of the year per share after taxes (in €)				
from continuing operations	-0.0540	0.0388	-0.0282	0.0367
from discontinued operations	–	-0.0007	–	-0.0007
Total Earnings per share	**-0.0540**	**0.0381**	**-0.0282**	**0.0360**

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 31/12/2018 and 31/12/2017, as well as purchases (services received) and sales (services provided) for the years 2018 and 2017:

33.1 Group of Ultimate Parent Company

31/12/2018				The Company		The Group
	Minoan Lines Shipping S.A.				Minoan Italia S.p.A.	
company	Grimaldi Group S.p.A. *	Grimaldi Euromed S.p.A.	Grimaldi Deep Sea S.p.A.	Totals	Grimaldi Euromed S.p.A.	Totals
due from	246	–	–	**246**	–	**246**
payable to	–	1,688	2	**1,690**	5,610	**7,300**

** Grimaldi Tours and Grimaldi Group (Roma) are included*

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*

1/1–31/12/2018						The Company			The Group
	Minoan Lines Shipping S.A.						Minoan Italia S.p.A.		
company	Grimaldi Group S.p.A. *	Grimaldi Euromed S.p.A.	Grimaldi Deep Sea S.p.A.	Grimaldi Maritime Agencies Sweden AB	Grimaldi Belgium n.v.	Totals	Grimaldi Group S.p.A.	Grimaldi Euromed S.p.A.	Totals
Expenses related to the on board sales (concession fees etc)	–	10,069	–	–	–	**10,069**	–	–	**10,069**
Attributing agency costs	–	-2,863	-72	–	–	**-2,935**	–	–	**-2,935**
Bunkers cost	–	268	–	–	–	**268**	–	–	**268**
Attributing costs related to maintenance-repairs-dry docking and vessels improvements	–	–	–	–	–	–	–	8,676	**8,676**

(amounts in thousands of €)

Other expenses	36	-	-	–	1	37	22	–	59
Totals	**36**	**7,474**	**-72**	–	**1**	**7,439**	**22**	**8,676**	**16,137**
Revenue from crew coat reduction	163	449	–	–	–	**612**	–	–	**612**
Revenue from services rendered (commissions, fees and other revenue related to agency operation)	141	9,060	17	–	–	**9,218**	–	–	**9,218**
Revenue related to the on board sales	–	3,406	–	–	–	**3,406**	–	–	**3,406**
Chartering revenue	–	788	–	–	–	**788**	–	2,217	**3,005**
Revenue from bunker disposal	–	-–	–	–	–	**–**	–	570	**570**
Other revenue	–	16	–	1	–	**17**	–	–	**17**
Proceeds from sale of tangible asset (vessel)	–	–	–	–	–	–	–	70,000	**70,000**
Totals	**304**	**13,719**	**17**	**1**	–	**14,041**	–	**72,787**	**86,828**

** Grimaldi Tours and Grimaldi Group (Roma) are included*

1/1–31/12/2017

company	Minoan Lines Shipping S.A. 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.	The Company Totals	Minoan Italia S.p.A. Grimaldi Group S.p.A.	The Group 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*

33.2 Subsidiaries

31/12/2018

company	Minoan Italia S.p.A.	Totals
Minoan Lines Shipping S.A.		
due from / payable to	–	**–**

31/12/2017

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

1/1–31/12/2018

company	Minoan Lines Shipping S.A.	Minoan Italia S.p.A.	Totals
Minoan Lines Shipping S.A.			
Dividend received for the year 2017	–	4,638	**4,638**
Minoan Italia S.p.A.			
Proceeds from sale of tangible asset (vessel)	65,000	–	**65,000**
Totals	**65,000**	**4,638**	**69,638**

(amounts in thousands of €)

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**

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:

	31/12/2018	31/12/2017
Executive directors	430	477
Non – executive directors	340	274
Management	1,030	905
Totals	**1,800**	**1,656**

Of the total remunerations above, an amount of € 73 and € 64 remains unpaid as of 31/12/2018 and 31/12/2017 respectively.

Moreover, during the year ended 31/12/2018, the Company concluded commercial transactions with entities owned by BoD members amounting to € 191, while as of 31/12/2018 from such transactions an amount of € 201 was receivable and an amount of € 1 payable.

Finally, during the year ended 31/12/2018, transactions with relatives of the management and of executives amounted to € 291, while as of 31/12/2018 it was unpaid the amount of € 33. The nature of these transactions was mainly labour (payroll) and commercial cooperation (compensation for goods and services received).

34. Contingent liabilities

The contingent liabilities are the following:

(a) A court order was issued whereby the Company was imposed to pay an amount of € 800 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 heard again by the competent appeal court, but in a different to the initial composition, as determined by the decision of the Supreme Court and dismissed. Similarly, the appellant's appeal against that refusal was also dismissed. Therefore, this case closed irrevocably without any effect to the Company.

(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 € 252. 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 € 47,500. 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 € 17,700 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 € 46,250 at least plus statutory interest. Within February 2019 the process completed and the decision of the Arbitration Court is expected. 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 31/12/2018 there are operating lease contracts in force signed by the Company related to installments which expire by the year 2022. The particular operating lease costs that were included in the income statement for the current fiscal year amounted to € 24 (31/12/2017: € 20).The future minimum lease payments for those operating lease contracts will reach € 45 and will proportionally registered within the following years from 2019 to 2022.

(amounts in thousands of €)

(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.	2013–2018
Minoan Italia S.p.A.	2012–2018

The Company has not been audited by the tax authorities for the financial year 2013 and onwards. Respectively, the Italian subsidiary Minoan Italia S.p.A. has not been audited for the years 2012 to 2018. 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 opinion of its Tax Advisors, the company's management assesses 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 2013–2017 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 2018 is still in progress by PricewaterhouseCoopers S.A. The related «Tax Compliance Report» will be provided after the publication of 2018 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.

35. Audit fees

The auditing and other fees of the statutory audit firm (PricewaterhouseCoopers S.A. Certified Auditors – Accountants) reffered to the years 2018 and 2017 respectively are analyzed as follows:

	The Group		The Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
For auditing services	85	84	85	84
For the Annual Tax Certificate	39	40	39	40
For other services	7	8	7	8
Totals	**131**	**132**	**131**	**132**

36. Subsequent events

On 18/4/2019 the BoD of Hellenic Capital Market Commission approved the the Company's request for the delisting of its shares from the Athens Stock Exchange. Since 23/4/2019 the trading of the Company's shares has been halted.
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, April 23rd 2019

The Chairman of the B.o.D.	The Managing Director	The Chief Financial Officer	The Accounting Director
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

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 (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2018, the separate and consolidated statements of profit or loss and other comprehensive income (, changes in equity and cash flow statements 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 separate and consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at December 31, 2018, 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, 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, and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is 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 section 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.

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920.

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 2018 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.

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. We have nothing to report in this respect.

Responsibilities of Board of Directors 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 the Board of Directors 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 Board of Directors 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 the Board of Directors.

- Conclude on the appropriateness of Board of Directors' 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.

Report on other legal and regulatory requirements

With respect to the Board of Directors Report, the procedures we performed are described in the "Other Information" section of our report.

Athens, 31 May 2019
The Certified Auditor

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