



a Grimaldi Group company

**MINOAN LINES**

**SHIPPING SOCIETE ANONYME**

Company's No in the : General Electronic Commercial Registry: 77083027000  
Domicile : 17, 25th August Str. 71202 - Heraklion Crete

NOTES AND INFORMATION for the year ended December 31<sup>st</sup> 2016 ( 1/1 – 31/12/2016 )

(Published in accordance with law 2190/1920, art.135 for Companies preparing annual consolidated and separate financial statements, in accordance with I.F.R.S.)

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

(Amounts in Thousand €)

**COMPANY'S INFORMATION**

Supervising Authority : Ministry of Economy, Infrastructure, Marine and Tourism, Corporate and General Electronic Commercial Registry Division  
Company's Web Site : [www.minoan.gr](http://www.minoan.gr)  
Board of Directors: E. Grimaldi-Chairman, M. Hatzakis-Vice Chairman, A. Maniatakis-Managing Director, G. Grimaldi-Member, P. Kyrianiou-Member, D. Pacella-Member, K. Mamalakis-Member, G. Papageorgiou-Member  
Date of approval of financial statements from the Board of Directors: March 17<sup>th</sup> 2017  
Certified Auditor Accountant: Marinou Despina Reg. No. ICPA (GR) 17681  
Member Auditing Company : PricewaterhouseCoopers S.A. Certified Auditors - Accountants SOEL REG: No 113  
Type of Auditor's Report : **Unqualified opinion**

**STATEMENT OF CHANGES IN EQUITY**

|  | The Group  |            | The Company |            |
|--|------------|------------|-------------|------------|
|  | 31/12/2016 | 31/12/2015 | 31/12/2016  | 31/12/2015 |
| Total equity (1/1/2016 and 1/1/2015 respectively)                            | 259,565    | 241,844    | 250,046     | 233,807    |
| Profit of the year after taxes (A)   | 20,658     | 17,696     | 19,799      | 16,214     |
| Other comprehensive income of the year after taxes (B)                       | -28        | 25         | -28         | 25         |
| Total comprehensive income of the year after taxes (A) + (B)                 | 20,630     | 17,721     | 19,771      | 16,239     |
| Total equity at the end of the year (31/12/2016 and 31/12/2015 respectively) | 280,195    | 259,565    | 269,817     | 250,046    |

**STATEMENT OF FINANCIAL POSITION**

| Assets  | The Group      |                | The Company    |                |
|---|----------------|----------------|----------------|----------------|
|   | 31/12/2016     | 31/12/2015     | 31/12/2016     | 31/12/2015     |
| Property, plant and equipment                               | 303,308        | 370,249        | 160,682        | 222,095        |
| Intangible assets   | 105            | 123            | 105            | 123            |
| Investment property   | 1,217          | 1,258          | 1,217          | 1,258          |
| Investments in subsidiaries                                 | -              | -              | 132,243        | 140,343        |
| Available for sale financial assets                         | 82,907         | 50,607         | 82,907         | 50,607         |
| Other non-current assets                                    | 15,155         | 16,235         | 15,155         | 16,235         |
| Inventories   | 3,261          | 2,616          | 3,261          | 2,616          |
| Trade receivables   | 41,638         | 36,044         | 42,109         | 35,606         |
| Other current assets  | 32,780         | 28,492         | 31,279         | 26,037         |
| <b>Total assets</b>   | <b>480,371</b> | <b>505,624</b> | <b>468,958</b> | <b>494,920</b> |
| Share Capital   | 240,705        | 240,705        | 240,705        | 240,705        |
| Retained Earnings and other Reserves                        | 39,490         | 18,860         | 29,112         | 9,341          |
| <b>Total Shareholders Equity (a)</b>                        | <b>280,195</b> | <b>259,565</b> | <b>269,817</b> | <b>250,046</b> |
| Non-controlling interests (b)                               | -              | -              | -              | -              |
| <b>Total equity (c) = (a) + (b)</b>                         | <b>280,195</b> | <b>259,565</b> | <b>269,817</b> | <b>250,046</b> |
| Long-term borrowings  | 138,928        | 178,281        | 138,928        | 178,281        |
| Provisions / other long-term liabilities                    | 1,880          | 5,269          | 1,634          | 5,005          |
| Bank overdrafts and current portion of long term borrowings | 13,930         | 16,259         | 13,930         | 16,259         |
| Other current liabilities                                   | 45,438         | 46,250         | 44,649         | 45,329         |
| <b>Total liabilities (d)</b>                                | <b>200,176</b> | <b>246,059</b> | <b>199,141</b> | <b>244,874</b> |
| <b>Total equity and liabilities (c) + (d)</b>               | <b>480,371</b> | <b>505,624</b> | <b>468,958</b> | <b>494,920</b> |

**STATEMENT OF CASH FLOWS**

|   | The Group      |                | The Company    |                |
|---|----------------|----------------|----------------|----------------|
|   | 1/1-31/12/2016 | 1/1-31/12/2015 | 1/1-31/12/2016 | 1/1-31/12/2015 |
| <b>Cash flows from operating activities</b>   |                |                |                |                |
| Profit of the year before taxes   | 21,932         | 17,939         | 20,830         | 16,214         |
| plus / (less) adjustments for :   |                |                |                |                |
| Net depreciation  | 13,951         | 15,778         | 8,422          | 10,250         |
| Impairment loss on available for sale financial assets                                    | -              | 27             | -              | 27             |
| Provisions  | 1,204          | 3,153          | 1,204          | 3,153          |
| Net Foreign Exchange losses   | 4              | -              | 4              | -              |
| (Income), (gains) from other investing activities   | -3,521         | -              | -7,131         | -2,981         |
| Interest and other financial expenses   | 2,128          | 2,560          | 2,128          | 2,560          |
| <b>plus / (less) Adjustments for changes in working capital or operating activities :</b> |                |                |                |                |
| (Increase) in inventories   | -645           | -308           | -645           | -308           |
| (Increase) in trade and other receivables   | -6,067         | -8,897         | -7,898         | -8,192         |
| (Decrease) / increase in liabilities other than borrowings                                | -1,863         | 2,856          | -1,728         | 2,106          |
| Interest and related expenses paid  | -1,928         | -2,420         | -1,928         | -2,420         |
| Income taxes paid   | -259           | -216           | -              | -              |
| <b>Net cash generated by / (used in) operating activities (a)</b>                         | <b>24,936</b>  | <b>30,472</b>  | <b>13,258</b>  | <b>20,409</b>  |
| <b>Cash Flows from Investing activities</b>   |                |                |                |                |
| Purchase of other investments   | -32,300        | -65            | -32,300        | -65            |
| Return of capital from affiliate (years 2016-2015-2014)                                   | -              | -              | 8,100          | 7,052          |
| Purchase of tangible and intangible assets  | -1,086         | -1,751         | -1,086         | -1,751         |
| Net proceeds from sale of tangible assets   | 55,000         | -              | 55,000         | -              |
| Dividends received  | -              | -              | 3,610          | 2,981          |
| <b>Net cash generated / (used in) by investing activities (b)</b>                         | <b>21,614</b>  | <b>-1,816</b>  | <b>33,324</b>  | <b>8,217</b>   |
| <b>Cash Flows from Financing activities</b>   |                |                |                |                |
| Repayment of long/short term borrowings   | -41,875        | -24,280        | -41,875        | -24,280        |
| <b>Net cash (used in) financing activities (c)</b>  | <b>-41,875</b> | <b>-24,280</b> | <b>-41,875</b> | <b>-24,280</b> |
| <b>Net Increase in cash and cash equivalents (a) + (b) + (c)</b>                          | <b>4,675</b>   | <b>4,376</b>   | <b>4,707</b>   | <b>4,346</b>   |
| Cash and cash equivalents at the beginning of the year                                    | 24,704         | 20,328         | 24,566         | 20,220         |
| <b>Cash and cash equivalents at the end of the year</b>                                   | <b>29,379</b>  | <b>24,704</b>  | <b>29,273</b>  | <b>24,566</b>  |

**STATEMENT OF COMPREHENSIVE INCOME**

|   | The Group      |                | The Company    |                |
|---|----------------|----------------|----------------|----------------|
|   | 1/1-31/12/2016 | 1/1-31/12/2015 | 1/1-31/12/2016 | 1/1-31/12/2015 |
| Revenue   | 160,248        | 172,432        | 149,864        | 162,077        |
| Gross Profit of the year  | 47,856         | 46,590         | 43,023         | 41,773         |
| Operating Profit of the year before tax, financing and investing costs                            | 23,891         | 20,244         | 19,209         | 15,565         |
| Profit of the year before taxes   | 21,932         | 17,939         | 20,830         | 16,214         |
| <b>Profit of the year after taxes (A)</b>   | <b>20,658</b>  | <b>17,696</b>  | <b>19,799</b>  | <b>16,214</b>  |
| - Equity holders of the parent  | 20,658         | 17,696         | 19,799         | 16,214         |
| - Non-controlling interests   | -              | -              | -              | -              |
| Other comprehensive income of the year after taxes (B)  | -28            | 25             | -28            | 25             |
| <b>Total comprehensive income of the year after taxes (A) + (B)</b>                               | <b>20,630</b>  | <b>17,721</b>  | <b>19,771</b>  | <b>16,239</b>  |
| - Equity holders of the parent company  | 20,630         | 17,721         | 19,771         | 16,239         |
| - Non-controlling interests   | -              | -              | -              | -              |
| <b>Basic Profit of the year per share after taxes (in €)</b>                                      | <b>0.1931</b>  | <b>0.1654</b>  | <b>0.1851</b>  | <b>0.1516</b>  |
| <b>Operating Profit of the year before taxes, net depreciation, financing and investing costs</b> | <b>37,842</b>  | <b>36,049</b>  | <b>27,630</b>  | <b>25,841</b>  |

**NOTES AND INFORMATION**

- The amounts are presented in thousands of € unless explicitly stated otherwise. Any last digit discrepancies are due to rounding of the figures.
- The companies that are included in the above stated financial statements with their locations, the Group interest and the consolidation method are presented in note 1 of the annual financial report.
- The consolidated financial statements are included in the consolidated financial statements of the company "GRIMALDI GROUP S.p.A." (domicile : Palermo Italy) which at the year ended December 31<sup>st</sup> 2016 participated in the share capital of the Company with 95.89% (call option of 1.97% included).
- The unaudited tax years of the Company and of the companies of the Group are analyzed in note 34 of the annual financial report.
- For securing the long-term debt, first preferred mortgages have been registered on the vessels of the above stated financial statements amounting to € 375,000 thousand and have been pledged the shares of the subsidiary company "Minoan Italia S.p.A.". Furthermore, the short-term borrowings (as at 31/12/2016 there are no such) are secured by first preferred mortgages registered on two of the Company's properties (note 25 of the annual financial report).
- The relevant provisions included in the above stated financial statements are the following:

|   | The Group | The Company |
|---|-----------|-------------|
| Provisions for debtors balances legally pursued | 20,478    | 20,478      |
| Provisions for unaudited tax years              | -         | -           |
| Other provisions                                | 161       | 161         |
- There are no other outstanding disputes in the courts or any arbitration against the Company and the companies of the Group, which are assessed that could have substantial effects on their financial position, so to be required further provisions.
- The number of the personnel employed by the Group at the year ended 31/12/2016 and 31/12/2015 was 308 and 360, respectively.
- Basic earnings per share were calculated based on the weighted average number of shares outstanding as of 31/12/2016 and 31/12/2015 respectively (notes 1 and 22 of the annual financial report).
- The total inflows and outflows, as well as the receivables and payables, resulting from transactions among the related parties in accordance with the I.A.S. 24 are analyzed in note 33 of the annual financial report and are as follows:

|  | The Group | The Company |
|--|-----------|-------------|
| a) Inflows   | 60,664    | 64,274      |
| b) Outflows  | 34,544    | 34,524      |
| c) Receivables   | 19,261    | 19,732      |
| d) Payables  | 48        | 48          |
| e) Transactions and compensations of directors and members of B.o.D. | 1,906     | 1,906       |
| f) Receivables from directors and members of B.o.D.                  | 16        | 16          |
| g) Payables to directors and members of B.o.D.                       | 82        | 82          |

Heraklion, March 17<sup>th</sup> 2017

The Vice – Chairman of the B.O.D.

Michail Hatzakis  
Pass. No AH 4939797

The Managing Director

Antonios Maniatakis  
ID C No AI 944699

The Chief Financial Officer

Nikolaos Artemis  
ID C No AK 004796

The Accounting Manager

Isidoros Manolakis  
ID C No AE 961838

The Accountant

Astrinos Kyrallakis  
ID C No AM 465753  
H.E.C. Lcnc No 79324 A' Class